
North Bondi RSL Club Limited

ABN 89 001 033 601

Annual Financial Report
31 December 2022

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 2022.

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 13 years as President
Paul Koerber	6 April 2013	Naval Commander
Mary Anne Cronin*	29 October 2019 (resigned 18/7/22)	Director of Real Estate Agency
Rachel Coghlan	26 November 2019	Human Resources Advisor
Wendy de Graaf *	26 July 2020 (resigned 19/6/22)	Company Director
Max Predebon	23 March 2021	Investment Director
Michelle Creamer*	23 August 2022	Partnerships Director
Julian Lenthall*	23 August 2022	Investment Director
Henry Meagher*	26 July 2022	Google Partner Director

*Directors that were appointed or resigned during FY22.

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2022 and the numbers of meetings attended by each director were:

Director	Number of meetings attended	Number of meetings held *
Martyn Bell	13	13
Paul Koerber	13	13
Mary Anne Cronin*	8	8
Rachel Coghlan	13	13
Wendy de Graaf*	5	6
Henry Meagher	5	5
Michelle Creamer	4	4
Julian Lenthall	4	4
Max Predebon	13	13

* 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 2022 and the comparison with last year is as follows:

	2022	2021
Ordinary	54	69
Associate	9,666	4,003
Life	3	3
	<hr/>	<hr/>
	9,723	4,075
	<hr/> <hr/>	<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 \$19,446 (2021: \$8,150).

Operating result

The loss before tax for the year amounted to \$319,069 compared with a loss of \$320,988 for the prior year. Earnings before interest, tax, depreciation and amortisation amounted to \$367,093 (2021: \$372,193).

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.

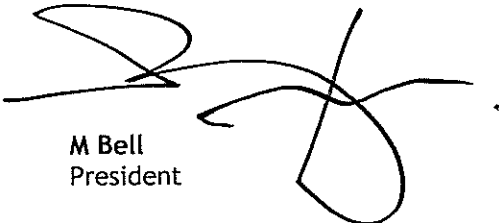
Performance is also measured by comparing income and expenditure over prior periods as well as evaluating trend lines.

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 18 April 2023.



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 2022, 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, 18 April 2023

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 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial 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 2022 and of its financial performance for the year ended on that date; 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 *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 - 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 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

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A stylized, handwritten-style signature of the letters 'BDO' in black ink.

A handwritten signature in black ink that reads 'Elysia Rothwell'.

Elysia Rothwell
Director

Sydney, 18 April 2023

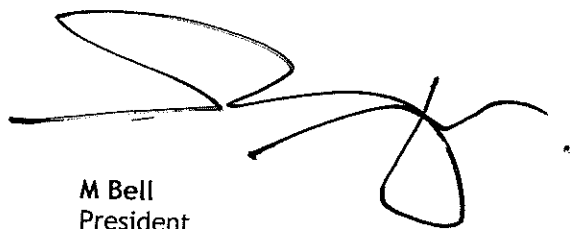
North Bondi RSL Club Limited Directors' Declaration

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 2022 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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 18 April 2023.



M Bell
President

North Bondi RSL Club Limited

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue			
Sale of goods revenue		4,116,726	2,209,362
Rendering of services revenue		303,517	236,668
Other revenue		9,685	15,221
		<hr/>	<hr/>
Total revenue	1	4,429,928	2,461,251
		<hr/>	<hr/>
Other income	1	-	245,679
		<hr/>	<hr/>
Expenses			
Raw materials and consumables used		(1,355,503)	(591,787)
Employee benefits expense		(1,780,797)	(1,324,323)
Entertainment, marketing and promotional costs		(18,195)	(10,993)
Occupancy expenses		(591,261)	(187,932)
Professional services fees		(96,827)	(86,754)
Depreciation expenses	2	(554,069)	(547,342)
Donations and grants		(9,777)	(6,736)
Finance costs		(132,093)	(145,840)
Other expenses		(210,475)	(126,211)
		<hr/>	<hr/>
Total expenses		(4,748,997)	(3,027,918)
		<hr/>	<hr/>
Loss before income tax		(319,069)	(320,988)
Income tax benefit	3(a)	34,948	143,460
		<hr/>	<hr/>
Net loss after income tax expense		(284,121)	(177,528)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		(284,121)	(177,528)
		<hr/> <hr/>	<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 2022

ASSETS	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents		813,610	603,384
Trade and other receivables		7,765	32,742
Inventories		76,694	65,986
Other current assets	4	115,667	102,447
		<hr/>	<hr/>
Total current assets		1,013,736	804,559
		<hr/>	<hr/>
Non-current assets			
Property, plant and equipment	5	2,100,111	2,124,701
Right-of-use asset	6	3,234,085	3,511,292
Deferred tax assets	3(b)	220,558	185,610
		<hr/>	<hr/>
Total non-current assets		5,554,754	5,821,603
		<hr/>	<hr/>
Total assets		6,568,490	6,626,162
		<hr/>	<hr/>
LIABILITIES			
Current liabilities			
Trade and other payables	7	654,417	269,385
Employee benefits	8	50,874	88,456
Borrowings	9	273,465	278,293
Income received in advance	10	115,269	30,101
Lease liability	11	337,109	133,321
		<hr/>	<hr/>
Total current liabilities		1,431,134	799,556
		<hr/>	<hr/>
Non-current liabilities			
Employee benefits	8	8,649	30,537
Borrowings	9	17,852	168,956
Income received in advance	10	13,636	22,031
Lease liability	11	3,555,281	3,779,023
		<hr/>	<hr/>
Total non-current liabilities		3,595,418	4,000,547
		<hr/>	<hr/>
Total liabilities		5,026,552	4,800,103
		<hr/>	<hr/>
Net assets		1,541,938	1,826,059
		<hr/>	<hr/>
Members' funds			
Retained profits		1,541,938	1,826,059
		<hr/>	<hr/>
Total members' funds		1,541,938	1,826,059
		<hr/>	<hr/>

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 2022

	Retained Profits \$	Total members' funds \$
Balance at 31 December 2020	2,003,587	2,003,587
Loss for the year	(177,528)	(177,528)
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(177,528)	(177,528)
	<hr/>	<hr/>
Balance at 31 December 2021	1,826,059	1,826,059
	<hr/>	<hr/>
Loss for the year	(284,121)	(284,121)
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(284,121)	(284,121)
	<hr/>	<hr/>
Balance at 31 December 2022	1,541,938	1,541,938
	<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 2022

	2022 \$	2021 \$
Cash flows from operating activities		
Receipts from customers (GST inclusive)	4,918,133	2,404,150
Payments to suppliers and employees (GST inclusive)	(3,955,350)	(2,557,319)
Government support received	-	290,054
Interest received	1,178	131
Finance costs paid	(132,093)	(183,667)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	831,868	(46,651)
	<hr/>	<hr/>
Cash flows from investing activities		
Payment for property, plant and equipment	(252,272)	(138,377)
	<hr/>	<hr/>
Net cash outflow from investing activities	(252,272)	(138,377)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayment of lease liabilities	(213,437)	(160,401)
Repayment of borrowings	(241,458)	(221,166)
Proceeds from borrowings	85,526	73,866
	<hr/>	<hr/>
Net cash outflow from financing activities	(369,369)	(307,701)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	210,227	(492,729)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the financial year	603,384	1,096,113
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	813,611	603,384
	<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 2022

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 18 April 2023.

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 - Simplified Disclosures 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; 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

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

1 Revenue and Other Income	2022 \$	2021 \$
Sale of Goods Revenue		
Bar and bistro sales	4,116,726	2,209,362
	<hr/>	<hr/>
	4,116,726	2,209,362
	<hr/>	<hr/>
Rendering of Services Revenue		
Members' subscriptions	174,669	132,038
Other rendering of services	128,848	104,630
	<hr/>	<hr/>
	303,517	236,668
	<hr/>	<hr/>
Other Revenue		
Interest received	1,178	131
Sundry revenue	8,507	15,090
	<hr/>	<hr/>
Total other revenue	9,685	15,221
	<hr/>	<hr/>
Total revenue	4,429,928	2,461,251
	<hr/>	<hr/>
Other income		
JobKeeper support income	-	89,675
JobSaver support income	-	141,004
COVID-19 Business Grant	-	15,000
	<hr/>	<hr/>
Total other income	-	245,679
	<hr/>	<hr/>
Total revenue and other income	4,429,928	2,706,930
	<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

1 Revenue and Other Income (Continued)

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.

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 \$nil (2021: \$141,004) from JobSaver and \$nil (2021: \$89,675) 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 \$nil (2021: \$15,000) as part of its 'COVID-19 Business Grant' 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 2022

2 Expenses	2022	2021
	\$	\$
Loss before income tax expense includes the following specific expenses:		
Depreciation expense		
Leasehold improvements	175,670	179,834
Plant and equipment	70,344	70,269
Furniture and fittings	30,848	20,649
Right-of-use assets	277,207	276,590
	<hr/>	<hr/>
Total depreciation expense	554,069	547,342
	<hr/> <hr/>	<hr/> <hr/>
Net expense from movements in provision for employee benefits	59,470	79,376
	<hr/>	<hr/>
Defined contribution superannuation expense	147,869	106,421
	<hr/>	<hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

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.

	2022 \$	2021 \$
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	2,116,196	1,099,577
Less: Proportion of expenses attributable to non-members	(2,213,126)	(1,407,732)
	<hr/>	<hr/>
	(96,930)	(308,155)
Add: Other taxable income	98,088	316,080
	<hr/>	<hr/>
	1,158	7,925
Less: Other deductible expenses	<u>(203,896)</u>	<u>(242,798)</u>
Net income subject to tax	<u>(202,738)</u>	<u>(234,873)</u>
	<hr/> <hr/>	<hr/> <hr/>
Current income tax applicable to above at rate of 25%	(50,684)	(58,718)
Under provision prior year	(4,590)	(87,598)
Increase in deferred tax assets	20,326	2,856
	<hr/>	<hr/>
Income tax benefit	<u>(34,948)</u>	<u>(143,460)</u>
	<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

3 Income Tax (continued)

(b) Deferred Tax Assets

	2022 \$	2021 \$
The balance comprises temporary differences attributable to:		
Employee provisions	5,360	15,772
Tax losses	<u>215,198</u>	<u>169,838</u>
Net deferred tax assets	<u>220,558</u>	<u>185,610</u>
Movements		
Opening balance	185,610	42,150
Credited to the Statement of Profit or Loss and Other Comprehensive Income	<u>34,948</u>	<u>143,460</u>
Closing balance	<u>220,558</u>	<u>185,610</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 2022

	2022	2021
	\$	\$
4 Other Assets		
Current		
Prepayments	98,150	96,704
Other current assets	17,517	5,743
	<hr/>	<hr/>
Total other current assets	115,667	102,447
	<hr/> <hr/>	<hr/> <hr/>
5 Property, Plant and Equipment		
Leasehold improvements		
<i>At cost</i>	3,462,804	3,239,141
<i>Accumulated depreciation</i>	(1,600,704)	(1,425,033)
	<hr/>	<hr/>
	1,862,100	1,814,108
	<hr/>	<hr/>
Plant and equipment		
<i>At cost</i>	843,925	824,625
<i>Accumulated depreciation</i>	(691,829)	(621,485)
	<hr/>	<hr/>
	152,096	203,140
	<hr/>	<hr/>
Furniture and fittings		
<i>At cost</i>	483,742	474,432
<i>Accumulated depreciation</i>	(397,827)	(366,979)
	<hr/>	<hr/>
	85,915	107,453
	<hr/>	<hr/>
Total property, plant and equipment net book value	2,100,111	2,124,701
	<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

5 Property, Plant and Equipment (continued)

	2022 \$	2021 \$
Reconciliations		
Movements in Carrying Amounts		
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.		
Leasehold Improvements		
Carrying amount at beginning of year	1,814,109	1,935,859
Additions	223,661	58,084
Depreciation expense	(175,670)	(179,834)
	<hr/>	<hr/>
Carrying amount at end of year	1,862,100	1,814,109
	<hr/> <hr/>	<hr/> <hr/>
Plant and Equipment		
Carrying amount at beginning of year	203,140	250,865
Additions	19,300	22,544
Depreciation expense	(70,344)	(70,269)
	<hr/>	<hr/>
Carrying amount at end of year	152,096	203,140
	<hr/> <hr/>	<hr/> <hr/>
Furniture and fittings		
Carrying amount at beginning of year	107,453	70,352
Additions	9,310	57,750
Depreciation expense	(30,848)	(20,649)
	<hr/>	<hr/>
Carrying amount at end of year	85,915	107,453
	<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

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
For the Year Ended 31 December 2022

6 Right-of-use assets

	2022 \$	2021 \$
Property - right-of-use asset		
<i>At cost</i>	4,174,406	4,174,406
<i>Less accumulated depreciation</i>	(940,321)	(663,114)
	<hr/>	<hr/>
Total right-of-use asset at end of year	3,234,085	3,511,292
	<hr/>	<hr/>
Movements in carrying amounts of right-of-use assets:		
Property - right-of-use asset		
Carrying amount at the beginning of the year	3,511,292	3,787,882
Depreciation expense	(277,207)	(276,590)
	<hr/>	<hr/>
Carrying amount at the end of the year	3,234,085	3,511,292
	<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 first 6 months of the period. 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.

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 2022

	2022 \$	2021 \$
7 Trade and Other Payables		
Trade payables	365,857	93,103
Goods and Services Tax (GST) payable	100,062	39,196
Other payables and accrued expenses	188,498	137,086
	<u>654,417</u>	<u>269,385</u>

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	50,874	88,456
	<u>50,874</u>	<u>88,456</u>
Non-current	8,649	30,537
	<u>8,649</u>	<u>30,537</u>

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 10.5% 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
For the Year Ended 31 December 2022

9 Borrowings

	2022 \$	2021 \$
Current bank loan	273,465	278,293
Non-current bank loan	17,852	168,956

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 original loan was due to be repaid over a 64-month period at an interest rate of 5.78% and was expected to mature in June 2023. During the current period however, the loan term was extended to mature in January 2024.

The Attvest loan was fully repaid in the year and then renegotiated on 28 November 2022 with amended term to be repaid over a 9 month period at an interest rate of 5.65%. The loan is expected to mature in August 2023.

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	115,269	30,101
Non-current	13,636	22,031

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 2022

11 Lease Liability

	2022 \$	2021 \$
Current		
Lease liabilities	337,109	133,321
	<hr/>	<hr/>
Non-current		
Lease liabilities	3,555,281	3,779,023
	<hr/> <hr/>	<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:

5,301	5,288
<hr/>	<hr/>

13 Remuneration of Auditors

Audit services - BDO

Audit of the financial statements
Taxation services

29,500	24,500
7,000	7,000
<hr/>	<hr/>
36,500	31,500
<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

14 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
Paul Koerber	6 April 2013
Mary Anne Cronin	29 October 2019 (resigned 18/7/22)
Rachel Coghlan	26 November 2019
Wendy de Graaf	26 July 2020 (resigned 19/6/22)
Max Predebon	23 March 2021
Michelle Creamer	23 August 2022
Julian Lenthall	23 August 2022
Henry Meagher	26 July 2022

(b) Key Management Personnel Compensation

	2022 \$	2021 \$
Benefits and payments made to Other Key Management Personnel	170,807	335,207

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

15 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 14.

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.

16 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 2022 there were 9,723 members (2021: 4,075 members). The liability as at 31 December 2022 was \$19,446 (2021: \$8,150).

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 2022

17 Events Subsequent to Reporting Date

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.

18 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.