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**North Bondi RSL Club Limited**

ABN 89 001 033 601

**Annual Financial Report  
31 December 2020**

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# North Bondi RSL Club Limited

## Directors' Report

The directors present their report together with the financial statements of North Bondi RSL Club Limited (the company) for the year ended 31 December 2020.

### Directors

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

Name of the director	Date of appointment	Experience and special responsibilities
Martyn Bell	19 April 2009	Business consultant and 12 years as President
John Heapy (*)	22 September 1999	Retired, and 20 years as company director
Paul Koerber	6 April 2013	Naval Commander
Tommy McAuley (*)	27 January 2015	Plumber
Chris Hirst (*)	14 April 2018	IT Consultant
Mary Anne Cronin	29 October 2019	Director of Real Estate Agency
Rachel Coghlan	26 November 2019	Human Resources Advisor
Wendy de Graaf	26 July 2020	Company Director
Andrew Coleman (**)	20 October 2020	Barrister
John Ferguson (***)	26 July 2020	Accountant
Fred Alderman (****)	26 July 2020	Retired

\* John Heapy, Tommy McAuley and Chris Hirst resigned as Directors on 25 July 2020.

\*\* Andrew Coleman resigned as Director on 23 February 2021.

\*\*\* John Ferguson resigned as Director on 27 September 2020.

\*\*\*\* Fred Alderman resigned as Director on 20 October 2020.

### Directors' meetings

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

Director	Number of meetings attended	Number of meetings held *
Martyn Bell	12	12
John Heapy	6	7
Paul Koerber	12	12
Tommy McAuley	-	7
Chris Hirst	7	7
Mary Anne Cronin	12	12
Rachel Coghlan	12	12
Wendy de Graaf	5	5
Andrew Coleman	3	3
John Ferguson	2	2
Fred Alderman	2	2

\* Number of meetings held during the time the director held office during the year.

# North Bondi RSL Club Limited

## Directors' Report

### Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2020 and the comparison with last year is as follows:

	2020	2019
Ordinary	79	109
Associate	8,037	8,859
Life	3	2
	<hr/>	<hr/>
	8,119	8,970
	<hr/>	<hr/>

### Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$16,238 (2019: \$17,936).

### Operating result

The loss before tax for the year amounted to \$126,627 compared with a profit of \$284,948 for the prior year. After charging \$542,977 (2019: \$382,774) for depreciation and before recognising an income tax benefit of \$32,272 (2019: expense of \$15,147), the net loss amounted to \$94,355 (2019: profit of \$269,801).

### Objectives

The company's long term objective is to provide first class social facilities and amenities for the benefit of the Members and their guests, primarily from the eastern suburbs as well as local and international tourists.

### Strategy for achieving the objectives

The objective is to be achieved by continuing to maintain a level of profitability to allow re-investment into the upgrading of the premises, thereby encouraging and developing a long term and viable business.

### Principal activities

The principal activities of the company during the course of the financial year were the promotion of the objectives of the Club and the conduct and promotion of a licensed social Club for the Members.

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

# North Bondi RSL Club Limited

## Directors' Report

### How these activities assist in achieving the objectives

By providing access and enjoyment to a world class setting in a relaxed environment to members, their guests, and the public, whilst delivering a high level of customer service

### Performance measurement and key performance indicators

The Club evaluates performance by comparison to other clubs. This comparison is both local (Eastern suburbs) and across New South Wales.

Performance is also measured by comparing income and expenditure over prior periods as well as evaluating trend lines.

### Coronavirus (COVID-19) pandemic

On 11 March 2020, the World Health Organisation (WHO) classified the COVID-19 outbreak as a pandemic. From 23 March 2020 to 1 June 2020, a nationwide lockdown was implemented. Since restrictions were lifted on 1 June 2020, the Company has seen a positive increase in sales and expect to see a similar trend as at the date of this report. Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry and workforce.

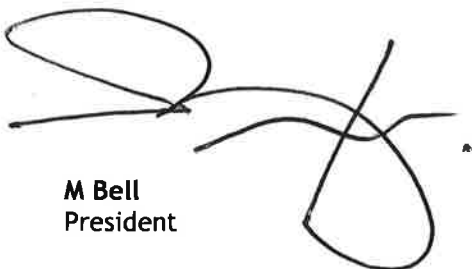
The full impact of the COVID-19 outbreak continues to evolve at the date of this report. Given the uncertainty around the full impact of the COVID-19 outbreak, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2021 financial year.

### Auditor's independence declaration

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

Signed in accordance with a resolution of the directors.

Dated at North Bondi on 27 April 2021.



**M Bell**  
President

**DECLARATION OF INDEPENDENCE BY ELYSIA ROTHWELL TO THE DIRECTORS OF NORTH BONDI RSL CLUB LIMITED**

As lead auditor of North Bondi RSL Club Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



**Elysia Rothwell**  
Director

**BDO Audit Pty Ltd**

Sydney, 27 April 2021

## INDEPENDENT AUDITOR'S REPORT

To the members of North Bondi RSL Club Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of North Bondi RSL Club Limited (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of North Bondi RSL 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 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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



### **Other information**

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

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

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

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

### **Responsibilities of the directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the 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 has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

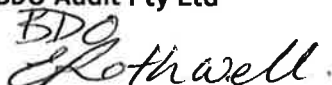
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**



Elysia Rothwell

Director

Sydney, 27 April 2021

# North Bondi RSL Club Limited

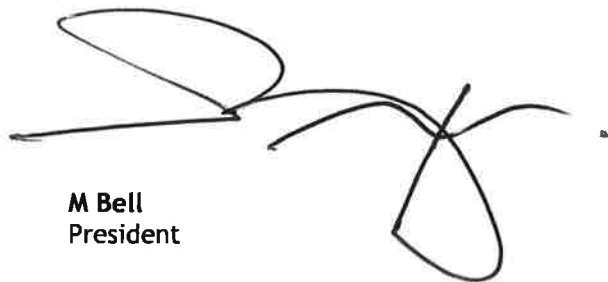
## Directors' Declaration

The directors of North Bondi RSL Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 8 to 26, are 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 2020 and of its performance, for the financial year ended on that date; and
  - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at North Bondi on 27 April 2021.



M Bell  
President



North Bondi RSL Club Limited

Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Revenue</b>			
Sale of goods revenue		2,794,949	4,783,879
Rendering of services revenue		355,176	471,963
Other revenue		19,710	24,910
		<hr/>	<hr/>
Total revenue	1	3,169,835	5,280,752
		<hr/>	<hr/>
Other income	1	528,475	-
		<hr/>	<hr/>
<b>Expenses</b>			
Raw materials and consumables used		(864,686)	(1,513,714)
Employee benefits expense		(1,618,402)	(1,910,249)
Entertainment, marketing and promotional costs		(49,460)	(146,244)
Occupancy expenses		(357,689)	(642,347)
Professional services fees		(104,854)	(89,353)
Depreciation expenses	2	(542,977)	(382,774)
Donations and grants		(8,650)	(31,001)
Finance costs		(156,623)	(93,031)
Other expenses		(121,596)	(187,091)
		<hr/>	<hr/>
Total expenses		(3,824,937)	(4,995,804)
		<hr/>	<hr/>
<b>(Loss)/profit before income tax</b>		(126,627)	284,948
Income tax benefit/(expense)	3(a)	32,272	(15,147)
		<hr/>	<hr/>
<b>Net (loss)/profit after income tax expense</b>		(94,355)	269,801
		<hr/>	<hr/>
<b>Other comprehensive income</b>		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year attributable to members</b>		(94,355)	269,801
		<hr/>	<hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 12 to 26.

North Bondi RSL Club Limited  
Statement of Financial Position  
As at 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,096,113	886,052
Trade and other receivables		2,255	12,395
Inventories		57,676	106,707
Other current assets	4	181,404	119,976
<b>Total current assets</b>		<b>1,337,448</b>	<b>1,125,130</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	2,257,076	2,482,326
Right-of-use asset	6	3,787,882	4,064,691
Deferred tax assets	3(c)	42,150	18,504
<b>Total non-current assets</b>		<b>6,087,108</b>	<b>6,565,521</b>
<b>Total assets</b>		<b>7,424,556</b>	<b>7,690,651</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	299,692	395,622
Current tax liabilities	3(b)	-	13,013
Employee benefits	8	138,653	132,829
Borrowings	9	269,022	190,848
Income received in advance	10	46,435	64,669
Lease liability	11	120,095	215,181
<b>Total current liabilities</b>		<b>873,897</b>	<b>1,012,162</b>
<b>Non-current liabilities</b>			
Employee benefits	8	59,717	29,307
Borrowings	9	325,527	420,725
Income received in advance	10	171,351	213,200
Lease liability	11	3,990,477	3,917,315
<b>Total non-current liabilities</b>		<b>4,547,072</b>	<b>4,580,547</b>
<b>Total liabilities</b>		<b>5,420,969</b>	<b>5,592,709</b>
<b>Net assets</b>		<b>2,003,587</b>	<b>2,097,942</b>
<b>Members' funds</b>			
Retained profits		2,003,587	2,097,942
<b>Total members' funds</b>		<b>2,003,587</b>	<b>2,097,942</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 12 to 26.

North Bondi RSL Club Limited

Statement of Changes in Members' Funds  
For the Year Ended 31 December 2020

	Retained profits	Total members' funds
	\$	\$
<b>Balance at 31 December 2018</b>	1,828,141	1,828,141
Profit for the year	269,801	269,801
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	269,801	269,801
	<hr/>	<hr/>
<b>Balance at 31 December 2019</b>	2,097,942	2,097,942
	<hr/>	<hr/>
Loss for the year	(94,355)	(94,355)
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(94,355)	(94,355)
	<hr/>	<hr/>
<b>Balance at 31 December 2020</b>	<b>2,003,587</b>	<b>2,003,587</b>
	<hr/> <hr/>	<hr/> <hr/>

The Statement of Changes in Members Funds should be read in conjunction with the accompanying notes set out on pages 12 to 26.

North Bondi RSL Club Limited  
Statement of Cash Flows  
For the Year Ended 31 December 2020

	2020 \$	2019 \$
<b>Cash flows from operating activities</b>		
Receipts from customers (GST inclusive)	3,431,134	5,857,028
Payments to suppliers and employees (GST inclusive)	(3,445,591)	(5,147,092)
Government support received	484,100	-
Interest received	678	1,507
Finance costs paid	(72,515)	(43,740)
Income taxes paid	(4,387)	(11,481)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	393,419	656,222
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(42,736)	(120,258)
	<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>	(42,736)	(120,258)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(123,598)	(91,202)
Repayment of borrowings	(88,454)	(241,526)
Proceeds from borrowings	71,430	-
	<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>	(140,622)	(332,728)
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	210,061	203,236
	<hr/>	<hr/>
<b>Cash and cash equivalents at the beginning of the financial year</b>	886,052	682,816
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	1,096,113	886,052
	<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 12 to 26.

# North Bondi RSL Club Limited

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

## About this report

North Bondi RSL Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for North Bondi RSL Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 27 April 2021.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001* and the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board;
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 January 2020; and
- Have been prepared on a going concern basis.

### The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business - for example, acquisitions and impairment write downs; and
- It relates to an aspect of the Company's operations that is important to its future performance.

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

### Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Impairment of non-financial assets	Note 5
Estimation of useful lives of assets	Note 5
Long service leave liability	Note 8
Estimation of lease term and incremental borrowing rate	Note 6

### Impact of COVID-19

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Club based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and the geographic region in which the Club operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Club unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

1 Revenue and Other Income	2020 \$	2019 \$
<b>Sale of Goods Revenue</b>		
Bar and bistro sales	2,794,949	4,783,879
	<hr/>	<hr/>
	2,794,949	4,783,879
	<hr/>	<hr/>
<b>Rendering of Services Revenue</b>		
Members' subscriptions	194,439	205,206
Other rendering of services	160,737	266,757
	<hr/>	<hr/>
	355,176	471,963
	<hr/>	<hr/>
<b>Other Revenue</b>		
Interest received	678	1,507
Sundry revenue	19,032	23,403
	<hr/>	<hr/>
Total other revenue	19,710	24,910
	<hr/>	<hr/>
<b>Total revenue</b>	<b>3,169,835</b>	<b>5,280,752</b>
	<hr/>	<hr/>
<b>Other income</b>		
JobKeeper support income	428,475	-
ATO Cash Flow Boost income	100,000	-
	<hr/>	<hr/>
Total other income	528,475	-
	<hr/>	<hr/>
<b>Total revenue and other income</b>	<b>3,698,310</b>	<b>5,280,752</b>
	<hr/>	<hr/>

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

1 Revenue and Other Income (Cont)

**Recognition and Measurement**

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

**Sale of goods**

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

**Rendering of services**

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

**Interest revenue**

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

**Rent revenue**

Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

**Other revenue**

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

**Government support received**

During the year, the Club received \$428,475 from JobKeeper support payments from the Australian Government, which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the period in which the related employee benefits are recognised as an expense.

The Club also received payments from the Australian Government amounting to \$100,000 as part of its 'Boosting Cash Flow for Employers' scheme in response to the COVID-19 pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the Club will comply with any conditions attached.

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

<b>2 Expenses</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
(Loss)/profit before income tax expense includes the following specific expenses:		
<b>Depreciation expense</b>		
Leasehold improvements	179,115	177,844
Plant and equipment	71,724	66,048
Furniture and fittings	15,329	29,166
Right-of-use assets	276,809	109,716
	<hr/>	<hr/>
Total depreciation expense	542,977	382,774
	<hr/>	<hr/>
Net expense from movements in provision for employee benefits	19,297	17,496
	<hr/>	<hr/>
Defined contribution superannuation expense	111,251	146,601
	<hr/>	<hr/>



North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

3 Income Tax

(a) Income Tax Expense

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2020 \$	2019 \$
The amount set aside for income tax in the statement of financial performance has been calculated as follows:		
Proportion of income attributable to non-members	1,468,822	2,038,117
Less: Proportion of expenses attributable to non-members	(1,527,236)	(1,860,736)
	<hr/>	<hr/>
	(58,414)	177,381
Add: Other taxable income	563,351	198,407
	<hr/>	<hr/>
	504,937	375,788
Less: Other deductible expenses	(569,179)	(279,964)
Tax losses claimed	(64,242)	-
Adjustment	-	(33,164)
	<hr/>	<hr/>
Net income subject to tax	-	62,660
	<hr/>	<hr/>
Current income tax applicable to above at rate of 27.5%	-	17,232
Under provision prior year	35	-
Increase in deferred tax assets	(23,646)	(2,084)
Other	(8,661)	-
	<hr/>	<hr/>
Income tax (benefit)/expense	(32,272)	15,147
	<hr/>	<hr/>

(b) Current Tax Assets/(Liabilities)

Movements during the year:

Balance at beginning of year	(13,013)	(7,264)
Over provision	(35)	-
Income tax paid	13,048	11,482
Current year's income tax expense on profit	-	(17,231)
	<hr/>	<hr/>
	-	(13,013)
	<hr/>	<hr/>

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

3 Income Tax (continued)

(c) Deferred Tax Assets

	2020 \$	2019 \$
The balance comprises temporary differences attributable to:		
Employee provisions	26,090	18,504
Tax losses	16,060	-
Net deferred tax assets	<u>42,150</u>	<u>18,504</u>
<b>Movements</b>		
Opening balance	18,504	16,420
Credited to the Statement of Profit or Loss and Other Comprehensive Income	23,646	2,084
Closing balance	<u>42,150</u>	<u>18,504</u>

**Recognition and Measurement**

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, adjusted by 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 apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences 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 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 entity's which intend to settle the claim simultaneously.

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

	2020	2019
	\$	\$
<b>4 Other Assets</b>		
<b>Current</b>		
Prepayments	87,738	117,443
Other current assets	49,291	2,533
Accrued JobKeeper income	44,375	-
	<hr/>	<hr/>
Total other current assets	181,404	119,976
	<hr/>	<hr/>
<b>5 Property, Plant and Equipment</b>		
Leasehold improvements		
<i>At cost</i>	3,181,057	3,171,294
<i>Accumulated depreciation</i>	(1,245,198)	(1,066,083)
	<hr/>	<hr/>
	1,935,859	2,105,211
	<hr/>	<hr/>
Plant and equipment		
<i>At cost</i>	802,080	775,444
<i>Accumulated depreciation</i>	(551,215)	(479,491)
	<hr/>	<hr/>
	250,865	295,953
	<hr/>	<hr/>
Furniture and fittings		
<i>At cost</i>	416,682	412,163
<i>Accumulated depreciation</i>	(346,330)	(331,001)
	<hr/>	<hr/>
	70,352	81,162
	<hr/>	<hr/>
Total property, plant and equipment net book value	2,257,076	2,482,326
	<hr/>	<hr/>

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

5 Property, Plant and Equipment (continued)

	2020 \$	2019 \$
<b>Reconciliations</b>		
<b>Movements in Carrying Amounts</b>		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
<b>Leasehold Improvements</b>		
Carrying amount at beginning of year	2,105,211	2,272,323
Additions	9,763	10,732
Depreciation expense	(179,115)	(177,844)
	<hr/>	<hr/>
Carrying amount at end of year	1,935,859	2,105,211
	<hr/>	<hr/>
<b>Plant and Equipment</b>		
Carrying amount at beginning of year	295,953	285,967
Additions	28,454	76,034
Depreciation expense	(71,724)	(66,048)
Disposals	(1,818)	-
	<hr/>	<hr/>
Carrying amount at end of year	250,865	295,953
	<hr/>	<hr/>
<b>Furniture and fittings</b>		
Carrying amount at beginning of year	81,162	76,836
Additions	4,519	33,492
Depreciation expense	(15,329)	(29,166)
	<hr/>	<hr/>
Carrying amount at end of year	70,352	81,162
	<hr/>	<hr/>

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

5 Property, Plant and Equipment (continued)

Core Property leased by the Club is:

118-120 Ramsgate Avenue  
North Bondi NSW 2026

There were no non-core properties held by the club.

**Recognition and Measurement**

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

The depreciable amount of all fixed assets including leasehold improvements is depreciated using the straight line methods to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Leasehold improvements	Period of lease
Plant and equipment	3 to 7 years
Furniture, fittings and equipment	5 to 10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statements of Profit and Loss and Other Comprehensive Income.

**Estimation of Useful Lives of Assets**

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

North Bondi RSL Club Limited  
Notes to the Financial Statements  
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6 Right-of-use assets

	2020 \$	2019 \$
Property - right-of-use asset		
At cost	4,174,406	4,174,406
Less accumulated depreciation	(386,524)	(109,715)
	<hr/>	<hr/>
Total right-of-use asset at end of year	3,787,882	4,064,691
	<hr/>	<hr/>
<b>Movements in carrying amounts of right-of-use assets:</b>		
<b>Property - right-of-use asset</b>		
Carrying amount at the beginning of the year	4,064,691	-
Additions	-	4,174,406
Depreciation expense	(276,809)	(109,715)
	<hr/>	<hr/>
Carrying amount at the end of the year	3,787,882	4,064,691
	<hr/>	<hr/>

The Company leases the land in which they operate under an agreement that is a 10 year lease with options in the clubs favour to extend for a further two 5 year terms, maturing in 2034. The Company also received rent concessions during the period, with 4 months of rent deferral and 5 months at 50% rent charged. The Company has reflected this lease modification whereby the reduction in rent is accounted for as a variable lease payment and it recognised in the statement of profit or loss during the year.

Subsequent to the year-end date, the landlord agreed to forgive the 4 months of rent deferred.

**Recognition and measurement**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which the lease, except for short term leases (Defined as leases with a lease term of 12 months or less) and leases of low value assets.

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

	2020 \$	2019 \$
<b>7 Trade and Other Payables</b>		
Trade payables	137,332	132,482
Goods and Services Tax (GST) payable	47,009	85,076
Other payables and accrued expenses	115,351	178,064
	299,692	395,622
	299,692	395,622

**Recognition and Measurement**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**8 Employee Benefits**

Current	138,653	132,829
	138,653	132,829
Non-current	59,717	29,307
	59,717	29,307
	59,717	29,307

**Superannuation Plans**

**Contributions**

The company is under a legal obligation to contribute 9.5% of each employee's base salary to a superannuation fund.

**Recognition and Measurement**

**Wages and Salaries, Annual Leave and Sick Leave**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**Long Service Leave**

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

North Bondi RSL Club Limited  
Notes to the Financial Statements  
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9 Borrowings

	2020 \$	2019 \$
Current bank loan	269,022	190,848
Non-current bank loan	325,527	420,725

The borrowings balance is made up of a bank loan with Westpac Bank, in addition to a loan taken out during the financial year with Attvest Finance Pty Ltd.

The Westpac loan has been secured against the kitchen equipment acquired as part of renovation works undertaken during the year. As part of the agreement the bank has the rights over the assets in the event of a default, with the assets being unable to be sold without prior permission from the bank. The loan is due to be repaid over a 64-month period at an interest rate of 5.78%. This loan is expected to mature in June 2023.

The Attvest loan is due to be repaid over a 9 month period at an interest rate of 4.68%. The loan is expected to mature in August 2021.

**Recognition and measurement**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

10 Income In Advance

Current	46,435	64,669
Non-current	171,351	213,200

**Recognition and Measurement**

Income in advance is recognised when the company receives consideration in advance of the provision of the goods or services to which the consideration relates.

Income in advance is measured at the fair value of the consideration received and is amortised to the profit or loss when the company satisfies the performance obligation to which the deferred income is related.



North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

11 Lease Liability

	2020 \$	2019 \$
<b>Current</b>		
Lease liabilities	120,095	215,181
	<hr/>	<hr/>
<b>Non-current</b>		
Lease liabilities	3,990,477	3,917,315
	<hr/>	<hr/>

**Recognition and measurement**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

12 Contingent Liabilities

**Bank Guarantees**

The company has given the following bank guarantee in favour of TAB Limited:

5,236	5,123
<hr/>	<hr/>

North Bondi RSL Club Limited  
Notes to the Financial Statements  
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13 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Name of director	Date of reappointment/appointment/resignation
Martyn Bell	19 April 2009
John Heapy	22 September 1999 (resigned 25 July 2020)
Paul Koerber	6 April 2013
Tommy McAuley	27 January 2015 (resigned 25 July 2020)
Chris Hirst	14 April 2018 (resigned 25 July 2020)
Mary Anne Cronin	29 October 2019
Rachel Coghlan	26 November 2019
Wendy de Graaf	26 July 2020
Andrew Coleman	20 October 2020 (resigned 23 February 2021)
John Ferguson	26 July 2020 (resigned 27 September 2020)
Fred Alderman	26 July 2020 (resigned 20 October 2020)

(b) Key Management Personnel Compensation

	2020 \$	2019 \$
Benefits and payments made to Other Key Management Personnel	746,050	727,196

The increase in benefits and payments made to key management personnel relates to increased permanent employees needs, subsequent to the renovation.

14 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 13.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

15 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 December 2020 there were 8,116 members (2019: 8,968 members). The liability as at 31 December 2020 was \$16,232 (2019: \$17,936).

The registered office of the company is 118-120 Ramsgate Avenue, North Bondi NSW 2026.

North Bondi RSL Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2020

## 16 Events Subsequent to Reporting Date

Subsequent to the reporting date, the landlord agreed to forgive the 4 months of rent deferred.

Other than the above, there are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

## 17 Summary of Other Significant Accounting Policies

### (a) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability 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 investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

### (b) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### (c) Cash and Cash Equivalents

Cash and cash equivalents includes 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.

### (d) Trade Receivables

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

### (e) Inventories

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