





Our Commitment

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

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

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

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NOTICE OF AGM

ANNUAL GENERAL MEETING

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

TUESDAY MAY 16, 2023
COMMENCING AT 7.30PM SHARP

AGENDA

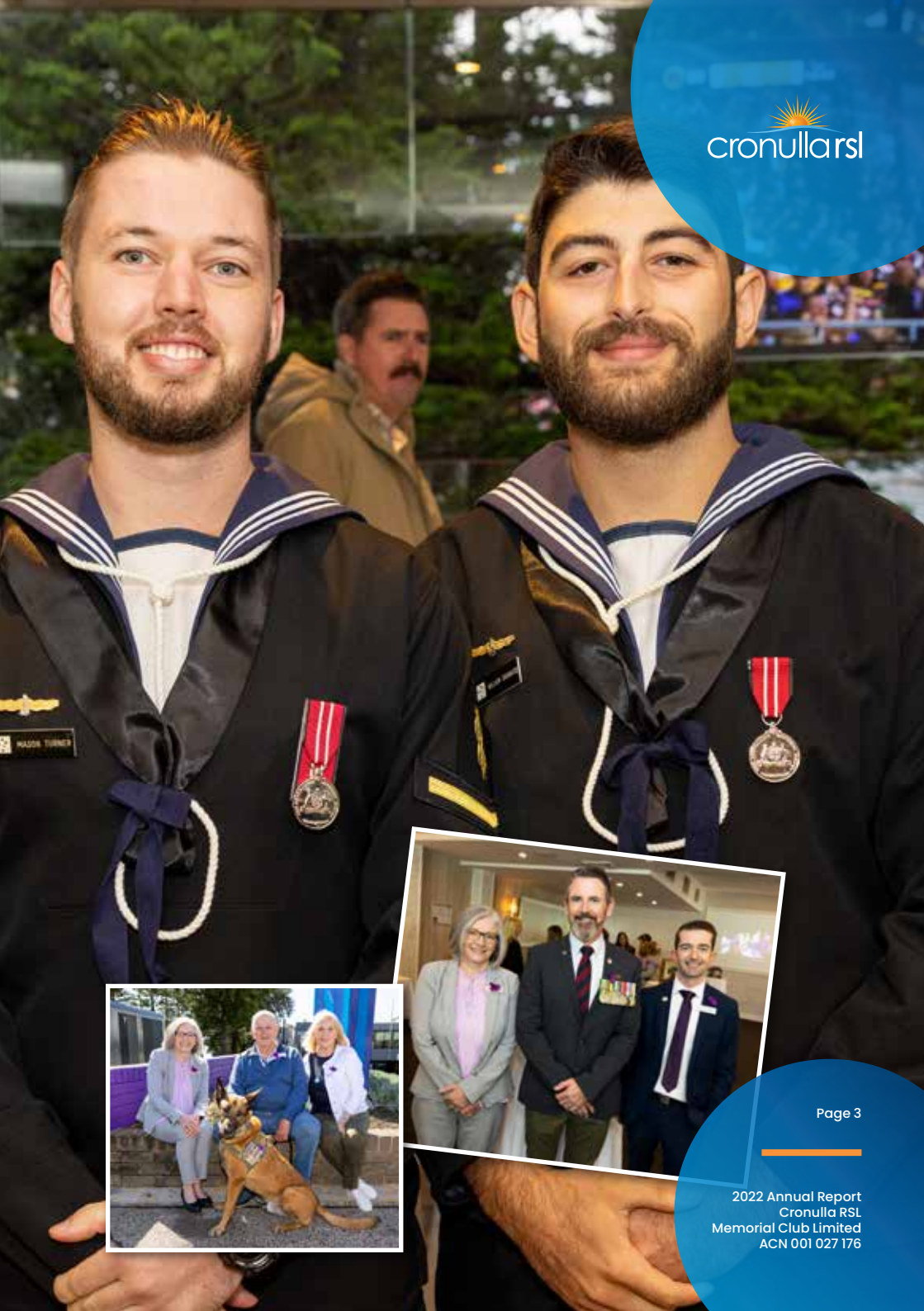
- Minute silence for the late Mr. Ian Bourke and those Members who we have lost in 2022.
- Apologies
- To confirm the Minutes of Previous Meeting held May 2022.
- To receive, consider and adopt the report of the President and Secretary.
- To receive, consider and adopt the Financial Statement of the Company for the year ended 31st December 2022 together with the Reports therein of the Directors and Auditors.
- Notice of Ordinary Resolutions
- Nomination for Life Member
- Election for Ordinary Directors for 3 years and President for one year and declaration.
- General Business

IMPORTANT: Members attending the Annual Meeting must produce their financial membership cards for 2023 and have been a member for the preceding 12 months before having voting rights.

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

J Brown, President

S McNeill, Secretary





PRESIDENT'S REPORT

This is my first report as the Club's President having been appointed to the position by the Board late last year following the loss of our much-loved President Ian Bourke. In order to comply with our Constitution, I must seek confirmation in the position by members at the following AGM and accordingly I am seeking re-election for another 12 months term and trust that I will have your support.

Turning now to the Club, we had an outstanding financial result over the 12 months ended 31 December 2022. I will leave it to the Director of Finance to give fuller details in his report, suffice to say that we have put the problems of Covid well and truly behind us.

Things have changed in Clubland over the past few years. Stronger Clubs have taken over weaker Clubs such as has happened with the Tradies and Caringbah RSL and Ramsgate RSL and Engadine RSL. Further away but still in close vicinity the St George Sailing Club has been taken over by Manly Skiffies and the Georges River 16foot Sailing Club is now part of Club Central. Given that we have an outstanding location that many richer clubs would covet we must ensure that our Club remains in our hands.

Against this background your Board has been looking at ways to ensure viability of our Club for years to come. This is not to say that we are in difficulty, far from it but many things can change over the coming years. One example is the possible change to Poker Machine Legislation. One of the possible ways to protect us for the future is to establish a source of income that is not dependant on Club trading. As a consequence, your Board has been exploring development of our 2 sites and over recent months we have engaged the services of a development planner and an architectural firm. Work is far from complete and before any decision is made, we will bring full details to members.

Last but not in importance, I must thank our CEO Sue McNeill for her outstanding work and help. We are very lucky to have such an experienced CEO. I also acknowledge the tremendous performance of her team and in particular Bradley Bishop (Operations) and Frances Van Antwerpen (Finance). To the Board members, thank you for your support. It is indeed a privilege to work with such a cohesive and capable team.

To all Club Members, thank you for supporting your club and making this last year's results possible.

JOHN BROWN
PRESIDENT

We are delighted to be able to present such strong results for 2022, following the difficult previous two years due to Covid and Lockdowns.

Net Operating Profit rose to \$2,880,931, the best result in the last 5 years. Such a result could not be achieved without the strong support of our dedicated staff and, of course, our members and guests.

The club's financial position continues to grow and it is fair to say it is stronger than ever. Highlights are: Cash at Bank \$6.25m; Debt reduced by a further \$1.47m; Total Equity is now \$49.09m and the Current Ratio 2.9:1. It is worth mentioning that a minimum acceptable Current Ratio is 1.5:1, so the club is in a strong position to continue to service its debts.

On behalf of the Finance Committee we would like to express our sincere appreciation for the ongoing efforts of our CEO Sue McNeill, her Management team and dedicated staff who continue to provide their service to our members and guests of Cronulla RSL.

MICK MOOD
CHAIRMAN OF THE FINANCE COMMITTEE



FINANCE COMMITTEE REPORT



CEO'S REPORT

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Hello Members,

On reflection a lot of mixed feelings about 2022! The start to the year was slow as Covid numbers soared through Christmas 2021, this did slow down trade at the beginning of 2022 before we saw life returning to some form of normality as we learned to live with Covid in our lives. It has been great to see the club again filled so often and everyone enjoying the facilities. Our 2022 financial results are pleasing, and I congratulate our team and thank our members for your ongoing support.

Staffing throughout 2022 continued to be a challenge with sick leave still running quite high and recruitment at times quite low. The back end of 2022 saw greater growth in employment numbers which was pleasing as we headed into our peak season.

The Board and Management team during 2022 continued to work on the Master Planning of our assets. We expect the Board to announce this plan towards the end of 2023. Cronulla RSL has a very exciting future, acknowledging the past and growing into the future. We will be doing a refurb to our Deck area after Anzac Day 2023, followed by Level 3 as part of revamping our catering offer.

Our focus on Community Support continued with the Club spending over \$180k in Club Grants and Club initiatives within the community. This area is of great priority to us and will continue to be a focus going forward. Our work with the Australian War Animal Memorial organisation continued as we dedicated a plaque in our Memorial Garden to all animals that have served. We hope that the garden will give the community a place to commemorate those brave animals and raise awareness about the limited support received by Military Working Dogs (MWDs) upon their retirement. We continue to support our local retired MWD 'Manic', who served in Iraq and on Tactical Assault Group East (TAGE). I would like to highlight our Community Projects Manager Natalie Hawkins. Natalie joined us in late 2021, in a very new role for the Club, and since this time has worked tirelessly in our area of Community.

I was privileged to be invited to an art exhibition called "A Soldiers Healing" during the year. Our Sub Branch President

Cory Rinaldi had been the artist in residence at Sydney's Anzac Memorial, Hyde Park. The Club purchased a piece called Sacrifice. It hangs proudly in the Club's foyer and is one of Cory's very special pieces.

To my executive, Bradley Bishop and Francis Van Antwerpen thank you for your support. To Anthony Costanzo and the team at the Watergrill Restaurant thank you for being part of the team that keeps our Club successful.

To our wonderful staff and Management team, thank you for another fantastic year of being the best at being Cronulla RSL. At our Christmas party in December Tom Campbell was awarded with Staff Member of the Year which is great recognition for a wonderful young man dedicated to service at our Club.

With great sadness we said goodbye to our President Ian Bourke after a short illness in October. Ian was a great friend and mentor since I started with the Club 7 years ago. The overwhelming outpouring of grief at his loss has been felt by us all. To his wife Ann and daughter Stephanie words will never be able to express our sincere condolences with Ian's passing. We shared many a laugh each week when we caught up, memories for a lifetime. Thank you, Ian.

Gordon Williams retired from the Board after 20 years of wonderful service. Gordon is a dedicated club man and I thank him for his friendship and mentoring.

Finally thank you to the Board that holds our Club together, your support and dedication to the Club is to be admired. To our newly appointed President, John Brown, whilst it has been a difficult period over the last 6 months your support and guidance has been outstanding.

Our passion, your memories – love, celebrate and connect.

Regards,

SUE MCNEILL
CHIEF EXECUTIVE OFFICER

VALE IAN BOURKE

VALE IAN BOURKE

13/09/1942 – 24/10/2022

Our beloved Club President and Life Member, Mr Ian Bourke passed away on October 24th, 2022.

Ian served with distinction on our Board of Director's for over 19 years and as President for the past 12 years. Ian's core focus was to improve the lives of our Members and the community, epitomising the philosophy in which Cronulla RSL is founded upon.

Guided by Ian's leadership, Cronulla RSL has undergone significant transformation and growth.

We are forever grateful for Ian's dedication and leadership.



NOTICE OF DIRECTOR NOMINEES

NOTICE OF NOMINEES FOR THE POSITIONS OF PRESIDENT AND ORDINARY DIRECTOR

The following candidates submitted their nominations to the Secretary for the three (3) Board Positions for 2023.

- J Brown – President
- J Van Voorst – Ordinary Director
- Stephanie Bourke – Ordinary Director
- P Kerr – Ordinary Director

As there was only one nomination for the position of President, the position was filled, hence there will be no election for the position of President at the 2023 AGM.

Two positions for Ordinary Director have 3 nominations therefore an election will be held at the AGM on 16th May 2023 at 7.30pm

J.Brown, President

S. McNeill, Secretary



IAN BOURKE

Deceased
President till
24th October, 2022



JOHN BROWN

President from
25th October, 2022
Vice President till
24th October, 2022



MICHAEL MOOD

Vice President from
25th October, 2022



JOHN VAN VOORST

Director



PETER KERR

Director



GRANT CONWAY

Director



LORETTA PASSERINI

Director
Appointed 10th May, 2022



GORDON WILLIAMS

Resigned
10th May, 2022

BOARD OF DIRECTORS

FIRST ORDINARY RESOLUTION

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

NOTES TO MEMBERS ON FIRST ORDINARY RESOLUTION

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

SECOND ORDINARY RESOLUTION

- a. That in accordance with section 10 (6) (b) of the Registered Clubs Act, the members approve the payment of \$94,000 as the total honorarium to Directors in relation to services to the Club until the Annual General Meeting in 2024. The amount will be divided amongst the office holders as they decide is appropriate and if desired.
- b. The amount of the honorariums as determined by the Board shall be paid to each Director in quarterly instalments.
- c. Should any Director cease to hold office for any reason they shall not be required to refund to the Club any quarterly instalment they may have received for the quarter in which they cease to be a director of the Club.

NOTES TO MEMBERS ON SECOND ORDINARY RESOLUTION

1. The Second Ordinary Resolution proposes that the members approve an honorarium payment to Directors for their considerable contribution to their duties until the next Annual General Meeting.
2. These provisions are not contained in the Constitution and members must decide annually on the payment of an honorarium to Directors for each year.
3. This Resolution allows the Board to determine the appropriate split of the amount approved each year which will reflect the vastly different contributions made by individual Directors from year to year.
4. There is no increase in the total amount for honorariums from that approved last year.
5. The annual amount approved by the Board for each director shall be paid to each director by quarterly instalments.
6. The members acknowledge that the benefits in the Second Ordinary Resolution above are not available to members generally but only for those who are Directors of the Club and are in keeping with their role of Directors.

SECOND ORDINARY RESOLUTION

COMMUNITY

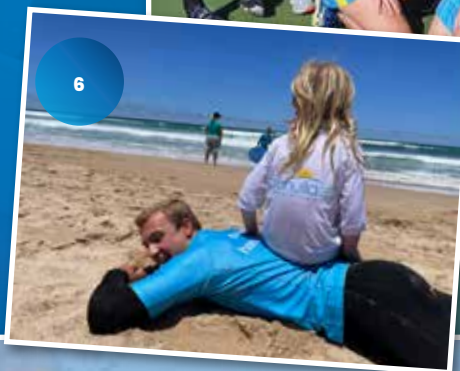
We have enjoyed hosting a number of sub-clubs & sporting groups and in turn supporting those activities in our community. These are a great opportunity for our members to make new friends, stay active and healthy:

- Cronulla RSL 55 & Over Club
- Cronulla RSL Chess Club
- Cronulla RSL Football Club (1)
- Cronulla RSL Hockey Club
- Cronulla RSL Indoor Bowling Club
- Cronulla RSL Motoring Enthusiasts Group
- Cronulla RSL Netball Club (2)
- Cronulla RSL Softball Club
- Cronulla RSL Swimming Club (3)
- Cronulla RSL Table Tennis Club

We are conscious of the fantastic work that these organisations do for our local area and have worked with them to build a stronger community, by providing cash donations or in-kind support from 1st January 2022 – 31st December 2022.

- 2SSR
- Cronulla Polar Bears
- Cronulla Girls Boardriders (4)
- Cronulla Rotary Club
- Cronulla RSL Football Club
- Cronulla RSL Toastmasters
- Cronulla Surf Life Saving Club (5)
- Hungry Point Reserve Land Manager
- Kal Glanznig COP27
- Plastic Free Cronulla
- Shire Talk
- Skillz4Me (6)
- St Saviours
- Stellar Experiences
- Sutherland Shire Council
- Wanda Surf Life Saving Club
- War Widows
- Woollooware Public School

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2022 Annual Report
Cronulla RSL
Memorial Club Limited
ACN 001 027 176

cronullarsl CLUB GRANTS

Despite being closed for 3 months of the year ClubGRANTS & Financial year, we contributed over \$180,000 to our community through the ClubGRANTS program & by providing cash donations and in-kind support. Our worthy recipients of the 2022 Clubs Grants (1st September 21 – 31st August 22) included:

CATEGORY 1

- Active Living Classes
- Cronulla RSL Sub-Branch
- Learning Links

CATEGORY 2

- AWAMO (1)
- Burraneer Bay Public School
- CareFlight
- Celebration of Life
- Cronulla Chamber of Commerce
- Cronulla Community Café
- Cronulla High School
- Cronulla Point Boardriders (2)
- Cronulla Public School
- Cronulla RSL Bowling Greenkeepers
- Cronulla RSL Motoring Enthusiast Group (3)
- Cronulla RSL Softball Club
- Cronulla RSL Sub Branch
- Cronulla RSL Swimming Club
- Cronulla RSL Table Tennis (4)
- Cronulla Sailability (5)
- Cronulla Sharks Waterpolo Club
- Cronulla South Public School
- Cronulla Surf Life Saving Club
- Dandelion Support Network
- Endeavour SKWAD
- Hopefield Services
- Hungry Point Land Manager
- Kookaburra Kids
- Kurnell Bay Public School
- Learning Links
- Red Cross
- Southern Cross Art Group
- Southern Districts Rugby Club
- Southside Malibu Club
- St Aloysius Catholic School
- St Francis De La Salles
- Stellar Experiences
- Sutherland Boccia Club
- Sutherland Council
- Sydney South Hockey Association
- The Kids Cancer Project
- Trees of Hope (6)
- Tynan Challenge
- Woollooware High School

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Cronulla RSL
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Cronulla RSL
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DIRECTORS REPORT

**FOR THE YEAR ENDED
31 DECEMBER, 2022**

Your Directors present their report on the company for the year ended 31 December, 2022.

DIRECTORS

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

Name	Position	No. years as Director of company	Director Meetings	
			Eligible to attend	Meetings attended
Ian BOURKE	President to 24 October, 2022	20	10	9
Gordon Frederick WILLIAMS	Director; resigned 10 May, 2022	20	4	3
Kenneth John BROWN	President from 25 October, 2022; Vice President to 24 October 2022	14	13	10
Michael Arthur MOOD	Vice President from 25 October, 2022	12	13	12
John William VAN VOORST	Director	6	13	13
Peter Henry KERR	Director	5	13	13
Grant Sidney CONWAY	Director	1	13	12
Loretta Susy Paola PASSERINI	Director; appointed 10 May, 2022	–	9	6

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

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution of the company states that each member is required to contribute a maximum of \$1 toward meeting any outstanding obligations of the entity. As at 31 December, 2022, the total amount that members of the company were liable to contribute if the company was wound up is \$32,463 (2021: \$29,611).

COMPANY SECRETARY

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

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The operating profit before tax of the company for the year amounted to \$2,880,931 (2021: \$470,403).

SHORT AND LONG TERM OBJECTIVES

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

STRATEGY FOR ACHIEVING THE OBJECTIVES

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

CORE AND NON-CORE PROPERTIES

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

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

The company has no non-core property.

AUDITOR INDEPENDENCE DECLARATION

The Auditor Independence Declaration for the year ended 31 December, 2022 has been received and can be found on page 3 of this financial report.

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



KENNETH JOHN BROWN

President

Dated this 21st day of March, 2023.

BUSINESS PARTNER ACCOUNTANTS

ABN 31 254 110 993

Chartered Accountants and Business Advisors

PO Box 634
Miranda NSW 1490

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

Tel: (02) 9524 2966

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

AUDITOR INDEPENDENCE DECLARATION

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

In relation to our audit of the annual report of Cronulla R.S.L. Memorial Club Limited for the year ended 31 December, 2022, we declare that, to the best of our knowledge and belief, there have been:

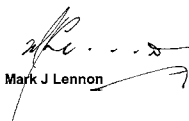
- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

AUDITOR INDEPENDENCE DECLARATION

FOR THE YEAR ENDED
31 DECEMBER, 2022



Business Partner Accountants
Chartered Accountants



Mark J Lennon

Dated this 21st day of March, 2023.

	Note	2022 \$	2020 \$
Sales revenue	2(a)	16,537,876	10,326,750
Other revenue	2(b)	82,410	321,482
Net operating revenue		16,620,286	10,648,232
Expenses			
Cost of goods sold	3(a)	2,921,893	1,717,017
Trading expenses	3(b)	4,014,070	3,053,179
Administration and general expenses	3(c)	4,516,417	3,861,698
Clubhouse expenses	3(d)	1,322,712	874,968
Finance costs	3(e)	49,999	9,878
Social, sporting and amenities expenses	3(f)	914,264	661,089
Total expenses		13,739,355	10,177,829
Profit before income tax		2,880,931	470,403
Income tax expense	Note 4	-	-
Profit after income tax	Note 16	2,880,931	470,403
Other comprehensive income			
Items that will not be re-classified subsequently to profit or loss:			
Gain arising from independent valuation of freehold land (income tax applicable - \$Nil)		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		2,880,931	470,403
Profit attributable to members of the company		2,880,931	470,403
Total comprehensive income attributable to members of the company		2,880,931	470,403

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
31 DECEMBER, 2022

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED
31 DECEMBER, 2022

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	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	6,903,048	5,210,820
Trade and other receivables	6	88,585	229,431
Inventories	7	222,476	208,778
Other assets	8	333,606	315,929
Total current assets		7,547,715	5,964,958
Non-current assets			
Property, plant and equipment	9	47,180,216	47,536,347
Other non-current assets	8	484,358	61,395
Total non-current assets		47,664,574	47,597,742
Total assets		55,212,289	53,562,700
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,485,681	1,395,686
Current portion of long-term borrowings	11	1,304,817	1,476,000
Provisions	12	384,162	284,907
Other current liabilities	13	456,547	395,186
Total current liabilities		3,631,207	3,551,779
Non-current liabilities			
Long-term borrowings	11	2,412,244	3,717,061
Provisions	12	74,113	80,066
Total non-current liabilities		2,486,357	3,797,127
Total liabilities		6,117,564	7,348,906
Net assets		49,094,725	46,213,794
EQUITY			
Retained earnings	15	18,301,689	15,420,758
Reserves	14	30,793,036	30,793,036
Total equity		49,094,725	46,213,794

The accompanying notes form part of these financial statements

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance as at 31 December, 2020	14,950,355	30,793,036	45,743,391
Profit for the year ended 31 December, 2021	470,403	-	470,403
Other comprehensive income			
- gain on revaluation of land	-	-	-
Balance as at 31 December, 2021	15,420,758	30,793,036	46,213,794
Profit for the year ended 31 December, 2022	2,880,931	-	2,880,931
Balance as at 31 December, 2022	18,301,689	30,793,036	49,094,725

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED
31 DECEMBER, 2022**



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
31 DECEMBER, 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts from operations		18,475,125	11,501,352
Payments to suppliers and employees		(14,122,546)	(9,324,840)
Interest received		22,009	-
Interest paid		(49,999)	(9,878)
Net cash inflow (outflow) from operating activities	16(a)	4,324,589	2,166,634
Cash flows from investing activities			
Payment for property, plant and equipment		(1,221,123)	(578,307)
Proceeds from sale of plant and equipment		64,762	48,000
Net cash inflow (outflow) from investing activities		(1,156,361)	(530,307)
Cash flows from financing activities			
Net increase (decrease) in borrowings		(1,476,000)	(1,474,202)
Net cash inflow (outflow) from financing activities		(1,476,000)	(1,474,202)
Net increase (decrease) in cash and cash equivalents		1,692,228	162,125
Cash and cash equivalents at start of the financial year		5,210,820	5,048,695
Cash and cash equivalents at end of year	16(b)	6,903,048	5,210,820

The accompanying notes form part of these financial statements

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 21st day of March, 2023 by the Directors of the company.

b. Accounting policies

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

i. Revenue

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

Sales revenue

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

Interest revenue

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

Commission revenue

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

Poker machine takings

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER, 2022

NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED
31 DECEMBER, 2022

Rendering of services

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

Government grants and incentives

Government grant and incentive income is recorded as received.

ii. Income tax

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

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

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

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

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

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

iii. Property, plant & equipment

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

Property

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

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Depreciation

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

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset will be transferred to retained earnings.

iv. Employee benefits

Provision is made for company liability for employee entitlement benefits arising from services rendered by the employees to the end of the reporting date. Employee entitlements that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee

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may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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

v. Leases

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

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

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

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

vi. Cash and cash equivalents

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

vii. Trade and other receivables

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

viii. Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expenses. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

ix. Inventories

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

x. Trade and other payables

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

xi. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

xii. Financial Instruments

Initial recognition and measurement

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

Classification and subsequent measurement

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

Where applicable, amortised cost would be calculated as:

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

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. The company has no such assets, other than in cash, or cash equivalent form.

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Loans and receivables

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

Held-to-maturity investments

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

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

Available-for-sale financial assets

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

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

Financial liabilities

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

Fair value

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

Impairment

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

Derecognition

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

xiii. Impairment of assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset fair value less costs to sell and value in use, is compared to the asset carrying value. Any excess of the asset carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a re-valued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

xiv. Critical Accounting Estimates and Judgments

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

Key estimates – Impairment

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

xv. Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS CONT.

**FOR THE YEAR ENDED
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NOTE 2 -REVENUE FROM ORDINARY ACTIVITIES

a. Revenue from continuing operations

Sales revenue

Bar sales	6,691,787	4,192,343
Surf Club sales and room hire	464,669	54,300
Functions catering	542,050	344,034
Coffee Shop	79,419	-

	7,777,925	4,590,677
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Revenue from gambling facilities

Net poker machine takings	7,126,121	4,628,840
Keno and TAB commission	220,143	153,039
Bingo and raffle income	202,309	260,809

	7,548,573	5,042,688
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Revenue from rendering of services

Bowling club levies	4,123	4,123
Commission received	8,452	2,618
Member subscriptions	288,343	271,078
Service charges	369,602	133,427

	670,520	411,246
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NOTE 2 - REVENUE FROM ORDINARY ACTIVITIES CONT.

	2022 \$	2021 \$
Other revenue		
Rent	521,699	263,649
Rebates	17,172	17,180
Sundry income	1,987	1,310
	<u>540,858</u>	<u>282,139</u>
Total gross revenue from ordinary activities	16,537,876	10,326,750

b. Other income

Interest received	22,009	-
Profit from sale of non-current assets	60,401	47,654
Government COVID-19 incentives	-	273,828
Total Other Income	<u>82,410</u>	<u>321,482</u>

NOTE 3 - EXPENSES

a. Cost of goods sold

Bar trading	2,302,414	1,482,220
Surf Club bar and catering	236,640	22,474
Functions catering	342,656	212,323
Coffee Shop	40,183	-
	<u>2,921,893</u>	<u>1,717,017</u>

b. Trading expenses

Bar trading	1,444,742	990,049
Poker machine trading	2,351,427	1,956,735
Coffee shop trading	50,498	2,118
Keno and TAB trading	52,392	29,485
Catering trading	115,011	74,792
	<u>4,014,070</u>	<u>3,053,179</u>

NOTES TO THE FINANCIAL STATEMENTS CONT.

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NOTES TO THE FINANCIAL STATEMENTS CONT.

**FOR THE YEAR ENDED
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NOTE 3 -EXPENSES CONTINUED

	2022 \$	2021 \$
c. Administration and general expenses		
Advertising	36,122	30,580
Allowances	74,000	74,000
Audit and accountancy fees	29,400	27,083
Bank fees and charges	91,829	64,086
Borrowing expenses	95,210	129,244
Club cards	17,861	13,455
Computer software and support costs	8,312	13,676
COVID expenses	31,532	125,368
Depreciation	830,482	1,062,251
Employee leave entitlements	241,767	245,163
Flowers, decorations and floral tributes	7,597	3,865
Insurance	274,688	250,729
Legal costs	20,771	27,732
Licences	1,735	2,182
Motor vehicle expenses	8,459	6,488
Payroll tax	162,111	82,328
Printing, stationery and postage	24,796	21,205
Rates and taxes	156,391	137,627
Salaries	614,480	444,643
Security	301,327	182,955
Seminars, conferences and travel	304	325
Subscriptions, journals	12,098	13,105
Sundry expenses	210,021	18,177
Superannuation	378,873	242,163
Telephone	9,348	8,074
Wages	876,903	635,194
	4,516,417	3,861,698

NOTE 3 - EXPENSES CONTINUED

	2022 \$	2021 \$
d. Clubhouse expenses		
Cleaning	386,689	273,908
Grants and donations	108,554	67,586
Light and power	186,289	179,674
Repairs and maintenance	172,445	126,594
Staff expenses	52,400	35,391
Staff training	13,648	5,392
Wages	402,687	186,423
	1,322,712	874,968
e. Finance costs		
Interest-bank	49,999	9,878
	49,999	9,878
f. Social, sporting and amenities expenses		
Bowling greens maintenance	6,121	6,173
Club Sky Channel expenses	27,536	15,402
Depreciation	446	980
Entertainment	10,345	8,763
Functions and promotions	577,160	398,909
Meeting expenses	12,055	9,465
Pay-television expenses	63,410	37,860
Storage costs	4,918	5,449
Points awarded	56,750	80,747
Mahalo program points	109,460	64,566
Wages	46,063	32,775
	914,264	661,089

NOTE 4 - INCOME TAX EXPENSE

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

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

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NOTES TO THE FINANCIAL STATEMENTS CONT.

**FOR THE YEAR ENDED
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	2022 \$	2021 \$
Portion of income attributed to non-members	6,066,652	4,516,555
Less: Portion of expenses attributed to non-members	(5,129,433)	(4,333,866)
	<u>937,219</u>	<u>182,689</u>
Add: Other assessable income	1,184,259	382,952
Less: Other deductible expenses	(1,185,075)	(868,040)
	<u>936,403</u>	<u>(302,399)</u>
Prior year tax losses deducted	(936,403)	-
Net taxable income/(tax loss) for the year	<u>-</u>	<u>(302,399)</u>
Current income tax applicable to net taxable income at 28.5%	-	-
Income tax expense	<u>-</u>	<u>-</u>

NOTE 5 -CASH AND CASH EQUIVALENTS

Cash on hand	652,185	685,291
Cash at bank	6,250,863	4,525,529
	<u>6,903,048</u>	<u>5,210,820</u>

NOTE 6 -TRADE AND OTHER RECEIVABLES

Trade accounts receivable	97,436	68,183
Accrued income	(8,851)	161,248
	<u>88,585</u>	<u>229,431</u>

NOTE 7 - INVENTORIES

Finished goods, at cost	222,476	208,778
	<u>222,476</u>	<u>208,778</u>

a. Net fair value

The net fair value of inventories approximates their carrying amount.

b. Inventory expense

Inventory recognised as expense during the year ended 31 December, 2022 amounted to \$2,921,893 (2021: \$1,717,017). The expense has been included in "Cost of goods sold" in the Statement of Comprehensive Income.

NOTE 8 - OTHER ASSETS

	2022 \$	2021 \$
Other current assets		
Prepaid expenses	333,606	315,929
	<u>333,606</u>	<u>315,929</u>
Non-current		
Building and redevelopment costs in progress, at cost	484,358	61,395
	<u>484,358</u>	<u>61,395</u>

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

a. Valuation of land and buildings

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

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

- i. there were still extensive building renovations in progress as at 31 December, 2018, involving significant expenditure, and these renovations continued during the 2022 year;
- ii. as a result of these further extensive building renovations, there would be significant write-off of recorded asset costs now demolished or removed.

Accordingly, the Directors considered it more prudent to wait until the carrying amount for the buildings in the ledger was finalised during the 2022 year.

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

NOTES TO THE FINANCIAL STATEMENTS CONT.

**FOR THE YEAR ENDED
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NOTES TO THE FINANCIAL STATEMENTS CONT.

**FOR THE YEAR ENDED
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b. Reconciliation of property, plant and equipment

	Freehold land \$	Buildings \$	Plant, furniture and fittings \$	Poker machines \$	Motor vehicles \$	Total \$
Cost and/or valuation						
Balance at 31/12/2021						
At valuation	29,000,000	18,960,458	-	-	-	47,960,458
At cost		1,437,250	2,768,414	4,224,781	99,774	8,530,219
Additions		31,513	272,251	494,396		798,160
Disposals				(389,889)		(389,889)
Revaluation increment						-
Balance at 31/12/2022	29,000,000	20,429,221	3,040,665	4,329,288	99,774	56,898,948
Accumulated depreciation:						
Balance at 31/12/2021	-	3,316,578	1,914,161	3,663,628	59,963	8,954,330
Depreciation provided	-	634,146	204,739	298,574	12,472	1,149,931
Written off on disposals	-			(385,529)		(385,529)
Balance at 31/12/2022	-	3,950,724	2,118,900	3,576,673	72,435	9,718,732
Written down value:						
As at 31/12/2022	29,000,000	16,478,497	921,765	752,615	27,339	47,180,216
As at 31/12/2021	29,000,000	17,081,130	854,253	561,153	39,811	47,536,347

c. Core properties

The following are core properties of the club:-

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

NOTE - 10 TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
Trade accounts payable	748,850	780,890
Other accounts payable	437,920	427,677
GST payable (refundable)	298,911	187,119
	<u>1,485,681</u>	<u>1,395,686</u>

NOTE 11 - BORROWINGS

	2022 \$	2021 \$
Secured		
Current portion of long term borrowings		
Bank Loan	1,304,817	1,476,000
	<u>1,304,817</u>	<u>1,476,000</u>
Non-current portion of long term borrowings		
Bank loan	2,412,244	3,717,061
	<u>2,412,244</u>	<u>3,717,061</u>
Total current and non-current secured liabilities:		
Bank loan	3,717,061	5,193,061
	<u>3,717,061</u>	<u>5,193,061</u>

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

NOTE 12 - PROVISIONS

	2022 \$	2021 \$
Current		
Provision for employee entitlements	183,116	162,245
Provision for poker machine linked prizes	114,837	82,287
Other provisions	86,209	40,375
	<u>384,162</u>	<u>284,907</u>
Non-current		
Provision for employee entitlements	<u>74,113</u>	<u>80,066</u>
Total provisions		
Provision for employee entitlements	257,229	242,311
Provision for poker machine linked prizes	114,837	82,287
Other provisions	86,209	40,375
	<u>458,275</u>	<u>364,973</u>

NOTES TO THE FINANCIAL STATEMENTS CONT.

**FOR THE YEAR ENDED
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NOTE 12 - PROVISIONS CONTINUED

a. Provision for employee entitlements

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

Movement-	2022 \$	2021 \$
Balance at beginning of the financial year	242,311	223,177
Additional provisions made during the year	233,407	209,163
Amount used during the year	(218,489)	(190,029)
Balance at the end of the financial year	257,229	242,311

b. Provision for poker machine linked prizes

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

Movement-		
Balance at beginning of the financial year	82,287	32,874
Increase/(decrease) in provision	32,550	49,413
Balance at the end of the financial year	114,837	82,287

NOTE 13 - OTHER CURRENT LIABILITIES

Current

Membership fees received in advance	472,728	413,672
Other income received in advance	(14,609)	(17,306)
Subsidiary club funds	(1,572)	(1,180)
	456,547	395,186

NOTE 14 - RESERVES

Asset revaluation reserve	30,793,036	30,793,036
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The Asset Revaluation Reserve records increments and decrements on the revaluation of non-current assets.

Movement-

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

NOTE 15 - RETAINED EARNINGS

	2022 \$	2021 \$
Retained earnings	18,301,689	15,420,758
Movement:		
Balance at beginning of the year	15,420,758	14,950,355
Net profit / (loss) for the year	2,880,931	470,403
Balance at year end	18,301,689	15,420,758

NOTE 16 - NOTES TO STATEMENT OF CASH FLOWS

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

Operating profit after income tax	2,880,931	470,403
Non-cash flow items in operating profit:		
Depreciation and amortisation	1,149,931	1,800,788
Loss (profit) from sale of non-current assets	(60,401)	(47,654)
Provision for employee entitlements	57,119	42,863
Provision for poker machine linked prizes	36,181	48,510
Changes in assets and liabilities:		
Accounts receivable	140,846	(189,913)
Inventories	(13,698)	(38,040)
Prepaid expenses	(17,677)	31,779
Accounts payable	89,996	47,772
Income received in advance	61,360	126
Net cash from operating activities	4,324,589	2,166,634

b. Reconciliation of cash and cash equivalents

Cash at bank	6,250,863	4,525,529
Cash on hand	652,185	685,291
Cash on term deposit	-	-
	6,903,048	5,210,820

c. Cash flows presented on a net basis

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

NOTE 17 - CAPITAL AND LEASING COMMITMENTS

a. Capital commitments

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

NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED
31 DECEMBER, 2022

b. Superannuation commitments

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

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

NOTE 18 - CONTRIBUTED EQUITY

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

NOTE 19 - CONTINGENT LIABILITIES

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

NOTE 20 - EVENTS SUBSEQUENT TO REPORTING DATE

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

NOTE 21 - RELATED-PARTY TRANSACTIONS

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

The Director emoluments during the year amounted to \$74,000 (2021: \$74,000). The emoluments for each Director were approved by members during the previous Annual General Meeting. No other benefits have been provided to Directors, other than provision of meals, travel, and other costs in relation to attendance at meetings, as previously approved by members at Annual General Meeting.

The benefits paid to key management personnel ("KMP") of the company, excluding Director emoluments recorded above, during the year are as follows:

	2022 \$	2021 \$
Salaries, fees and allowances	664,766	622,000
Superannuation	62,030	54,800
Non-cash benefits	12,308	16,000
	<u>739,104</u>	<u>692,800</u>

NOTE 22 - FINANCIAL RISK MANAGEMENT

The company financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and bank loans.

The net fair values of the assets and liabilities approximates their carrying amount, because of their short term to maturity. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of the financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the Financial Statements.

	2022	2022	2021	2021
	Carrying	Net Fair	Carrying	Net Fair
	Amount	Value	Amount	Value
	\$	\$	\$	\$
Financial assets:				
Cash and cash equivalents	6,903,048	6,903,048	5,210,820	5,210,820
Receivables	88,585	88,585	229,431	229,431
	<u>6,991,633</u>	<u>6,991,633</u>	<u>5,440,251</u>	<u>5,440,251</u>
Financial Liabilities:				
Trade and other payables	1,485,681	1,485,681	1,395,686	1,395,686
Bank loans	3,717,061	3,717,061	5,193,061	5,193,061
	<u>5,202,742</u>	<u>5,202,742</u>	<u>6,588,747</u>	<u>6,588,747</u>

NOTE 23 - DISCLOSURE REQUIREMENTS UNDER SECTION 41E OF THE REGISTERED CLUBS ACT

Core and Non-core Property

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

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

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

The Directors consider the properties 38 Gerrale Street, Cronulla and 109-113 Gerrale Street, Cronulla to be core property.

The company has no non-core property.



NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED
31 DECEMBER, 2022

DIRECTORS DECLARATION

FOR THE YEAR ENDED
31 DECEMBER, 2022

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

Directors Declaration

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

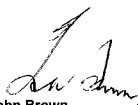
1. The financial statements and notes thereto are in accordance with the Corporations Act 2001, and:

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

(b) give a true and fair view of the company's financial position as at 31 December, 2022 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the opinion of the Directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Kenneth John Brown
- President

Dated this 21st day of March, 2023.

BUSINESS PARTNER ACCOUNTANTS

ABN 31 254 110 993

Chartered Accountants and Business Advisors

PO Box 634
Miranda NSW 1490

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

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Miranda NSW 2228

E-mail: info@bpaccountants.com.au

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

Independent audit report

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

Audit Opinion

We have audited the financial report of Cronulla R.S.L Memorial Club Limited, which comprises the Statement of Financial Position as at 31 December, 2022, the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors Declaration.

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

- i) giving a true and fair view of the company's financial position as at 31 December, 2022 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards – Simplified Disclosures 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 (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 Cronulla R.S.L Memorial Club Limited, would be in the same terms if given to the directors as at the time of this audit report.

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

(cont'd. over)

INDEPENDENT AUDIT REPORT

FOR THE YEAR ENDED
31 DECEMBER, 2022

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INDEPENDENT AUDIT REPORT

FOR THE YEAR ENDED
31 DECEMBER, 2022

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Information Other than the Financial Report and Audit Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December, 2022, but does not include the financial report and our audit 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 – Simplified Disclosures 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 company's internal control.

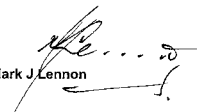
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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.


Business Partner Accountants


Mark J. Lennon

Signed at Miranda, NSW, this 21st day of March, 2023.





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Year in Review

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Cronulla RSL
Memorial Club Limited
ACN 001 027 176





MAJOR EVENTS & CLUB INITIATIVES

in 2022

We have identified and created more relevant ways to better support our local community, from the 1st January – 31st December 22 we supported the following local events & club initiatives.

- Carols in Cronulla (1)
- Clash of The Chords
- Cronulla Jazz & Blues Festival (2)
- Walk the Walls Festival Cronulla (3)
- Bush 2 Bay Invitational (Water Polo)
- Cronulla RSL Chamber of Commerce 100 year celebration
- 2SSR 30 Year Birthday celebration

In August 2022, Cronulla RSL became the first club in NSW to install a memorial plaque dedicated to Animals who have served our nation in times of war and peace (4). The club was presented with a life membership award, by the Australian War Memorial Organisation (AWAMO). (5)

The Club proudly supports our local Veteran Military War Dog, Manic, by assisting his family with the costs associated with food and veterinary care expenses.

The club's support contributed significantly to the AWAMO's efforts to provide support to animals displaced by the Ukrainian-Russian Conflict.

In 2021 we launched our first podcast series 'Friends By The Beach'. For over 70 years, our members have been participating in sport, activities, projects and programs in Cronulla & the Sutherland Shire. There are many stories to tell, memories to share and dreams to achieve in the future!





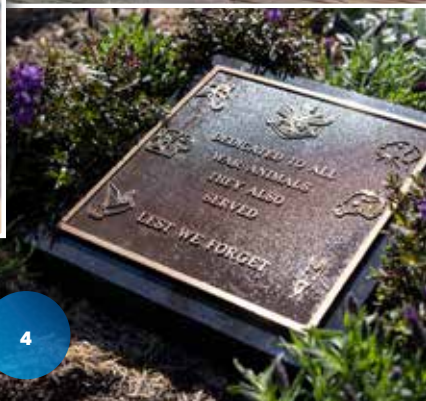
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Cronulla RSL
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