



MittagongRSL
LIMITED

ABN 69 001 069 674



ANNUAL
REPORT 2021



MittagongRSL

good community.
good people.
good times.





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COMMITMENT & **VALUES**

We believe it's our commitment to and care of our community and members.

Mittagong RSL Club strives to be acknowledged and respected by our members, our community and our industry for these three major commitments:



We strive to achieve this acknowledgment and respect through:

VALUES

The Club will continue to embrace and reflect its founding values and constitution. The Club will maintain its commitment to satisfying member needs and expectations, and ensure these standards will be foremost in the decision making process.

COMMUNITY RECOGNITION

The Club will continually monitor community values and expectations and Club strategies and policies will reflect those values and expectations. The Club will develop a "Community Awareness" program, which will promote and reinforce the value of Clubs within the Community.

GROWTH & PROSPERITY

The Club will acknowledge, respect and embrace change and adjust strategies and policies to reflect change. The Club will maximise operational efficiencies and financial security by professional financial management.

PROFESSIONALISM & INTEGRITY

The governance of the Club will at all times be of the highest ethical and moral integrity. Transparency and accountability is crucial to the Club's integrity. Education will be critical to the Club's continuing professionalism.

STAFF DEVELOPMENT

The Club will create a workplace, which attracts, develops and retains the highest calibre of personnel, supporting teamwork, honesty and respect with our workforce.

CUSTOMER FOCUS

The Club is committed to the primary purpose of serving our members with respect and consistency, engaging them through the provision of facilities, services and products that are beyond expectation.





1

Excellence in service, facilities
& member benefits

2

Professional corporate
management & governance

3

Contributing to the
economic &
social well-being
of our community



PRESIDENT'S REPORT

To our Members who have lost loved ones through the year, my sincere condolences for your loss, and for your continued patronage and support I extend a heartfelt thanks. Of the many things that make our Club great, the patience and loyalty of our Members is the most gratifying of them all.

Once again, we've made it through another volatile year. While we were disappointed to endure a two-month shutdown of the Club at the mercy of Covid 19, we are pleased to have experienced steady and encouraging trade for the majority of the year.

Numerous welfare calls were made to our elderly Members to check on their wellbeing during the lockdown, and we were able to hold a continued presence in the community by offering Heat at Home takeaway meals again.

Having had the opportunity to review conditions of trade throughout Covid induced disruptions, the Board of Directors believes that trade across the organisation has consolidated to a point where it is necessary to move forward with our building program to avoid further penalty through the rising price of materials. As such, we were able to use the shutdown to our advantage and progress with necessary and invasive building work to strengthen the first floor, that would have caused significant logistical disruptions had we been operating at full capacity.

A meeting was held by the Board of Directors on the 1st February with the Clubs' architects and builders, and we are pleased to announce the impending execution of building work in the first half of 2022. We are thrilled to progress with the next chapter of this Club, and whole heartedly believe the Tabatinga Kids Activity Centre will be of great value to our Members and the local community.

Stage one of our solar program was also completed this year, and is already showing very encouraging results so far. We look forward to continually developing our renewable energy program, and delivering great results for our Members.

While Covid has caused significant disruptions with staffing and operations, we are very pleased that our profit for the year has topped the \$1 Million mark - an outstanding result considering the upheaval and uncertain times. All trading departments contributed to this amount with strong trade throughout the year under very trying circumstances. A huge thank you to every staff member for their resilience, flexibility, and hard work. The floor staff running meals to customers have been known to clock up 30,000 steps during their shift on a regular basis, all the while with a smile on their faces.

This year marks my 40th year as a Board Member of this fantastic Club. I have thoroughly enjoyed my time as a Director, to see how this Club has progressed over this time has been truly amazing and rewarding. I have only had three bad experiences in all that time, one being the sale of land to establish a steel museum which was a dismal failure, the other two are best left in the past. I reflect on the amazing achievements of this Club with pride, and look to the future with opportunity and excitement at what is possible.

Our Marketing & PR Coordinator Lillian Wareing is leaving us to begin a new challenge in Canada, we wish her well in her new endeavour and thank her for her initiative and drive during her time with us. Also leaving during the year was Ross Pinkerton who has made the move up to Queensland after 17 years with us in Admin, I wish Ross and Liz all the best for their retirement, and thank him for his dedication and hard work. As a result of Ross' retirement we were able to welcome Craig Patterson as our new Finance Manager, bringing with him a wealth of experience to which I am sure he will put to good use. One of the Clubs longest serving

staff members, Ray Drayton, also retired this year after 28 years with the Club as one of our Duty Managers. He was very diligent in his work, and always up for a laugh and we are grateful he spent so much of his working life with us – we wish him all the best for the future.

Our staff have again excelled themselves in going about their duties, capably led by our Catering Manager Alan, Operations Manager Daniel, our Duty Managers and supervisors. The board is very mindful of what goes on daily within the Club and are very grateful for your input and effort each day, to one and all a very heartfelt thank you.

We had the misfortune during the year to lose one of our most loved staff members Stuart Murray. Stu, or Grandpa as he was affectionately known, was an inspiration to all, particularly to our younger members of staff who sought his knowledge, guidance, and time to which he freely gave. Stu was a true professional and even truer gentleman, RIP mate.

Craig, you have again led us through a difficult year with an outstanding result, the Board and myself thank you for your dedication, leadership, friendship, and your professional approach to your duties throughout the year.

I would personally like to extend my thanks to the Board for their work during the year - let's tackle next year head on, and continue our resolve to always do better, and always be better.

Graham Millbank
PRESIDENT



SUB-BRANCH PRESIDENT'S REPORT

On behalf of the members of the Sub-Branch I would like to commence my report by paying our respects and bidding farewell to those members who left our ranks during the year. We extend our deepest sympathies to their families and friends. The passing of each of these members leaves a void within our organisation that only time can fill, however their time with us certainly built on our legacy of service to our veterans. In particular I would like to pay tribute to Brian Hicks who joined our branch in 2000 and spent many years visiting veterans in hospital as well as filling the role as our Fundraising Officer. Brian's efforts were very much appreciated by our members.

Members of the Sub-Branch both conducted and attended several funeral services for Veterans although their efforts were at times constrained by the restrictions incurred as a result of Covid 19. To all those families who have experienced the loss of a loved one during the year we extend our deepest sympathies. I would like to thank the Board and staff of the Mittagong RSL Club Ltd. for the tremendous support they have provided to the Sub-Branch. The year 2021 once again saw them having to manage under continually changing rules determined and set by others, which impacted all aspects of the business. Despite all of this we continued to receive continual support through the use of the Club's facilities, financial considerations, and as always, the wonderful attitude and assistance given unreservedly by all staff. This support ensures we continue to maintain a healthy and viable Sub-Branch, which in turn allows us to provide the necessary quality of service and support to our members and the wider veteran community in our area. We all entered 2021 with the hope of a return to normal life away from the turmoil and restricted lifestyle imposed on us by Covid 19. Unfortunately, this was not to be the case as again our two main fundraising appeals, normally held just prior to Anzac Day and Remembrance Day once again fell victim to Covid. The one exception to this loss of income being a single Bunnings BBQ. Fortunately, the sound financial base line of our Sub-Branch has allowed us to meet all of our budgeted commitments.

On a much brighter note we were able to hold both our Anzac Day Dawn Service and our Main Service, albeit on a reduced scale. The Main service saw a shortened

march with only current serving defence personnel, veterans and family members representing absent veterans being allowed to participate. The Royal Australian Navy once again supported our services providing the catafalque party and an integral part of the service program. It was very pleasing to see the support from the public who attended both services in large numbers. Fortunately, we were also able to conduct a Remembrance Day service on the 11th of November, at the RSL Club, which was very well attended despite the fact that due to several days of heavy rain the service was conducted indoors. We were once again supported by members of the Air League, Liam Nyholm one of our scholarship recipients sounding The Last Post and Reveille and the Highland Pipes and Drums pipe major Chris Tabram and I thank them for their continued attendance and support. This successful change of format was only possible due to the outstanding support from club staff.

The only commemorative service to fall victim of Covid this year was the VP Day service programmed for the 15th August, with lockdown being declared on the afternoon of the 14th August. Once again tribute was paid with flags flown at half mast, and a wreath laid at the memorial in front of the RSL Club and the sounding of The Last Post.

Also, two Sub-Branch monthly meetings had to be abandoned with only the four members who make up the executive managing to meet and keep the Sub-Branch active. These meetings resulted in the members being contacted electronically to keep them involved and informed. As was the case in 2021, State Branch conducted nearly all of their board meetings via Zoom. This format was again utilised for the annual RSL NSW State Congress, expanding on last year to include the tabling and voting on motions. One of our music scholarship recipients,

Thomas Dunn, completed his year 12 studies and reached the end of his scholarship with the Sub-Branch and on behalf of all of our members, I would like to thank Thomas for his excellent contribution to all of our functions that he attended. Thomas is another testament to the success of the decision to offer the scholarship, and we wish him every success for the future. Our membership has maintained a steady footing with new membership keeping pace with those that we have lost. As all members would be aware membership fees has long been a point of discussion regarding what the breakdown should be and the amount that Sub-Branch's should receive as income. This year saw an end to that discussion with State Branch removing all membership fees as of 2022. Another change has seen membership application now being available online and the membership listings being stored within a portal and being managed electronically and under the control of each Sub-Branch.

The work of Pension Officer Lyn Kuschert, and Welfare Officer Ray Kuschert, continued throughout the year despite all the constraints of Covid 19 and is greatly appreciated by all members, as is the time spent by Ken Sparrow visiting veterans in hospital when the restrictions allowed. To the Secretary Megan Kain, Treasurer Ian Humby, Vice Presidents Ray Kuschert and Ian Humby and the Editor of the Lion Review Phillip Moscatt, thank you all for the time and effort you have put into the Sub-Branch during another different and challenging year, without you the Sub-Branch would not function.

To all the Sub-Branch members, thank you for your support during another difficult year, and I wish you all a healthy and a much more normal 2022.

Stephen Spence
SUB-BRANCH PRESIDENT



GENERAL MANAGER'S REPORT

The past two years have been a period that we have never experienced before and no doubt will be spoken about for years to come. Covid 19 has impacted the operation of our Club and our lives again this year, but the continued resilience of everybody connected with the club is the embodiment of a determination to succeed against difficult conditions. The Club was again closed from mid-August to mid-October 2021, due to NSW Government Health orders. Obviously this has a serious impact on trading conditions and is reflected in an overall lower bottom line profit than was initially envisaged.

As in 2020, I really can't adequately express enough to the members how brilliant the whole team at Mittagong RSL Club has been during 2021. The tenacity and determination shown by our staff to get the job done in the most trying of circumstances has been and continues to be exceptional. Special thanks goes to our management and supervisory teams. The work performed by Alan, Dan, Ross, Di, Radar, Donna, Stuart, Kylie, Bek, Leanne, Donna, Sarah, Roland, Brad & Ashley was simply brilliant considering the conditions.

Even though the Club was shut down for a period just short of 2 months, the business still managed to post a profit of \$1,082,504 for the financial year. We did receive NSW government assistance payments to the value of \$207,714 during this time and we greatly appreciate their support during this period of restricted operating conditions.

When considering the key trading departments at the Club, it is difficult to compare them year on year due to the Covid situation and operational shutdowns. It is pleasing to note though that Food, Beverage and Gaming Departments all recorded increased sales and contribution figures compared to 2020, indicating that business conditions are heading in the right direction. With a commitment from the NSW Government to keep businesses open, we are looking forward to continued improved trading performance which is underpinned with a return in confidence of our customers that we are all able to live with Covid.

At the date of balance, the Club's current assets had increased by \$1,194,498. Current liabilities have increased by \$669,837 with the major factor in the increase being the deferment of Gaming Machine Tax. This is being paid on a monthly basis in accordance with an industry agreement with the State Government. Non-current liabilities have decreased by \$378,867. On the back of a recent independent valuation carried out for financial reporting purposes, the non-current assets of the company have reduced in value by \$508,174. Overall the total equity of the company has increased on the previous year and the balance sheet is in a healthy position, given that the business was closed again this year for an extended period of time.

During the course of the year we had two long term senior staff members retire from the Club, these being Administration Manager Ross Pinkerton and Duty Manager Ray Drayton. Both people were an important and integral part of the club's operations and development over many years and my thanks goes to them on behalf of everyone here at Mittagong RSL. More recently, we have said goodbye to Marketing & PR Coordinator Lillian Wareing, who has decided to venture overseas to broaden her horizons and seek new opportunity. We wish Lil safe travels.

Unfortunately, we lost one of our great staff members Stuart Murray during the year in very difficult circumstances here at the Club. Stuart was the type of employee that was adaptable and could turn his hand to any role here at the Club. He was well respected and loved by many of us here at the club and will forever be remembered for his quirky sense of humor, we miss him greatly.

In projecting what 2022 will look like, Covid will again play its part, but indications are that with a 95% vaccinated population the Government has no appetite for locking business down again. This we believe means we will get a level of business certainty that we have not had over the previous two years. The Board of Directors are currently reviewing our business masterplan and the proposed Tabatinga building project is very high on the list of priorities for commencement at some stage in 2022. It is time to start moving forward once again.

To the Board of Directors, thank you for your support and guidance during 2021. We have managed to maintain the business in pretty good shape. The continued success of the Club is always dependent upon the support of our members. Our member's dedication to the Club is our inspiration for us to do the best we possibly can. We would like to extend a thank you to all of our members for being there in 2021 and look forward to providing a great experience for you all in 2022.

Craig Madsen
GENERAL MANAGER



J. P. Cupitt



B. F. Smith



LIFE MEMBERS & PATRONS

We take this opportunity to acknowledge the Life Members & Patrons of the Mittagong RSL Club.

The Mittagong RSL Club affords Life Membership as an honour to a member of the Club who has given outstanding service to the Club for a period of time.

The members of the Club at an Annual General Meeting must vote upon life Membership.

Life membership is generally determined by

a member nominating another member for life membership, with this nomination being seconded by another member.

This nomination for life membership is then considered by the Board of Directors to determine if it should be referred to the next General Meeting of the Club for final approval of the members.

LIFE MEMBERS

A R Jones

A E Lips

R W Tomlin

V Nolan

K R Johnston

B G Long

H S McNaughton

H C Pritchard

E C Bisiker

R J Webeck

V W Orford

V.R. Cowley

J. P Cupitt

A I Pike

G J Millbank

R F Cole

R M Carter

B F Smith

A.R. Cunyngname

HARNESSING
THE SUN'S
ENERGY



SOLAR INSTALLATION

Our Club entered an exciting stage of development this year as the first phase in our solar panel installation was completed.

Some of the many benefits of our new renewable energy program include:

- **Increased self-sufficiency on energy requirements**
- **Substantial cost savings**
- **Positive, sustainable environmental impact**
- **Energy supply security from grid/network outage**
- **Incorporation of new technologies, such as microgrids and EV charging stations**

Our Club is progressing with a solar and renewable energy strategy which includes the installation of a solar panel array on the roof of the Club. We have been patient in assessing the available solar technology to date, but feel that now is the time to move forward with renewables. The ultimate end game is being an energy self-sufficient Club.

The solar installation will be done in two stages. Phase one, involving a 99kw installation, was completed in June 2021. Stage 2 of the installation will take place in 2022 and will be 192kw in size. The total size of the installation when completed will be 291kw on the roof. Some of the technology incorporated includes lightweight flexible panels which can be installed on the curved profile of the Club's roofs, and if required can be easily taken up and moved to another location.

It is expected that energy cost savings from the solar array will be a conservative 25% which also equates to a commensurate drop in Co2 attributable to the footprint of the business. The capital cost of the 291kw system has a payback period of just over 3 years and cumulative savings on the power bill of over \$2M over the life of the system. We are very excited to be on the journey with solar power. This adds to the clubs ongoing commitment of progressing with sustainability initiatives for the benefit of our community. We look to the future with excitement as the evolution of our renewable energy program continuous to roll out.



It is our mission to strive to recognise and understand **problem gambling** and to guide those individuals who do have a problem so they may obtain the help they require.

RESPONSIBLE CONDUCT OF **GAMING**

The Mittagong RSL Club offers gambling and gaming services to our members and as such, we have an obligation to provide a healthy and safe gaming environment. The majority of players enjoy gaming machines as a recreational activity in our setting, which is conducive to harm minimisation legislation and practices.

For those individuals that do have issues it is our mission to strive to recognise and understand problem gambling and to guide those individuals who do have a problem so that they may obtain the help they require.

The Club has adopted the “ClubSafe Code of Practice and Guidelines” acknowledging our commitment to provide members with a safe and responsible gambling environment.

Help is close at hand

GAMBLEAWARE
1800 858 858
gambleaware.nsw.gov.au

ClubsNSW

It is a requirement that all staff who work in the gaming area are trained and certified in the Responsible Conduct of Gaming to enable them to recognise risk factors that exist in relation to the provision of gaming services. The Club offers Multi Venue Self Exclusion to patrons that have indicated that they have an issue with their gaming practices.

RESPONSIBLE SERVICE OF **ALCOHOL**

Mittagong RSL Club is in the business of serving alcoholic beverages to our patrons for their consumption. We have a legal requirement to ensure that the service and consumption of these products is done in a responsible manner to minimise the risk to patrons, staff and the general public.

It is a requirement that all staff who serve or work around beverage sales and consumption are trained and certified in the Responsible

Service of Alcohol to enable them to recognise risk factors that may be affecting our patrons.

Our policy at the Club is very clear. We want all guests to enjoy themselves. For many people alcohol consumption is a pleasurable part of their daily life and we respect that.

We are here to serve people with beverages professionally, responsibly and in a friendly manner. What we do not want to allow is people to drink to excess and place themselves, other patrons, our staff and the community at risk.

We have RSA policies that strive to achieve the noted outcomes:

- ▶ Prevent intoxication & intoxicated behaviour
- ▶ Prevent violent or disruptive behaviour
- ▶ Prevent underage drinking
- ▶ Prevent drinking & driving



FOOD SAFETY & HANDLING PROCEDURES

The Club has one of the largest food businesses in the Southern Highlands, serving thousands of meals per week.

With this trade comes the responsibility to ensure we are serving our customers the best possible product at optimum conditions. To do this we have procedures in place that ensures we only use approved reputable suppliers, that we monitor the temperature of our food from delivery, storage and preparation through to our display cabinets, we monitor the temperatures of our refrigerators and freezers and we have an alarms system to alert our staff if any of these are above temperature. We have a cleaning and sanitising program and have the Club inspected every 6 weeks for insects and pests.

We have accredited Food Safety Supervisors rostered each day and our food business is registered with the Food Authority. We are randomly inspected by health officers who have rated us as excellent with 5 stars, this being the highest level that can be achieved.





Financial Statements

FOR THE YEAR ENDED
31 DECEMBER 2021





Notice of Annual General Meeting

Notice is hereby given that the 50th Annual General Meeting of Members of the Mittagong RSL Club Limited will be held in the Clubhouse on Sunday 27th March, 2022 at 10.00 am.

BUSINESS

1. Apologies.
2. A minutes silence to acknowledge all members that have passed away during the year.
3. To confirm the Minutes of the previous General Meeting on Sunday 28th March 2021.
4. To receive, consider and adopt the report of the President & General Manager
5. To receive, consider and adopt the Financial Statement of the Company for the year ended 31st December, 2021 together with the Reports therein of the Directors and Auditors.
6. Notice of Ordinary Resolutions.
7. Appointment of Patron or Patrons.
8. Deal with any business of which due notice has been given.
9. General Business: to transact any other business that may be lawfully brought forward.

BY THE ORDER OF THE BOARD
Dated this 9th February 2022



CRAIG MADSEN
General Manager



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FOR THE YEAR ENDED 31 DECEMBER 2021

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Declaration of **Core** and **Non-Core** Property FOR THE YEAR ENDED 31 DECEMBER 2021

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 31 December, 2021:

- (a) The following properties are core property of the Club;
 - (i) The land upon which the Club's licensed premises are located;
 - (ii) The land upon which the Club's car parking areas are located other than the 10 car parking spaces adjacent to the northern wall of the Springs Resorts Mittagong RSL Motel.

- (b) The following properties are non-core property of the Club;
 - (i) The land upon which the Mineral Springs Motel behind the Club's licensed premises are located;
 - (ii) The land in lot 3 DP 365917 on Old Hume Highway containing the residential property on the corner of the Old Hume Highway and Bessemer Street Mittagong;
 - (iii) The land in Lot 1 DP 1086496 upon which the Springs Resorts Mittagong RSL Motel is located including the ten car parking spaces which are adjacent to the northern wall of the motel; and
 - (iv) The land in Lot 1 DP 237330 on Henderson Avenue containing the residential property situated at 26 Henderson Avenue, Mittagong.
 - (v) The land in Lot 3 DP 237330 on Henderson Avenue containing the residential property situated at 22 Henderson Avenue, Mittagong.

Declaration of **Core** and **Non-Core** Property

FOR THE YEAR ENDED 31 DECEMBER 2021

Notes to Members

1. Section 41J(2) of the registered Clubs Act requires the annual report to specify the core and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) The defined premises of the Club; or
 - (b) Any facility provided by the Club for use of its members and their guests; or
 - (c) Any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of Ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) The property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) The disposal has been approved at a general meeting of the Ordinary members of the Club at which the majority of votes cast support the approval; and
 - (c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
 - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been subject of a valuation by a registered valuer;
 - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunications tower.

Ordinary Resolutions

“That pursuant to the Registered Clubs Act, the members hereby approve and agree to the members of the Board during the twelve (12) months preceding the 2023 Annual General Meeting receiving the following benefits, and the members further acknowledge that the benefits outlined in the sub paragraphs (1) to (10) are not available to members generally but only to those members who are elected Directors of the Club”.

1. A reasonable meal if required and refreshments to be associated with each Board meeting of the Club.
2. Provision for seven car parking spaces to be reserved for the exclusive use of Directors.
3. The reasonable cost of Directors, and their spouses, attending the Registered Clubs Association Annual General Meeting.
4. The reasonable cost of Directors and their spouses attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
5. The reasonable cost of Directors and their spouses attending other registered clubs for the purpose of viewing and assessing their facilities and the method of such operation provided that such attendances are approved by the Board as being necessary for the benefit of the Club.
6. The provision of blazers and associated apparel for the use of Club Directors when representing the Club.
7. The reasonable cost of an annual dinner for Directors and their spouses.
8. The reasonable cost of refreshments whilst a Director is on duty at the Club.
9. The reasonable cost of welcoming and entertaining industry representatives, VIPs and other invited guests.
10. The reasonable cost of membership of Clubs NSW Directors Institute and related training seminars and workshops.

Directors' Report

31 DECEMBER 2021

The directors present their report on Mittagong RSL Club Ltd for the financial year ended 31 December 2021.

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

Names	Position
Graham Millbank	President
Roger Cole	Vice President
Ross Cowley	Vice President
Phillip Moscatt	Director
Stephen Spence	Director
Peter Tomlin	Director
Charmaine Cooper	Director

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

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Graham Millbank	
Qualifications	Self Employed
Experience	40 years
Roger Cole	
Qualifications	Retired School Teacher
Experience	37 years
Ross Cowley	
Qualifications	Bachelor of Business
Experience	17 years
Phillip Moscatt	
Qualifications	Retired Sales and Marketing Manager
Experience	13 years
Stephen Spence	
Qualifications	Retired Manager - Electrical Industry
Experience	9 years
Peter Tomlin	
Qualifications	Retired Education Department Officer
Experience	6 years
Charmaine Cooper	
Qualifications	Community Engagement Co-ordinator
Experience	3 years

Company secretary

Mr Craig Madsen has been the company secretary since 5 March 2005. Mr Craig Madsen has worked for Mittagong RSL Club Limited for the past sixteen years, performing management roles.

Directors' Report

31 DECEMBER 2021

The profit of the Company for the financial year after providing for income tax amounted to \$1,082,504 (2020: \$1,294,747).

During the course of the financial year, due to the Covid 19 pandemic outbreak and in line with NSW State Government Legislation, the company was required to cease operations at its club site from 14th August 2021 to 11th October 2021, as a preventative control measure through the hospitality industry to mitigate the spreading of the Delta C19 virus.

The company received financial support from the State Government to the value of \$207,714 via the JobSaver Scheme for the period of the shutdown.

During the period when the Club was open for business, the main sources of revenue came from food, beverage, gaming and gambling operations, which serviced the social requirements of our members and visitors. All revenue departments traded in line with expectation given the restrictions imposed by government on the amount of people allowed in the venue. Expenditures through the various departments were also considered to be within expectation and adjusted to reflect lower levels of income flowing through the business.

Staff development has continued where possible and the Board of Directors has undertaken the necessary training to maintain compliance with the legislation that covers our business activities.

The maintenance of profitability of the Club through our core business activities has enabled us to maintain our contributions to the local community and junior sports organisations under the Community Development Support Expenditure Scheme.

Impact assessment of COVID 19

During the financial year, due to the Covid 19 pandemic outbreak and in line with NSW State Government Legislation, the company was required to cease operations at its club site from 14th August 2021 to 11th October 2021 as a preventative control measure through the hospitality industry to mitigate the spreading of the C19 virus. During this time the club was unable to generate revenues through the normal course of business.

Upon reopening of the business on 11th October 2021, the club as part of hospitality industry was subject to limits on the amount of people that could come to the venue at any one time. These limits impacted the Club's ability to generate revenue streams that were comparable to pre-Covid trading conditions.

In comparison to the previous year, the incidence of C19 virus spread has not been contained and the Omicron variant of C19 is spreading readily through the community. This strain does not appear to make people as sick as previous strains and over 95% of the population of NSW is fully vaccinated against the virus. The NSW Government appears to be confident with their approach to dealing with the virus and it is not anticipated that there will be a further full lock downs of business. The Club is currently operating under a capacity restriction of one person per two square meters. This is not considered a major hindrance to our revenue generation or ability to service customers.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal Activities

The principal activity of Mittagong RSL Club Ltd during the financial year was that of a registered club.

No significant change in the nature of these activities occurred during the financial year.

Directors' Report

31 DECEMBER 2021

Short term objectives

In the short term the Company objectives are to carefully monitor and plan our way forward in a Covid 19 World. We will grow revenues through existing revenue streams and look at potential diversification of income. We will continue to promote, develop and expand the Club's offerings. We will continue to provide quality entertainment and social activities for members to support our principal activities whilst maintaining state of the art facilities and amenities that serve our members.

Long term objectives

In the long term, the Company's primary objective is to investigate and implement successful alternate revenue streams that complement the Club's core business whilst still maintaining the principle activities of the Company.

Strategy for achieving the objectives

The company will strive to continue to be a market leader in the Licensed Club Industry in the current offerings provided to members while undertaking due diligence, extensive research and looking at market demands to determine the viability of any potential alternate revenue streams.

The primary strategies to achieve the Club's objectives is through sound financial management and the use of financial ratios and key performance indicators (KPIs) to ensure that organisational business plans, budgets and cash flows are current, accurate and relevant.

We will operate the business in a Covid Safe Manner in line with Government Health and Compliance Regulations. We will present Mittagong RSL Club as a Covid Safe Venue for our Members and Visitors where they will feel comfortable to spend time at the venue.

Performance measures

The Company measures its success in the following areas:

- Satisfaction of its members, guests and employees
- Success of marketing and promotional events, entertainment and major calendar events
- Financial performance through review of:
 - Earnings before interest, tax, depreciation and amortisation
 - Revenue
 - Wages cost as a percentage of revenues
 - Profitability
 - Targeted budgets being met
 - Business Plan targets achieved
 - Financial ratios and KPIs
 - Patron visitations

Events subsequent after the reporting date

No matters or circumstances have arisen since the end of the financial year which 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.

Likely developments and expected results of operations

The provision and improvement of services for our Members is the prime objective of the Club in all of its activities. We will continue to monitor the situation regarding Covid 19 and take a considered approach to capital expenditure during the next reporting period. It is anticipated that with consistent business conditions, the Club will move forward with its building program designed around the development of a family friendly children's activity centre. This development has been on hold due to the uncertainty surrounding Covid and the effects on business and consumer confidence.

Directors' Report

31 DECEMBER 2021

Environmental regulation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification of officers

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an officers or auditor of Mittagong RSL Club Limited, with the exception of a directors and officers company reimbursement insurance policy.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not party to any such proceedings during the year.

Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Graham Millbank	13
Roger Cole	13
Ross Cowley	13
Phillip Moscott	11
Stephen Spence	13
Peter Tomlin	12
Charmaine Cooper	12

Members Guarantee

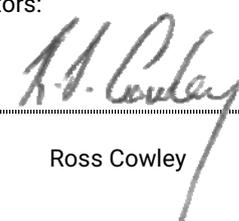
The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company. At 31 December 2021 the number of members was 19,103 (2020: 19,894).

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2021 has been received and can be found on page 5 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director-  Graham J Millbank

Director-  Ross Cowley

Auditor's Report

31 DECEMBER 2021

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Mittagong RSL Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

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

Kelly Partners (South West Sydney) Partnership



Daniel Kuchta
Registered Auditor Number 335565

Campbelltown
Dated this 9th day of February 2022

Statement of Profit or Loss & Other Comprehensive Income FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue	2	15,436,321	13,512,850
Other income	2	240,366	2,390,591
Changes in inventories		(25,158)	(30,486)
Raw materials and consumables used		(2,101,051)	(1,814,657)
Employee benefits expense		(6,112,147)	(6,919,006)
Depreciation expense		(674,560)	(898,374)
Finance costs	3	(150,649)	(183,756)
Gaming tax		(1,669,828)	(1,459,165)
Other expenses	3	<u>(3,860,790)</u>	<u>(3,303,250)</u>
Profit before income tax		1,082,504	1,294,747
Income tax expense	4	<u>-</u>	<u>-</u>
Profit for the year		<u>1,082,504</u>	<u>1,294,747</u>
Comprehensive income			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,082,504</u>	<u>1,294,747</u>

Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	5	4,918,043	3,729,936
Trade and other receivables	6	55,262	35,462
Inventories	7	161,225	186,383
Other current assets	8	64,259	52,510
TOTAL CURRENT ASSETS		5,198,789	4,004,291
NON-CURRENT ASSETS			
Property, plant and equipment	9	37,475,469	37,974,767
Investment properties	10	919,055	927,931
Intangible assets	11	833,588	833,588
TOTAL NON-CURRENT ASSETS		39,228,112	39,736,286
TOTAL ASSETS		44,426,901	43,740,577
CURRENT LIABILITIES			
Trade and other payables	12	2,056,750	1,442,349
Contract liabilities	12	185,223	156,521
Borrowings	13	195,860	221,696
Employee benefits	14	1,343,932	1,291,361
TOTAL CURRENT LIABILITIES		3,781,764	3,111,927
NON-CURRENT LIABILITIES			
Borrowings	13	4,641,790	5,015,703
Employee benefits	14	3,729	8,683
TOTAL NON-CURRENT LIABILITIES		4,645,519	5,024,386
TOTAL LIABILITIES		8,427,283	8,136,313
NET ASSETS		35,999,617	35,604,264
EQUITY			
Reserves	15	15,500,836	16,187,987
Retained earnings		20,498,782	19,416,278
TOTAL EQUITY		35,999,617	35,604,264

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2020	18,121,531	16,187,987	34,309,518
Total Comprehensive income for the year	1,294,747	-	1,294,747
Balance at 1 January 2021	19,416,278	16,187,987	35,604,264
Total Comprehensive income for the year	1,082,504	-	1,082,504
Land and building revaluation	-	(687,151)	(687,151)
Balance at 31 December 2021	20,498,782	15,500,836	35,999,617

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,165,814	17,321,246
Payments to suppliers and employees		(14,607,028)	(15,049,353)
Interest received		604	5,628
Finance charges paid		(134,523)	(165,998)
Net cash provided by operating activities		<u>2,424,867</u>	<u>2,111,523</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		32,652	91
Purchase of property, plant and equipment		(853,537)	(441,004)
Net cash provided by (used in) investing activities		<u>(820,885)</u>	<u>(440,913)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		222,742	1,913,563
Repayment of borrowings		(638,617)	(942,979)
Net cash provided by (used in) financing activities		<u>(415,875)</u>	<u>970,584</u>
Net increase (decrease) in cash held		1,188,107	2,641,194
Cash and cash equivalents at beginning of year		3,729,936	1,088,743
Cash and cash equivalents at end of year	5	<u>4,918,043</u>	<u>3,729,936</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

Mittagong RSL Club Ltd is a not for profit company limited by guarantee, incorporated and domiciled in Australia. The functional and presentation currency of Mittagong RSL Club Ltd is Australian dollars.

Basis of Preparation

The financial statements are a general purpose financial report that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in *AASB 1053: Application of Tiers of Australian Accounting Standards*.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board 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 the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurements 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.

Accounting Policies

a Income Tax

The principle of mutuality has been applied in calculating the taxable income of the company. Subscriptions and other amounts received from members are excluded from the assessable income of the company. The company is assessed for income tax purposes on income from non members (including other investment income such as interest and rent.) Operating expenses are apportioned between member and non member income. Accordingly, taxable income is not directly related to the operating result and can vary substantially from year to year.

b Inventory

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

c Property, Plant and Equipment

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

Land and Buildings

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

c Property, Plant and Equipment

Land and Buildings

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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 time can be measured reliably. All other repairs and maintenances are recognised as expenses in profit and loss during the financial period in which they are incurred.

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Depreciation is recognised in profit or loss.

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

<u>Class of Fixed Asset</u>	<u>Rate</u>
Plant & equipment	20%
Motor vehicles	22.5% - 25%
Gaming machines	20%

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 the carrying amount. These gains or losses are recognised immediately in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

d Leases

Lessor accounting

When the entity is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with *AASB 15: Revenue from Contracts with Customers*.

The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the entity's net investment in the lease.

e Investment Property

Investment property is measured at cost. Refer note 10.

f 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 (except for trade receivables) 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 the profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in *AASB 15: Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

f Financial Instruments

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristic of the financial asset; and
- the business model for managing financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flow from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

f Financial Instruments

Classification and subsequent measurement

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contracted cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- low credit risk operational simplification approach

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Simplified Approach

The simplified approach does not require tracking of change in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transaction that are within the scope of *AASB 15: Revenue from Contracts with Customers*, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

f Financial Instruments

Classification and subsequent measurement

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdictions in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

g Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in *AASB 116: Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h Intangibles

Poker Machine Entitlements

Poker machine entitlements are considered as intangible assets as per AASB 138 and have been brought to account at cost. They are considered to have an indefinite life and as such are not amortised.

Social impact assessment study costs incurred in order to obtain additional entitlements have been accounted for as prepayments until the entitlements are acquired. The prepayment is then capitalised together with the cost of the entitlements.

Impairment of gaming machine entitlements is recognised based on fair value less costs to sell or on value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows growth rate and appropriate discount factor have been considered.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

i Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligation for long-term employee benefits are presented as non-current provision in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

j Provisions

Provisions are recognised when the Company 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

l Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below has been specified.

Catering and Beverage Sales

Revenue from the sale of goods is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred, however ownership or effective control over the goods is transferred to the customer once the goods have been paid.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

l Revenue and Other Income

Interest income

Interest income is recognised using the effective interest rate.

Rendering of Services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year as to when services are delivered.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

All revenue is stated net of the amount of goods and services tax (GST).

m Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 for further discussion on the determination of impairment losses.

n Trade and Other Payables

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

o 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivable or payable in the statement of financial position.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

p Comparative Figures

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

q Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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

i) Valuation of land and buildings

The freehold land and buildings were independently valued at 31 December 2021 by an independent external valuer. The valuation was based on a combination approach - cost, income and market approaches. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the demand for land and buildings in the area, recent sales data for similar properties and potential lease income. A valuation adjustment was made for the financial year.

ii) Impairment

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

iii) Useful lives of property, plant and equipment

As described in Note 1(c), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

iv) Core Property

The Club reviews its core land & buildings on an annual basis to test that the carrying value does not exceed its fair value. If any impairment to the core land & building is determined an impairment loss is recognised and the asset is written down to this fair value in the financial statements. As a result of the Club's annual assessment it is noted the fair value has declined.

Key judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost value, quantity and the period of transfer related to the goods or services promised.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

r Fair Value of Assets

The entity measures some of its assets at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

s New and Amended Accounting Policies Not Yet Adopted by the Company

AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The AASB has issued *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. AASB 1060 defines the disclosure requirements for Tier 2 general purpose financial statements, as defined by Australian Accounting Standards, and serves as a replacement for the existing Reduced Disclosure Regime.

The company currently meets all recognition and measurement requirement of accounting standards. The impact of consolidation will be assessed on adoption. The company assessed there will be minimal impact upon adoption of the Simplified Disclosure standard.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

	\$	\$
2 Revenue and Other income		
Revenue from contracts with customers		
- Catering sales	4,838,867	4,002,133
- Beverage sales	1,844,467	1,633,701
- Gaming machine profit	8,079,072	7,280,942
	<u>14,762,406</u>	<u>12,916,776</u>
Other revenue		
- Other revenue	50,208	40,545
- Commission	241,439	192,153
- Rental income	226,022	196,123
- Membership income	128,110	131,975
- Sports and recreation	2,858	6,404
- Interest income	604	5,628
- Utilities reimbursements - Springs Motel	24,672	23,245
	<u>673,914</u>	<u>596,074</u>
Other income		
- Government grants - Covid-19 stimulus	207,714	2,390,500
- Gain on sale of non current assets	32,652	91
	<u>240,366</u>	<u>2,390,591</u>
Total Revenue and other income	<u>15,676,687</u>	<u>15,903,441</u>
3 Profit for the year		
Significant Expenses		
Finance costs		
- Interest paid - borrowings	95,835	118,554
- Other borrowing charges	54,814	65,202
	<u>150,649</u>	<u>183,756</u>
Other Expenses comprises of:		
Advertising	106,906	64,182
Cleaning	370,658	422,724
Club grants	240,942	187,196
Club promotions	804,999	727,589
Club rewards	87,943	65,140
CMS fees	78,422	77,726
Electricity	279,214	286,003
Entertainment	27,888	21,250

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
Other Expenses comprises of:		
Gas	59,840	48,333
Insurance	407,167	229,926
Max Gaming fees	-	7,095
Rates and taxes	168,593	107,533
Repairs and maintenance	385,125	411,488
Requisites	113,893	94,780
Security	100,097	86,632
Staff amenities	71,375	59,879
Other expenses	557,727	405,774
	<u>3,860,790</u>	<u>3,303,250</u>

4 Income Tax

(a) The major components of income tax expense comprise:

Current tax	-	-
Deferred tax	-	-
(b) Deferred tax (unrealised gain/loss, provisions, accruals and depreciation)	-	-

(c) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2020: 26%)	270,626	336,634
Member only income	(64,412)	(56,856)
Member only expenses	84,270	72,397
Effect of mutuality	(152,573)	(250,440)
Other items (net)	(137,911)	(101,735)
Income tax expense	<u>-</u>	<u>-</u>

At 31 December 2021, the Club had accumulated losses with a future income tax benefit of \$4,763,206 (2020: \$4,527,610) carried forward. Future income tax benefits have not been brought to account at reporting date as the directors do not believe that the realisation of the asset is probable.

5 Cash and Cash Equivalents

Cash on hand	253,821	243,351
Cash at bank	4,664,222	3,486,585
	<u>4,918,043</u>	<u>3,729,936</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position

<u>4,918,043</u>	<u>3,729,936</u>
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Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
6 Trade and Other Receivables		
Current		
Trade receivables	55,262	35,462
7 Inventories		
Inventories - at cost	161,225	186,383
8 Other Current Assets		
Current		
Prepayments	47,546	38,320
Other assets	16,713	14,190
	64,259	52,510
9 Property, Plant and Equipment		
Land and Buildings		
Freehold land - at independent valuation	10,250,000	9,625,000
	10,250,000	9,625,000
Buildings - at independent valuation	24,250,000	25,500,000
	24,250,000	25,500,000
Total land and buildings	34,500,000	35,125,000
Plant and Equipment		
Plant and equipment - at cost	4,113,450	3,951,387
Accumulated depreciation	(3,638,829)	(3,488,534)
	474,621	462,853
Capital work in progress	1,351,076	1,152,217
	1,351,076	1,152,217
Motor vehicles - at cost	82,309	60,597
Accumulated depreciation	(38,230)	(48,370)
	44,079	12,227
Gaming machines - at cost	6,614,875	6,749,248
Accumulated depreciation	(5,509,182)	(5,526,778)
	1,105,693	1,222,470
Total Property, Plant and Equipment	37,475,469	37,974,767

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
9 Property, Plant and Equipment (cont)		
(a) Movements in carrying amounts		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:		
	Land	Buildings
		Capital WIP
		Plant and Equipment
		Motor Vehicles
		Gaming Machines
		Total
Opening Balance	9,625,000	25,500,000
Additions	-	53,870
Transfers	-	8,281
Disposal	-	-
Depreciation	-	-
Revaluation	625,000	(1,312,151)
Closing balance	10,250,000	24,250,000
	1,351,076	474,621
	44,079	1,105,693
		37,475,469
10 Investment Properties		
At cost		965,183
Accumulated amortisation and impairment losses		(46,128)
Net carrying amount		919,055
(a) Movements in carrying amounts		
Balance at beginning of the year		927,931
Additions		-
Less: depreciation		(8,876)
Balance at the end of the year		919,055
An independent valuation of 22 Henderson Ave and 26 Henderson Ave obtained at 31 December 2021 indicated that the fair value of the respective properties are \$800,000 and \$700,000. To be consistent with the accounting policies adopted by The Club, investment property is continued to be carried at amortised cost.		
11 Intangible Assets		
Poker machine entitlement		833,588
Accumulated amortisation and impairment losses		-
Net carrying amount		833,588
12 Trade and Other Payables		
Current		
Trade payables		597,418
Gaming tax accrued		741,757
Other payables and accrued expenses		717,575
		2,056,750
		1,442,349

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
12 Trade and Other Payables (cont.)		
Contract Liabilities		
Subscriptions in advance	167,602	143,297
Unearned income	17,621	13,224
	185,223	156,521
13 Borrowings		
Current		
Hire purchase liabilities - unsecured	195,860	221,696
Total current borrowings	195,860	221,696
Non-current		
Market Rate Loans - secured	4,550,500	4,900,500
Bank loans - secured	4,713	6,892
Hire purchase liabilities - unsecured	86,577	108,311
Total non-current borrowings	4,641,790	5,015,703
Total Borrowings	4,837,650	5,237,399
Movements		
Opening balance	5,237,399	
Proceeds from financial liabilities	221,777	
Interest on financial liabilities	17,091	
Repayment of financial liabilities	(638,617)	
Closing balance	4,837,650	

a Loans and market rate facilities

The Company has a Market Rate Loan expiring on 24 November 2024, with the following components:

- i) \$5,163,000 facility resetting every 3 months with principal repayments of \$87,500

The Company has a credit card facility with a limit of \$50,000.

The Company entered into a variable rate loan on 1 October 2019 for \$488,330.90 for the purchase of 22 Henderson Ave Mittagong. Loan reduction is via monthly principal and interest repayments. During the year the Company made additional repayments and has \$400,000 available in re-draw.

b The company has access to the following lines of credit:

Total facilities available:

Corporate credit card - CBA	50,000	50,000
Market Rate Loan	5,163,000	5,163,000

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
13 Borrowings (cont.)		
b The company has access to the following lines of credit:		
Facilities used at balance date:		
Corporate credit card - CBA	34,391	35,476
Market Rate Loan	4,550,500	4,900,500
Facilities not utilised at balance date:		
Corporate credit card - CBA	15,609	14,524
Market Rate Loan	612,500	262,500
c Securities pledged		
The Market Rate Loan facility is secured by:		
i) a first registered mortgage over non residential property located at Cnr Bessemer Street and Old Hume Highway Mittagong NSW 2575.		
ii) a first registered mortgage over residential property located at 26 Henderson Avenue Mittagong NSW 2575.		
iii) a first registered equitable mortgage over the whole of its assets and undertakings of the company.		
iv) a first registered mortgage over residential property located at 22 Henderson Avenue Mittagong NSW 2575.		
14 Employee benefits		
Current		
Employee benefits	1,343,932	1,291,361
	1,343,932	1,291,361
Non-current		
Employee benefits	3,729	8,683
	3,729	8,683
Total Employee Benefits	1,347,661	1,300,044
Movements		
Opening balance	1,300,044	
Additional provisions	337,876	
Provisions used	(290,259)	
Closing balance	1,347,661	
15 Reserves		
The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.		
	15,500,836	16,187,987

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
16 Capital and Leasing Commitments		
Finance Lease Commitments - hire purchase liabilities		
Payable - minimum lease payments:		
- not later than 12 months	202,759	235,245
- between 12 months and five years	86,577	108,311
Minimum lease payments	<u>289,336</u>	<u>343,556</u>
Less: finance charges	(6,900)	(13,549)
Present value of minimum lease payments	<u>282,436</u>	<u>330,007</u>
Note 13		
Capital Expenditure Commitments		
Capital expenditure commitments contracted for:	<u>-</u>	<u>-</u>
17 Key Management Personnel Compensation		
The totals of remuneration paid to the key management personnel (General Manager, Catering Manager and Operations Manager) of Mittagong RSL Club Ltd during the year are as follows:		
Key Management Personnel Compensation	<u>628,594</u>	<u>585,777</u>
For details of other transactions with key management personnel, refer to Note 22.		
18 Contingent Liabilities and Contingent Assets		
In the opinion of the Directors, the Company did not have any contingencies at both reporting dates.		
At the request of the company, the company's bank is holding bank guarantees in favour of the Totalisator Agency Board of NSW to the value of \$5,000.		
19 Events after the Reporting Period		
No matters or circumstances have arisen since the end of the financial year which 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.		
20 Financial Risk Management		
The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans and leases.		
The total amounts for each category of financial instruments, measure in accordance with AASB 9: <i>Financial Instruments</i> ; Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:		
Financial assets- amortised cost		
- cash and cash equivalents	5 4,918,043	3,729,936
- loans and receivables	6 <u>55,262</u>	<u>35,462</u>
Total financial assets	<u>4,973,305</u>	<u>3,765,398</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
		\$	\$
20 Financial Risk Management (cont.)			
Financial liabilities- amortised cost			
- trade and other payables	12	2,056,750	1,442,349
- borrowings	13	4,837,650	5,237,399
Total financial liabilities		6,894,400	6,679,748

21 Fair Value Measurement

The company has land and buildings that are measured at fair value on a recurring basis after initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Non Financial assets

Land and buildings	10	24,250,000	25,500,000
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For land and buildings, the fair values have been determined based on independent valuations based on a combination approach - utilising cost, income and market approaches using recent observable market data for similar properties. Significant inputs used are price per hectare/square metre.

22 Related Party Transactions

The Company's main related parties are as follows:

Key management personnel

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

For details of disclosures relating to key management personnel, refer to Note 17.

Other related parties

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

Transactions with related parties

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

The following transactions occurred with related parties:

Benefits paid to directors in kind in attending seminars, functions, club business and the like		6,246	4,277
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23 Members Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 31 December 2021 the number of members was 19,103 (2020: 19,894).

24 Statutory Information

The registered office and principal place of business of the company is:

Mittagong RSL Club Ltd

Corner Hume Highway and Bessemer Street

Mittagong NSW 2575

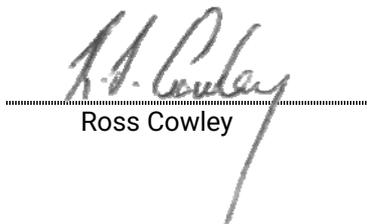
Directors' Declaration

In accordance with a resolution of the directors of Mittagong RSL Club Ltd, the directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (a) Comply with Accounting Standards - Reduced Disclosure Requirements; and
 - (b) Give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the year ended on that date of the Company.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director 
Graham J Millbank

Director 
Ross Cowley

Dated this 9th day of February 2022

INDEPENDENT AUDIT REPORT

To the Members of Mittagong RSL Club Ltd.

Opinion

We have audited the financial report of Mittagong RSL Club Ltd, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Mittagong RSL Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

We 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 comprises the directors' report and annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Kelly Partners (South West Sydney) Partnership ABN 74 977 815 661

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

Kelly Partners (South West Sydney) Partnership



Daniel Kuchta
Registered Auditor Number 335565
Campbelltown

Dated this 9th day of February 2022



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We have a responsibility to ensure we are serving our customers **the best possible product at optimum conditions.**



**EMPLOYEE
OF THE
YEAR**



REBECCA MORGAN

In the same year Bec celebrated 10 years working at Mittagong RSL Club, she was also awarded our 2021 Employee of the Year. In what was another tumultuous and trying year for us all, Bec's continued dedication to her role was a steadfast display of professionalism.

Throughout the highs and lows of trade, and even through business shutdowns, Bec's role as Accounts Coordinator never ceases. Bec is one of very few employees who has worked continuously over the past 2 years, and has done so with willingness and reliability.

As an integral role in the finance department of the Club, the Accounts Coordinator is a crucial link between the trading floor and Senior Management. Required to have a comprehensive understanding of financial matters, systems and processes across the entire organisation, Bec's success in the role is certainly no surprise given her journey at the Club.

Bec began working with us in March 2011, employed on a casual basis working on the Main Bar and Gaming Floor, by 2014 Bec had been trained to do Clearance shifts and by 2016 was trained in the Safe Room, at which time she had a very thorough understanding of the financial workings from a Front of House perspective.

In May of 2018 Bec begun her training for her current role as Accounts Coordinator, and has been employed Full Time in that role ever since.

Since starting in this current role, Bec had been reporting to Ross Pinkerton, the Club's long term Administration Manager. Ross' retirement this year saw the addition of Craig Patterson as Finance Manager, a significant change for the small but astute Finance Department. In what was already another rapidly evolving year, the way Bec adeptly navigated this transition was instrumental in ensuring that all financial systems at the Club continued to roll without disruption.

Bec is a wonderful asset to our Club. While very thorough in her work, it is Bec's good nature and kind sensibility with everyone she comes across that leaves a lasting impression. Her loyalty and hard work in the last 10 years are evidence of her ability to dedicate herself entirely to the job at hand. Having worked for years in Front of House roles, she is still willing to lend a hand in whatever department it is required. Bec is a very well-liked and respected member of our team, and is thoroughly deserved of this recognition.

We would like to congratulate Bec on a wonderful year, and to extend our thanks to her for her decade of service.

2021 CLUBS NSW CLUBS & COMMUNITY AWARDS



WINNER

HIGHLY COMMENDED

BUSHFIRE SUPPORT AWARD

CRAIG MADSEN | HEART OF THE COMMUNITY AWARD



We are very humbled to have been named as a joint winner in the Bushfire Support category, and for our General Manager Craig Madsen to have received a Highly Commended Heart of the Community Award in the 2021 ClubsNSW Clubs & Community Awards

While we were very surprised to take home the trophy, it truly is a well-deserved accolade for our Staff for their hard work throughout the bushfire season. Our staff went above and beyond time and time again to help those taking refuge in the Club, to help feed the RFS & NSWFS, and to help our community find a bit of comfort in all of the devastation. Between December 19th 2019 and January 5th 2020, Disaster Welfare registered 1222 evacuees at the Mittagong RSL Club Disaster Welfare Evacuation Centre. When the Green Wattle Creek fire impacted the Northern Villages from the 19th -22nd December 592 free meals were provided to evacuees, and from December 15th to January 28th Mittagong RSL provided 6895 meals for the RFS, NSWFS and SES. The Club called in the help of the Board of Directors, Management, Administration, and spouses. Staff returned early from annual leave, retired staff members came back to the kitchen – all volunteering their time to the labour intensive operation.

There were a record number of entries in the awards, and Clubs right across the state did truly amazing things to help the Bushfire effort, so to receive this award and be formally recognised by our peers on the biggest night for our industry is no small feat. We feel humbled to receive the recognition, and full of pride when reflecting on the team work, selflessness, and dedication displayed by our staff.



In the worst of times, you see the best of people – and as we look back on the enormity of the 2019/2020 Bushfire season, once again we would like to extend our sincere gratitude to the RFS, NSWFS, SES, Emergency Services, Red Cross & Government Agencies for the amazing work they did for us all during this time.

CLUBGRANTS PROFILES



SHOWCASING OUR COMMUNITY GROUPS

During 2021 the Mittagong RSL supported many community groups in our local area either through cash donation, goods in kind or complimentary facility rental.

Organisations supported were from a diverse spectrum of our community.

Mittagong RSL Club is proud to assist in supporting many worthwhile essential causes and organisations. The following pages showcase just a few...

CAMP QUALITY ESCARPADE | \$5,000

Bill & Carmel Van Diemen have been Members of Mittagong RSL Club for 17 years, they are a local family doing extraordinary work for families in the Southern Highlands dealing with cancer.

After a neighbour's child was diagnosed with cancer, Bill and Carmel saw firsthand the support that Camp Quality offered to the family in their time of need. Eager to get involved, Bill found out about the Camp Quality esCarpade, a 7 day 'party with a purpose on wheels' – a natural fit for Bill who has an affinity for cars and had a strong desire to help fundraise for Camp Quality.

Bill and Carmel first got involved with the esCarpade in 2013, and look forward to the event again in 2022. What a great effort, and what a good cause!



MENTORING MEN | \$4,900

Mentoring Men is a registered charity providing free long-term one-to-one life mentoring programs for men Australia wide. With a focus on a proactive approach, engaging with men who need help before they spiral into crisis is essential in addressing the lack of early intervention programs in the Southern Highlands. 3 out of 4 suicides in Australia are men.

Mentoring Men helps adult men who are experiencing distress or a sense of helplessness by providing free, one-to-one mentoring with a trained volunteer. Different initiatives like Walk and Talks, Men's Breakfast, and Mentor and Suicide Prevention Training are all focussed on proactive prevention.



THE SCOUT ASSOCIATION OF AUSTRALIA NSW BRANCH | **\$5,000**



Having reopened in 2019, Moss Vale Scout Group required funding to re-resource the Scout Hall, and provide equipment for the Scout Group. The funds were used to provide a rich experience, in turn enabling the recruitment and retention of both scouts and volunteers.

Scouts is open to youth of all abilities and opens up opportunities for children to learn and excel in areas outside of academics. Creating a nurturing environment to grow, develop skills, socialise and engage with the environment not only has a positive impact on the youth involved, but also benefits the entire community.



ROBERTSON RURAL FIRE SERVICE **\$8,556**

Robertson Rural Fire Service was granted \$8,556 in Category One ClubGRANTS funding for the purpose of obtaining an A3 Laser Printer. We have all seen firsthand in the last few years just how vital the work of RFS stations is to regional communities across the country. Ensuring stations have the necessary equipment to carry out their duties is essential in times of major incidents.

From bushfires, storms, and significant infrastructure incidents to training, administrative tasks, and command and control duties, the RFS will be able to utilise the printer across many situations, elevating operational logistics and maintaining pace with changing technologies. Ensuring the brigade can produce critical documents, the printer will better facilitate their ability to save lives, homes, and properties.



THE ROBERTSON SHED | **\$4,830** CTC ROBERTSON – MENTAL HEALTH FIRST AID TRAINING

Friends, Neighbours, Family Members and Business Owners are often the 'accidental' frontline of mental health challenges within the community. The Robertson Shed is addressing this by providing Mental Health First Aid Training to 15 community members.

The training, delivered by an accredited Mental Health First Aid Instructor, will equip participants with the skills to respond appropriately to others in the community experiencing mental health challenges and will provide the confidence and knowledge to be able to assist others in seeking appropriate support and ongoing help. NSW Department of Health statistics have highlighted Wingecarribee Shire mental health as an area of concern, particularly in young women and men aged 80+.

The aim of the training is to destigmatise mental health issues and foster a sense of support and inclusion in the broader community. Evaluations of Mental Health First Aid training show an association with improved knowledge of mental illnesses and their treatments, knowledge of appropriate First Aid strategies, and confidence in providing first aid to individuals with mental illness.

HOME START NATIONAL | **\$4,000**



Wingecarribee Home Start's Volunteer Home Visiting Program utilises the valuable parenting experience of local volunteers to provide practical and emotional support to struggling families with small children every week.

Volunteers receive free training and regular support and are matched with vulnerable and isolated parents with babies and small children, who may be living with mental or physical illness, disabilities, poverty, or have escaped domestic violence.

The award winning volunteer Home Visiting program ensures children in vulnerable families have the best possible start in life. Home visits take place for 3 hours every week, and provide practical help, transport, and an extra pair of eyes and hands for isolated or disadvantaged families.



BUNDANOON PUBLIC SCHOOL NAIDOC CELEBRATION | **\$2,500**

150 Bundanoon Public School students, 30 Wingello Public School students, and 10 Penrose Public School students came together last year to celebrate NAIDOC Week.

Indigenous presenters, an Aboriginal Elder, and staff from National Parks provided activities for the students including dance, language, weaving, and bush tucker and medicine to promote cultural awareness. The theme of NAIDOC in 2021 was 'Healing Country', and the aim of the celebration was to increase the students' knowledge of indigenous culture, to acknowledge indigenous students, to facilitate entertainment and collaboration for the schools, and to allow students to form friendships with other local small primary schools.



BOWRAL HIGH BREAKFAST CLUB **\$5,000**

The Bowral High Breakfast Club aims to provide free breakfast for students at Bowral High School who are unable to have breakfast at home because of lifestyle challenges or poverty. Every Tuesday and Thursday the program provides a hot breakfast to students, with the ability to cater for different tastes, allergies, and cultural requirements.

The Breakfast Club is staffed voluntarily by Bowral High School teachers, and volunteers from the community. Not only does the breakfast relieve financial pressure for families and support the learning of children in the program, it also provides opportunities for the Hospitality Students of Bowral High to gain valuable experience and hours in the kitchen.

With the ability to cater for up to 50 students per session, the Breakfast Club is an important service offered by the school to ensure children have the necessary start to their day for the optimum learning experience.

YOUR ANGEL CHARITY **\$6,100** KEEP CALM IN THE KITCHEN PROGRAM



Your Angel's Keep Calm in the Kitchen Program was created as a mental health and food relief program born to service the Southern Highlands as the pandemic began to unfold.

Melissa from Your Angel explains, "Over the course of the pandemic our Keep Calm in the Kitchen program has delivered more than just mental health and food relief to struggling families. Our Keep Calm recipe kits teach people how to prepare affordable easy to make-from-scratch meals, building their skills and confidence to make healthy food choices long term. These recipe kits are also changing household dynamics and routines as parents and children share the food prep load and families come together to learn how to cook new recipes, sit down and share new meals.

Thanks to the generosity of Mittagong RSL and ClubGRANT funds received, we have been able to increase our charity sponsorship for households in need of support across the region. With every recipe kit release we are now able to sponsor 10 additional households spanning mental health, disability, social and financial support needs. These new sponsorships will equate to an additional 200 free recipe kits this year feeding 2,400 extra free meals to hundreds across the Southern Highlands region.

One simple recipe kit can go a long way towards improving short and long term circumstances for many in our local community. We are proud to partner with Mittagong RSL to expand our charitable reach and appreciate the clubs on-going community support."

TRIPLE CARE FARM AFTERCARE

\$4,000

Located in the Wingecarribee Shire, Triple Care Farm is a holistic youth drug and alcohol residential facility, helping 16-24 year olds to overcome addiction and lead healthy lives. The 12 week program on the farm, however, is just the beginning in the journey to rehabilitation. At the completion of their stay, young people work closely with a dedicated youth worker for 6 months, to aid them in their transition back to the community.

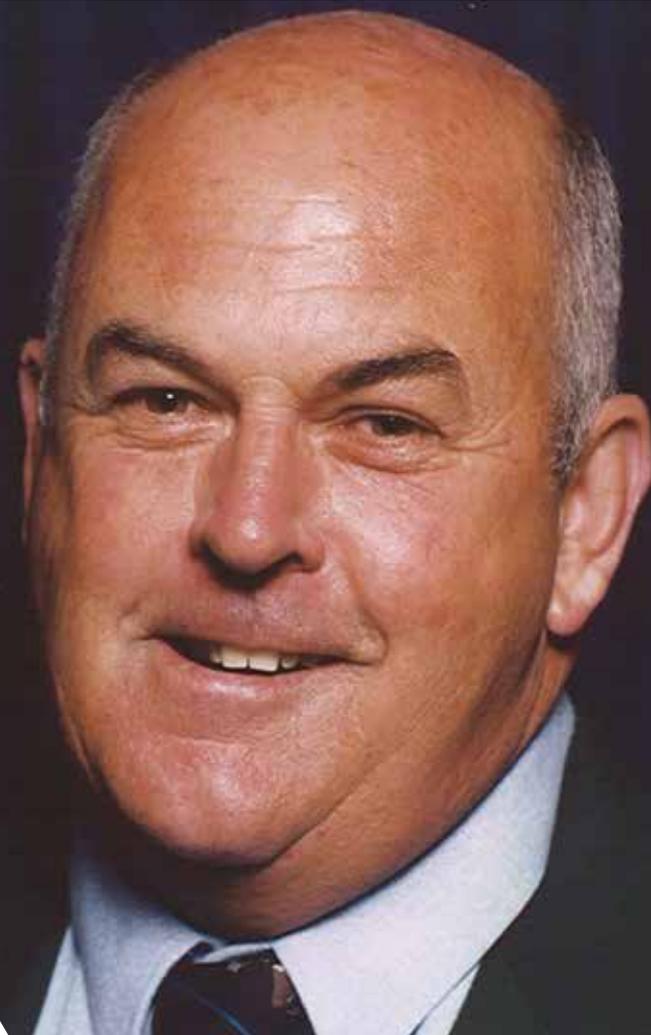
The aftercare component is a critical point in the rehabilitation program, where young people are at their most vulnerable and the risk of relapse is extremely high. While implementing essential living skills learnt on the farm, Aftercare workers offer practical mentoring support to reduce feelings of isolation, promote independence, build on their newly developed cooking skills, cleaning, budgeting and maintaining hygiene. Being able to develop and maintain these skills in-turn increases self-esteem and builds positive problem solving skills as every effort is made to ensure health and sobriety is maintained.

Face-to-face meetings, phone calls, home visits and emails with their support workers also work to strengthen support networks between young people and their friends and families. Assistance is also given with medical treatment, enrolling in education, applying for jobs, and finding safe and appropriate accommodation.

With a proven track record of success, with zero suicide attempts and 80% engaged in education and employment after 6 months, the aftercare program not only benefits the youth participating, but also their entire network of friends and family, as well as the wider community by relieving the stress on public health and housing, and by lowering the chance of offending or reoffending.



PROFILE



GRAHAM MILLBANK

Since 1982, a lot has changed in the Clubs industry, and a lot has changed at Mittagong RSL – but from the small Club on Regent Street to the continued expansion of our Club today, one thing has remained the same. This year, our President Graham Millbank celebrates 40 years on Mittagong RSL Club’s Board of Directors, a remarkable feat for a salt of the earth man.

Affectionately known as Grub, you won’t come across a more genuine or down to earth person. A Southern Highlands native, Grub’s connection to our once very small country town goes right back - his grandfather was station master here for 53 years, his parents born and bred here, as he was, and his children after him.

Grub began to frequent Mittagong RSL at 16 years old, when we were operating out of a small building on Regent street in Mittagong. If you know Grub, you know that he is as straight forward as he is kind hearted, he respects history and recognises sacrifice, and he is the architype of those who frequented our Club after our establishment in 1955 by the returned servicemen in the Mittagong RSL Sub Branch. Grub was elected to the Board of Directors in the first year he put himself forward. Being heavily involved in the Club with a good understanding of what was going on behind the scenes, he recognised some areas in operation that could do with some improvement. 40 years later with progressions to Vice President, and eventually

President - he has become a colossal figure in the history of our Club.

His absolute reverence for Veteran affairs ensures the positive relationship between Mittagong RSL Club Ltd. and the Mittagong RSL Sub Branch has held strong, and that one of our Clubs most imperative founding goals – the commitment to continually serve the Veterans in our area – has never waned.

In 40 years, Mittagong RSL Club has seen Board Members, General Managers, Senior Management, and staff at all levels come and go. Grub's continued presence in the executive branch has provided a stability and steadiness that has been crucial as our Club has grown from strength to strength. Integral to his ability to have maintained his position for so long, is unwavering dedication and commitment to the betterment of our organisation. His leadership has evolved as our industry has, what was once a more operational and hands on role is now predominately corporate governance, compliance, and strategic planning. The synergy in the evolution of the role itself, and Grub's leadership style, has allowed our Club to keep stride with rapid industry growth.

Many who have lived in the Southern Highlands may never know of the ways Grub has impacted their lives. From in-kind donations to raffle prizes, sport sponsorships to disaster welfare, Mittagong RSL has played an important part in our community for a long time. We were built on the foundation of community, and for the Club to step forward in service is not only a moral expectation held by the current executive team but is an identifying characteristic of Mittagong RSL that has

been woven into the cultural fabric of the Club since establishment. Everyone here knows that it's Grub's expectation that the Club steps forward when needed, and stays strong when depended on. His tenure at the Club has ensured that the values the Club were founded on have been maintained throughout the decades, and that we've never strayed from our identity or from our purpose within the community.

While he holds a very well respected position within in our Club, he is an unassuming man - never one to come to the Club and throw his weight around, he is humble, approachable, and more than anything wants the best for this Club, our Members, and our staff. When asked about how he has managed the many challenges faced in the last 40 years, and how he approaches the future there is a solid resolve to put one foot in front of the other, make calm and reasoned decisions, and to never place a limit on what can be achieved.

Not only a great President, but a great person too - the entire community has benefited from his service. To dedicate so much time and effort to a voluntary role is evidence of his good nature. He won't beat around the bush, but he will give you the shirt off his back, and to have had the time, perseverance and integrity of Grub on our Board of Directors for 40 years has been a great honour for this Club, and we congratulate him on reaching such a special milestone.

VALE STUART MURRAY



Stuart joined the team 6 and a half years ago, and was a huge piece of the puzzle at the Club ever since.

He was extremely committed to his role, and always went above and beyond as he went about his work. He wore many hats - working behind the bar, in the change box, on reception and as a relief Duty Manager – and he carried out all of these jobs with diligence and integrity.

Even as we say our farewells, we carry with us fond memories of a great man. He had a cheeky sense of humour, quick wit, and an infectious smile. We'll miss him tremendously.

FAREWELLS

After 18 years at the Club, our Administration Manager Ross Pinkerton retired late in 2021.

For 18 years Ross has done his job with diligence and professionalism, and has overseen the Clubs finances through times of significant transformation - from the enormous highs of our Ironstone expansion, to the grinding halt of trade in the middle of shutdowns. A quickly changing landscape that required a keen eye and a steady hand.

Thank you for your long standing service to the Club, Ross!



ROSS PINKERTON

RAY DRAYTON



Ray was one of longest serving staff Members at the Club having spent 28 years here, and gave us so many years of dedicated and diligent work. To have worked with, and enjoyed so much time with Ray has been a pleasure for us all. He's always willing to lend a hand and to have some fun too. He has a wonderful sense of humour, and the best, most infectious laugh on the planet.

We send him off into retirement with precious memories of the fun we've had and gratitude that he spent so much of his working life with us.

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