



Combined Services RSL Club  
Co-operative Limited  
ABN 13 485 506 734

Financial Statements

Year ending 31 December 2020

# Combined Services RSL Club Co-operative Limited

## Directors' Report

In compliance with regulation 3.10 of the Co-operatives National Regulations, the Directors of Combined Services RSL Club Co-operative Limited report in respect of the year ended December 31, 2020 as follows:

### 1. Directors

The following persons were directors of entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Geoff Coffill	President, resigned 23 March 2021
Mr Wally Benington	Vice President, resigned 17 July 2020
Mr Carl Dumbrell	Treasurer. President appointed 30 March 2021
Mr Steve Warnock	Director
Mr Terry McCarthy	Director, resigned 6 June 2020
Mr Bob Nugent	Director. Vice President appointed 30 March 2021
Ms Clarita Davison	Director, resigned 26 February 2020
Ms Julie Best	Director, resigned 10 June 2020
Mr Peter Joass	Director, appointed 23 June 2020
Mr Liam Williams	Director, appointed 30 March 2021
Mr Alistair McLean	Director, appointed 30 March 2021

### 2. Activities

The principal activities of the entity in the course of the financial year have been those of a registered club. During the financial year there has been no change in nature of those activities.

### 3. Result

The net amount of Loss after providing for income tax for the financial year was \$301,472.

### 4. Dividends

The Directors recommend that no dividend be paid by the entity in respect of the financial year and state that no dividends have been paid since the end of the previous financial year.

### 5. Review of Operations

Bar trading (net)	26,150
Poker machine trading (net)	147,786
Members Subscriptions	3,118
Interest Received	3,038
Keno	2,042
Other Income	363,494
	Total Income 545,628
	Total Expense 847,100
	Net Operating Loss 301,472

### 6. Financial Position

The net assets of the entity decreased by \$301,472 to \$214,982 as at 31 December 2020 (2019: \$516,454)

The entity's working capital, being current assets less: current liabilities was in surplus at 31 December 2020, in the amount of \$144,470 (2019: \$417,692). During the period, the entity had negative cash flows from operating activities of \$248,323 (2019: \$349,317 Surplus) and expended \$12,217 (2019: \$170,273) in relation to investing activities (plant & equipment).

## **Combined Services RSL Club Co-operative Limited Directors' Report**

### **7. Significant Changes**

COVID-19, the infectious disease caused by the most recently discovered Coronavirus, was declared a pandemic by the World Health Organisation on 11 March 2020. From its suspected origins in Wuhan, China in December 2020, it has since spread to many other regions around the world, including several thousand individual cases in Australia. Commonwealth and state governments in Australia have taken steps to shut down many parts of the economy, forcing the closures of a significant number of businesses and driving up unemployment. The club was mandatorily closed from 23 March 2020.

The board approved an emergency business plan on Thursday 26 March 2020 which outlined a series of significant cost cutting measures and scenarios of drawing upon the cash investment funds to facilitate payment of necessary creditors during the closure.

The Club applied for various government grants including JobKeeper, Cash Flow boost and NSW State Government grants. Nine (9) staff members were eligible for JobKeeper and are being paid whilst this program runs.

The Club reopened for business Friday 5 June 2020 in a limited capacity applying all the Covid-19 safety procedures.

The economic impact and human cost to Australia and the world is already at catastrophic levels.

The entity has been impacted by the mandatory closures of various business and other social distancing rules. It is expected that trading activity will continue to be suppressed for a number of months.

No other significant change occurred in the state of affairs of the entity during the financial year.

### **8. Matters Subsequent to the End of the Financial Year**

The Club was placed into Voluntary Administration on 17 February 2021, due to the economic impact caused by Covid-19 and the lockdown in 2020.

At a meeting of the Club's creditors held 25 March 2021, creditors passed a resolution requiring the club to execute a Deed of Company Agreement (DOCA) pursuant to Part 5.3A of the Corporations Act 2001.

The DOCA was executed by the Club on 29 March 2021 and lodged with Fair Trading as required.

The terms of the VA approved by the creditors are:

- Amalgamation with City Tattersalls Club (CTC)
- Agreement of new lease between the Club and Sub-Branch

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

### **9. Likely Developments**

No further developments are planned in the coming year.

### **10. Environmental Regulations**

The Society's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

**11. Directors' and Officers' Insurance**

The Society has paid insurance premiums in respect of directors' and officers' liability and legal expense insurance for directors and officers of the Society. Further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

**12. Directors' Benefits**

Since the end of the previous financial year no member of the Board of Directors has received or become entitled to receive any benefit by reason of a contract between the Society or related corporation, and him/herself, his/her firm or a company in which he/she has substantial financial interest that has not been disclosed to the Board of Directors.

**13. Meetings of directors**

The number of meetings of the Club's Board of Directors ('the Board') held during the year ended 31 December 2020, and the number of meetings attended by each director were:

	<b>Full Board</b>	
	<b>Attended</b>	<b>Held</b>
Mr Geoff Coffill	9	9
Mr Wally Benington	3	3
Mr Carl Dumbrell	9	9
Mr Steve Warnock	9	9
Mr Terry McCarthy	1	3
Mr Bob Nugent	8	9
Ms Clarita Davison	2	2
Ms Julie Best	2	3
Mr Peter Joass	7	7

Held: represents the number of meetings held during the time the Director held office.

For and on behalf of the Board of Directors and in accordance with the Board's resolution.



**C. Dumbrell**  
President / Treasurer

## Combined Services RSL Club Co-operative Limited Directors Declaration

1. In the opinion of the Directors:
  - a) The financial statements and the notes comply with the accounting policies set out in Note 1 to the financial statements.
  - b) The accounts set out on the accompanying pages are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2020, and its results for the year ended on that date; and
  - c) At the date of this statement there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due
  - d) In the opinion of the Directors the entity met the definition of a “small co-operative” for the year ended 31 December 2020 in accordance with regulation 1.4 of the Co-operatives National Regulations.
  
2. The entity has, in respect of the financial year:
  - a) Kept its accounting records as to correctly record and explain the transactions and Balance Sheet of the entity;
  - b) Kept its accounting records in such manner as would enable true and fair accounts of the entity to be prepared from time to time; and
  - c) Kept its accounting records in such manner as would enable the accounts of the entity to be conveniently and properly audited in accordance with the Co-operatives National Law and the Co-operatives National Regulations.
  
3. The accounts have been properly prepared by a competent person.
  
4. The number of members was 1560 as at 31 December 2020.

In accordance with a resolution of the Directors.



**C. Dumbrell**  
President / Treasurer

21<sup>st</sup> day of May 2021



## Combined Services RSL Club Co-Operative Ltd

ABN 13 485 506 734

### **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Combined Services RSL Club Co-Operative Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

ICP Assurance Services Pty Ltd  
Authorised Audit Company

A handwritten signature in black ink, appearing to read 'Chris Wong', is written over a light grey rectangular background.

Christopher Wong  
Director

21<sup>st</sup> May 2021  
Sydney NSW 2000

Liability limited by a Scheme approved under Professional Standards Legislation

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**Combined Services RSL Club Co-operative Limited**  
**Income Statement**  
**For the year ended 31 December 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
Net Profit/(Loss) From Ordinary Activities	2	(301,472)	52,011
Income Tax Attributable to Net Profit		-	-
Net profit/(Loss) From Ordinary Activities After Income Tax		<u>(301,472)</u>	<u>52,011</u>
Retained Profits/(Loss) 1 January 2020		<u>173,127</u>	<u>121,116</u>
Retained Profits/(Loss) 31 December 2020		<u><u>(128,345)</u></u>	<u><u>173,127</u></u>

**Combined Services RSL Club Co-operative Limited**  
**Balance Sheet as at 31 December 2020**

<b>Current Assets</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Cash	3	273,643	534,183
Receivables	4	101,429	52,926
Inventories		29,694	42,739
<b>Total Current Assets</b>		<b>404,766</b>	<b>629,848</b>
<b>Non Current Assets</b>			
Plant & Equipment	5	203,160	265,720
<b>Total Non Current Assets</b>		<b>203,160</b>	<b>265,720</b>
<b>Total Assets</b>		<b>607,926</b>	<b>895,568</b>
<b>Current Liabilities</b>			
Payables	7	107,956	54,361
Lease Liabilities	9	42,688	59,150
Other Financial Liabilities		41,599	39,901
Employee Provisions	8	68,053	58,744
<b>Total Current Liabilities</b>		<b>260,296</b>	<b>212,156</b>
<b>Non Current Liabilities</b>			
Provision for Super Jackpot		89,150	90,000
Lease Liabilities Poker Machines	9	43,498	76,958
<b>Total Non Current Liabilities</b>		<b>132,648</b>	<b>166,958</b>
<b>Total Liabilities</b>		<b>392,944</b>	<b>379,114</b>
<b>Net Assets</b>		<b>214,982</b>	<b>516,454</b>
<b>Member Funds</b>			
Reserves	10	343,327	343,327
Retained (deficit)/ surplus		(128,345)	173,127
<b>Total Member Funds</b>		<b>214,982</b>	<b>516,454</b>



**Combined Services RSL Club Co-operative Limited**  
**Statement of cash flows for the year ended 31 December 2020**

	Note	2020	2019
<b>Cash flows from operating activities</b>			
Receipts from operations		1,178,937	1,434,163
Interest received		3,038	5,767
Payments to suppliers and employees		(1,430,298)	(1,090,613)
<b>Net cash (used in) / provided by operating activities</b>	11	<b>(248,323)</b>	<b>349,317</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(12,217)	(170,273)
<b>Net cash used in investing activities</b>		<b>(12,217)</b>	<b>(170,273)</b>
Net increase in cash and cash equivalents		(260,540)	179,044
Cash and cash equivalents at the beginning of the financial year		534,183	355,139
Cash and cash equivalents at the end of the financial year	3	273,643	534,183

# Combined Services RSL Club Co-operative Limited

## Notes to and forming part of the financial statements

### Year ended 31 December 2020

#### Note 1 – Statement of Accounting Policies

The directors have prepared the financial statements on the basis that the Society is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Co-operatives National Law and the Co-operatives National Regulations.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Going Concern

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

The Club was forced to close on Monday 23 March 2020 due to Covid-19. The Board approved an emergency business plan on Thursday 26 March 2020 which outlined a series of significant cost cutting measures and scenarios of drawing upon the cash investment funds to facilitate payment of necessary creditors during the closure.

The Club applied for various government grants including JobKeeper, Cash Flow Boost and NSW State Government grants. Nine (9) staff members were eligible for JobKeeper and are being paid whilst this program runs.

The Club reopened for business Friday 5 June 2020 in a limited capacity applying all the Covid-19 safety procedures.

For the year ended 31 December 2020, the Club achieved a loss after tax of \$301,472 (2019 profit: \$52,011).

During and since the end of the financial period, the Directors have maintained policies to minimise expenditure, including:

- Ongoing review of suppliers and costs;
- Review of the Club's operations and income streams.
- Advertise to Amalgamate with other Clubs

The Club was placed into Voluntary Administration on 17 February 2021, due to the economic impact caused by Covid-19 and the lockdown in 2020.

At a meeting of the Club's creditors held 25 March 2021, creditors passed a resolution requiring the club to execute a Deed of Company Agreement (DOCA) pursuant to Part 5.3A of the Corporations Act 2001.

The DOCA was executed by the Club on 29 March 2021 and lodged with Fair Trading as required.

The terms of the VA approved by the creditors are:

- Amalgamation with City Tattersalls Club (CTC)
- Agreement of new lease between the Club and Sub-Branch

# Combined Services RSL Club Co-operative Limited

## Notes to and forming part of the financial statements

### Year ended 31 December 2020

The Club's members will need to approve the Amalgamation with CTC, the vote will require at least 75% of votes received in favour of the resolution in order for it to pass.

In the event the resolution is not passed the Board will need to consider options in relation to whether the Club can continue as a going concern. One option is that the Club will be placed back into administration ahead of its being formally wound up.

The Directors have prepared a detailed financial forecast through to December 2021 and based on the budget the Club will need to maintain flexibility in its operations due to Covid-19 in order to maintain positive retained earnings.

The forecast prepared by management assumes the Club will be able to generate sufficient cash income and where necessary draw upon available cash reserves and a financial facility offered from CTC, over the next twelve months to meet its commitments and for this reason the financial statements have been prepared on the basis that the Club is a going concern.

In the event the Club is unsuccessful on the matters set out above, there is material uncertainty whether the Club will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Club not continue as a going concern.

#### Revenue recognition

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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 Society have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

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

# Combined Services RSL Club Co-operative Limited

## Notes to and forming part of the financial statements

### Year ended 31 December 2020

#### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered.

Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### Accounting policy for 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 an insignificant risk of changes in value.

# Combined Services RSL Club Co-operative Limited

## Notes to and forming part of the financial statements

### Year ended 31 December 2020

#### Financial Assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

#### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

#### Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Plant and equipment

Plant and equipment are measured using the cost model.

#### Depreciation

Depreciation is calculated on a straight-line basis so as to write off the cost of Plant, Equipment and other Property during its effective working life.

#### Employee benefits

The amounts expected to be paid to employees for their pro-rata entitlement to long service leave and annual leave has been provided on the basis of the State Legislation and Awards including all amounts legally payable to the date of the balance sheet and any amounts payable under the contingencies provided for in respect of employment termination.

#### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

# **Combined Services RSL Club Co-operative Limited**

## **Notes to and forming part of the financial statements**

### **Year ended 31 December 2020**

#### **Leases – Adoption of AASB 16**

The Club has adopted AASB 16 leases for the year ended 31 December 2020.

#### **Financial statement impact of adoption of AASB16**

There is no significant impact to the financial statements due to the lease of the company are short term for the year ended 31 December 2020.

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***

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

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.

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.

**Combined Services RSL Club Co-operative Limited**  
**Notes to and forming part of the financial statements**  
**Year ended 31 December 2020**

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.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

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

**Note 2 – Operating Profit**

The operating Profit before income tax includes the following items of revenue and expense:

	<b>2020</b>	<b>2019</b>
<b>Operating Revenue</b>		
Gaming Machine Revenue	229,423	628,313
Gross Profit on Bar Trading	390,808	777,353
Members' Subscriptions	3,118	8,382
Interest Received	3,038	5,767
Keno	2,042	1,925
Other Income	363,494	18,190
	991,923	1,439,930
<b>Operating Expenses</b>		
Audit Fees	7,636	5,760
Amortisation	606	79,565
Depreciation	74,170	50,587
Provision— Holiday Pay & Long Service Leave	25,269	31,033
Provision – Super jackpot	(850)	20,000
Superannuation	48,444	48,474
Other expense	1,138,120	1,200,974
<b>Net profit/(loss)</b>	(301,472)	52,011

**Combined Services RSL Club Co-operative Limited**  
**Notes to and forming part of the financial statements**  
**Year ended 31 December 2020**

<b>Note 3 – Cash &amp; cash equivalents</b>	<b>2020</b>	<b>2019</b>
Bank Accounts	122,279	178,183
Cash on Hand	41,000	56,000
Term Deposits	110,364	300,000
	<b>273,643</b>	<b>534,183</b>
<b>Note 4 – Receivables</b>		
Prepayments	67,015	50,579
Job Keeper	31,950	0
Unexpired Interest Charge	2,464	2,347
	101,429	52,926
<b>Note 5 – Property, plant &amp; equipment</b>		
Plant & Equipment – at cost	1,598,281	1,586,582
<b>Less:</b> Accumulated Depreciation	(1,402,781)	(1,329,129)
	195,499	257,453
Leasehold Improvements-- at cost	975,393	975,393
Less: Accumulated Amortisation	(967,732)	(967,126)
	7,661	8,267
	203,160	265,720
<b>Note 7– Payables</b>		
Trade Creditors and Accruals	104,115	46,326
GST	3,841	8,035
	107,956	54,361
<b>Note 8 – Employee Provision</b>		
Annual Leave	34,755	29,141
Long Service Leave	33,298	29,603
	68,053	58,744
<b>Note 9 – Lease Liabilities</b>		
Current		
Lease liabilities -Poker Machines	42,688	59,150
	42,688	59,150
Non-Current		
Lease liabilities -Poker Machines	43,498	76,958
	43,498	76,958
<b>Note 10 – Reserves</b>		
Replacement and maintenance of equipment	131,842	131,842
Capital profits	211,485	211,485
	343,327	343,327



**Combined Services RSL Club Co-operative Limited**  
**Notes to and forming part of the financial statements**  
**Year ended 31 December 2020**

**Note 11. Reconciliation of profit/(loss) after income tax to net cash used in operating activities**

	<b>2020</b>	<b>2019</b>
Profit (loss) after income tax benefit for the year	(301,472)	52,011
Adjustments for:		
Depreciation and amortisation	74,776	130,152
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(48,503)	(6,058)
(Increase)/decrease in inventories	13,046	5,700
(Increase)/decrease in other payables	22,289	62,737
Decrease in provisions	(8,459)	104,775
	(248,323)	349,317
Net cash (used in) / provided by operating activities	(248,323)	349,317

**Note 12. Income tax expense/(benefit)**

	<b>2020</b>	<b>2019</b>
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
(Loss) / Profit before income tax benefit	(301,472)	52,011
Tax at the statutory tax rate of 27.5%	(82,905)	14,303
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Movements in provisions	2,326	8,603
Movements in accrued expenditure	(543)	-5,913
Other non-deductible expenses	-	-
	(81,122)	16,993
Current year tax loss not recognised	(81,122)	(16,993)
Carried forward tax losses applied	-	-
Income tax expense/(benefit)	-	-

**Combined Services RSL Club Co-operative Limited**  
**Notes to and forming part of the financial statements**  
**Year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	261,104	179,982
	71,804	49,495
Potential tax benefit @ 27.5%	71,804	49,495

The above potential tax benefit for tax losses has not been recognised in the balance sheet. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	<b>2020</b>	<b>2019</b>
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprise:		
Temporary differences	1,783	2,690
Tax losses	70,021	46,805
	71,804	49,495
Total deferred tax assets not recognised	71,804	49,495

The above potential tax benefit has not been recognised in the balance sheet as the recovery of this benefit is uncertain.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

- (i) the entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- (ii) the entity continues to comply with the conditions for deductibility imposed by law, and
- (iii) no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the losses.

**Note 13 – Reporting by Segments**

The principal continuing activity of the entity is that of a licensed club, which operates in one geographical area being Sydney, New South Wales.

**Combined Services RSL Club Co-operative Limited**  
**Notes to and forming part of the financial statements**  
**Year ended 31 December 2020**

**Note 14 – Amounts expended by Directors as approved by Members at the AGM held 30 May 2019.**

	<u>Amount Approved</u>	<u>Amount Expended</u>
Pursuant to the Registered Clubs Act:		
<b>Ordinary Resolution No 1</b> – Reasonable cost of meals and beverages after Board or Committee meetings, entertainment of special guests and attending functions of	10,000	2,997
<b>Ordinary Resolution No 2</b> – Reasonable costs of attending Registered Clubs Association Subscription and Meetings, Seminars, Lectures, Trade Displays and Similar Events.	12,500	2,886
<b>Ordinary Resolution No 3</b> – Board Annual Dinner attended by Directors, Senior Management, Local Dignitaries and their partners.	6,500	-
	<u>29,000</u>	<u>5,883</u>

<b>Note 15-- Statement of changes in Retained Surplus</b>	<b>2020</b>	<b>2019</b>
Retained Surplus as at 1 January 2020	173,127	121,116
<b>Plus/(Less):</b>		
(Loss) / Profit for the year ended 31 December 2020	(301,472)	52,011
<b>Retained (Deficit) / Surplus as at 31 December 2020</b>	<u>(128,345)</u>	<u>173,127</u>

**Note 16 – Registered office & principal place of business**  
5-7 Barrack Street, Sydney NSW 2000  
Phone: 02 9299-3688  
Fax: 02 9299-1655  
Web: [www.barracksonbarrack.com.au](http://www.barracksonbarrack.com.au)

**Combined Services RSL Club Co-operative Limited**  
**Statement of source of funds for the year ended 31 December 2020**

**Funds from operations**

Inflow of Funds	1,181,975	
Less: Outflows of Funds	1,430,298	
	<hr/>	

<b>Reductions in Assets</b>		(248,323)
-----------------------------	--	-----------

**Current Assets**

Other debtors	(48,503)	
Inventories	13,046	
	<hr/>	(35,457)

**Fixed Assets**

Less: Provision for Depreciation	74,170	
Less: Written off Amortisation	606	
	<hr/>	74,776

**Increase in Liabilities**

**Current Liabilities**

Trade Creditors	55,812	
GST on supplies	(2,337)	
Provision for Holiday Pay	5,614	
Provision for Long Service Leave	3,695	
	<hr/>	62,784

**Non Current Liabilities**

Provision for Super jackpot	(850)	
	<hr/>	(850)
		<hr/>
		(147,070)
		<hr/>

**Application of funds**

**Increase in assets**

Cash at Bank		(260,539)
Plant & Equipment		62,559
Prepayments		16,436
		<hr/>
		(181,544)
		<hr/>

**Combined Services RSL Club Co-operative Limited**  
**Bar Income statement year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
Sales	620,776	1,186,327
Less: Cost of Sales		
Stock on Hand 1 January 2020	42,740	37,040
Purchases	216,964	414,674
	259,704	451,714
Less: Stock on Hand 31 December 2020	29,736	42,740
Total cost of sales	229,968	408,974
Gross Profit on Bar Trading	390,808	777,353

**Combined Services RSL Club Co-operative Limited**  
**Income statement year ended 31 December 2020**

<b>INCOME</b>	<b>2020</b>	<b>2019</b>
Bar	26,150	470,629
Poker machine	147,786	519,401
Keno	2,042	1,925
Members subscriptions	3,118	8,382
Interest received	3,038	5,767
Commission - ATM	2,627	5,895
Other Income – Grants & Govt assistance	357,118	-
Raffle	3,749	2,295
Profit on sale on asset	-	10,000
<b>Total</b>	<b>545,628</b>	<b>1,024,294</b>
<b>EXPENSES</b>		
Advertising	-	1,547
Air conditioning	7,200	7,960
Amortisation	606	79,565
Accounting & Audit	7,636	5,760
Bank fees	9,308	13,747
Cards	-	1,018
Cleaning	29,442	35,980
Club badge draw	6,950	4,150
Depreciation	74,170	50,587
Donations	600	4,860
FOX Sports	17,592	23,466
General expenses	8,984	17,798
Hiring charges	11,254	11,971
Holiday/Long Service Leave	25,269	31,033
Insurance	51,296	47,565
Interest	2,347	587
Legal expenses	3,985	5,300
Lift maintenance	7,426	9,577
Light & power	53,139	66,304
Membership mailouts	510	70
Maintenance - Catering	5,235	3,312
Maintenance	37,824	34,161
Super Jackpot	(850)	20,000
O.P.E. - Directors	145	218
Postage	813	2,319
Printing & Stationery	6,280	4,464
Poker league	4,535	14,094
Rates - council & water	48,835	56,580
Rent	165,190	164,307
Rubbish removal	7,840	17,948
Salaries & wages	172,221	144,846
Staff Amenities	8,472	9,207
Social networking	2,784	3,034
Social expenses	2,997	6,282
Subscriptions	3,575	4,026
Sundry licences	4,093	7,240
Superannuation	48,444	48,474
Theft	523	-
Telephone	6,718	6,834
Training/seminars	2,886	6,110
Under/over cash floats	826	(18)
<b>Total</b>	<b>847,100</b>	<b>972,283</b>
<b>Net (Loss)/ Profit Before Tax</b>	<b>(301,472)</b>	<b>52,011</b>

**Combined Services RSL Club Co-operative Limited**  
**Income statement year ended 31 December 2020**

**PROFIT AND LOSS APPROPRIATION**

Net Profit/(Loss) Before Tax	(301,472)	52,011
Profit/(Loss) After Tax	(301,472)	52,011
Accumulated Funds At Beginning Of Year	173,127	121,116
Add Profit/(Loss) This Year	(301,472)	52,011
Total	(128,345)	173,127

**Combined Services RSL Club Co-operative Limited**  
**Registered Clubs Act, 1976**  
**Section 38 (1)**  
**Part 1**

1. The attached Balance Sheet and Income Statement, and Notes are a true copy of the audited accounts of Combined Services R.S.L. Club Co-operative Limited for the year ended December 31, 2020 and the attached Auditor's Report is a true copy of the Auditor's Report thereon.
2. The following supplementary information as at that date is submitted in support of the attached Balance Sheet and Income Statement.

**3. Assets**

	<b>2020</b>	<b>2019</b>
<b><u>Cash</u></b>		
Cash at bank – Westpac	122,279	178,183
Cash on hand – Petty cash	1,000	1,000
Cash on hand – Poker machine float	22,400	27,400
Cash on hand – Till floats	2,600	2,600
Term deposits	110,364	300,000
ATM Float	15,000	25,000
Total	273,643	534,183
 <b><u>Receivables</u></b>		
Prepayments	67,015	50,579
Other debtors	34,414	2,347
Total	101,429	52,926
 <b><u>Inventories</u></b>		
Liquor	29,694	42,739
<b><u>Property, plant &amp; equipment</u></b>		
Plant & equipment – at cost	1,598,281	1,586,582
Less: Accumulated depreciation	(1,402,781)	(1,329,129)
Sub-total	195,500	257,453
Leasehold improvements – at cost	975,393	975,393
Less: Accumulated Amortisation	(967,732)	(967,126)
Sub-total	7,661	8,267
Total	203,161	265,720



**Combined Services RSL Club Co-operative Limited**  
**Registered Clubs Act, 1976**  
**Section 38 (1)**  
**Part 1**

<u><b>Payables</b></u>	<b>2020</b>	<b>2019</b>
Trade creditors and accruals	104,115	46,326
GST	3,841	8,035
Total	107,956	54,361
<u><b>Employee Provisions</b></u>		
Annual leave	34,755	29,141
Long service leave	33,298	29,603
Total	68,053	58,744
<u><b>Lease Liabilities</b></u>		
Current		
Lease liabilities – Poker Machines	42,688	59,150
	42,688	59,150
Non-current		
Lease liabilities – Poker Machines	43,498	76,958
	43,498	76,958
<u><b>Reserves</b></u>		
Replacement and maintenance of equipment	131,842	131,842
Capital profits	211,485	211,485
Total	343,327	343,327

**Combined Services RSL Club Co-operative Limited**  
**Registered Clubs Act, 1976**  
**Section 38 (1)**  
**Part 1**

**Balance Sheet as at 31 December 2020**

<b>Current Assets</b>	<b>2020</b>	<b>2019</b>
Cash	273,643	534,183
Receivables	101,429	52,926
Inventories	29,694	42,739
<b>Total Current Assets</b>	<b>404,766</b>	<b>629,848</b>
<b>Non Current Assets</b>		
Plant & equipment	203,160	265,720
<b>Total Non Current Assets</b>	<b>203,160</b>	<b>265,720</b>
<b>Total Assets</b>	<b>607,926</b>	<b>895,568</b>
<b>Current Liabilities</b>		
Payables	107,956	54,361
Lease liabilities	42,688	59,150
Other financial liabilities	41,599	39,901
Employee provision	68,053	58,744
<b>Total Current Liabilities</b>	<b>260,296</b>	<b>212,156</b>
<b>Non Current Liabilities</b>		
Lease liabilities	43,498	76,958
Provision for Super Jackpot	89,150	90,000
<b>Total Non Current Liabilities</b>	<b>132,648</b>	<b>166,958</b>
<b>Total Liabilities</b>	<b>392,944</b>	<b>379,114</b>
<b>Net Assets</b>	<b>214,982</b>	<b>516,454</b>
<b>Members Funds</b>		
Reserves	343,327	343,327
Retained surplus/(deficit)	(128,345)	173,127
<b>Total Member Funds</b>	<b>214,982</b>	<b>516,454</b>

**Combined Services RSL Club Co-operative Limited**  
**Registered Clubs Act, 1976**  
**Section 38 (1)**  
**Part 1**  
**Income Statement for the year ended 31 December 2020**

**(a) Bar Trading Statement**

	<b>2020</b>	<b>2019</b>
<b>Sales</b>	620,776	1,186,327
<b>Less:</b> Cost of Goods Sold	229,968	408,974
Gross Profit (Loss)	390,808	777,353
Percentage to Sales	62.95%	65.53%
Budgeted Percentage to Sales	60.00%	60.00%
Cost of Goods Sold		
Opening Stock	42,740	37,040
<b>Add:</b> Purchases	216,964	414,674
	259,704	451,714
<b>Less:</b> Closing Stock	29,736	42,740
	229,968	408,974

**(b) Poker Machine Account**

Clearances	829,375	1,984,574
PM GST Rebate	17,180	17,180
<b>Less:</b> Prizes (not paid by machine)	617,132	1,373,441
Refills & G.S.T.		
<b>Net Receipts (Inc. GST)</b>	<b>229,423</b>	<b>628,313</b>
<b>Less Expense:</b>		
Poker Machine system	2,200	2,640
Supervision & service	10,515	11,774
Wages - poker machines	58,820	51,264
Poker machine leases	0	26,280
CMS fee	10,102	16,955
Total	81,637	108,912
Poker machine trading profit/(loss)	147,786	519,401
Number of Machines	29	29

**Combined Services RSL Club Co-operative Limited**  
**Registered Clubs Act, 1976**  
**Section 38 (1)**  
**Part 1**

**Directors Expenses**

Meals and Liquor Supplied	2,997	6,282
Other - Reimbursement out of pocket Expenses	145	218
Directors' Honoraria	-	-

**Meal and Liquor Supplied To:**

<b>Staff</b>	8,472	9,207
Staff numbers as at the beginning of the year to which the attached accounts related:		
Permanent	5	5
Casual	12	13
Staff numbers at the end of the year	17	13

**Lease Payments**

Other than Real Estate and Premises	-	-
Real Estate and Premises - 5-7 Barrack Street	165,190	164,307

**Professional Fees**

Auditing	7,636	5,760
Other - Stocktaking Fees	6,000	6,000
Legal Fees	3,985	5,300

We certify that the above supplementary information is to the best of our knowledge and belief, true and correct; all encumbrances of assets have been disclosed in the attached accounts and/ or supplementary information.

\_\_\_\_\_ **Director**

\_\_\_\_\_ **Director**

\_\_\_\_\_ **General Manager**



## Combined Services RSL Club Co-Operative Ltd

# Independent Audit Report to the members of Combined Services RSL Club Co-Operative Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Combined Services RSL Club Co-Operative Ltd (the Club), which comprises the balance sheet as at 31 December 2020, the income statement and the statement of cash flows for the year then ended, 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 Club is in accordance with the Co-operatives National Law, including:

- (i) giving a true and fair view of the Club's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) complying with the accounting policies described in Note 1 to the financial statements.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the 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 the Club, would be in the same terms if given to the directors as at the same 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.

#### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Club in meeting its financial reporting obligations under the Co-operatives National Law. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Club and should not be distributed to or used by parties other than the Club. Our opinion is not modified in respect of this matter.

Liability limited by a Scheme approved under Professional Standards Legislation

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## Combined Services RSL Club Co-Operative Ltd

# Independent Audit Report to the members of Combined Services RSL Club Co-Operative Ltd

### Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 of the financial report which outlines the impact that the COVID-19 pandemic has had on the operations of the Club and Management's implementation of the emergency business plan in response. For the year ended 31 December 2020, the Club has incurred a net loss of \$301,472. As part of the terms of the Club's Voluntary Administration post balance date, the members are required to approve an amalgamation of the Club with City Tattersalls Club. A new lease agreement over the Club's business premises is also required to be executed with the Sub-Branch. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with applicable Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Club'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 management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Club's financial reporting process.

### 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 Club's internal control.

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## Combined Services RSL Club Co-Operative Ltd

### Independent Audit Report to the members of Combined Services RSL Club Co-Operative Ltd

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's 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 Club'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 Club 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 management 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 management 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.

ICP Assurance Services Pty Ltd  
Authorised Audit Company

A handwritten signature in black ink, appearing to read 'Christopher Wong', is written over a light grey horizontal line.

Christopher Wong  
Director

Sydney NSW 2000

21<sup>st</sup> May 2021

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