BREWARRINA SUB-BRANCH RSL CLUB LIMITED
(a company limited by guarantee)
ABN 73 001 050 102

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

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CONTENTS

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DIRECTORS' REPORT

Your directors present their report on the Brewarrina Sub-Branch RSL Club Limited for the financial year ended 31 December 2021.

Directors

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

Lesley Baker
Rory Finlayson (appointed 28 November 2021)
Wendy Finlayson
Sharon Fox
Janice Frail
Michael Hertslet (appointed 6 October 2021)
Donna Jeffries
Dianne Kelly
Christopher Redmond
Mark Redmond (resigned 11 July 2021)

Principal Activities

The principal activity of Brewarrina Sub-Branch RSL Club Limited throughout the year was to provide members and their guests with social and gaming facilities. There was no significant change in the nature of that activity during the year.

The Club's short-term and long-term objectives are both to maintain the provision of social and other facilities associated with a registered and licensed club. These objectives are achieved through attracting and retaining quality staff and Board members that are committed to engage in continuous improvement with the Club, act in the best interests of the Club and assist with the success of the Club.

Likely developments in the operations of the company and the expected results of these operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Information on Directors

Director		Experience
Donna Jeffries	-	President
	-	Board member since 20 May 2019
Lesley Baker	-	Board member since 3 June 2012
Rory Finlayson	-	Board member since 28 November 2021
Wendy Finlayson	-	Board member since 11 December 2020
Sharon Fox	-	Board member since 11 December 2020
Janice Frail	-	Board member since 28 February 2017
Michael Hertslet	-	Board member since 6 October 2021
Dianne Kelly	-	Board member since 3 June 2012
Christopher Redmond	-	Board member since 22 May 2017

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DIRECTORS' REPORT
(Continued)

Meetings of Directors

During the financial year, ten (10) meetings of directors were held. Attendances by each director during the year were as follows:

	Number Eligible to Attend	Number Attended
Lesley Baker	10	8
Rory Finlayson	2	-
Wendy Finlayson	10	8
Sharon Fox	10	9
Janice Frail	10	5
Michael Hertslet	3	3
Donna Jeffries	10	9
Dianne Kelly	10	6
Christopher Redmond	10	8
Mark Redmond	6	-

Authorised Capital

The Club is a company limited by guarantee and accordingly does not have any share capital. If the club is wound up, the liability of the members is limited to the amount set out in the club's constitution.

Auditor's Independence Declaration

The auditors' independence declaration for the year ended 31 December 2021 has been received and can be found on page 3 of the financial statements.

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

Dated at Brewarrina on the 31st day of March 2022

President

Director

Luka Group

CHARTERED ACCOUNTANTS & FINANCIAL ADVISERS

...making it easy!

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BREWARRINA SUB-BRANCH RSL CLUB LIMITED

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

i) no contraventions to the audit independence requirements as set out in the Corporations Act 2001 in relation to the auditor, and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LUKA GROUP

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 31 March 2022

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation

DIRECTORS' DECLARATION

The directors of the Brewarrina Sub-Branch RSL Club Limited declare that:

1. The financial statements and notes as set out on pages 5 to 34 are in accordance with the Corporations Act 2001;

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

   (b) give a true and fair view of the financial position as at 31 December 2021 and the performance for the year ended on that date of the Club.

2. The Secretary Manager has declared that:

   (a) the financial records of the Club for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion there are reasonable grounds to believe that the Club 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.

Dated at Brewarrina on the 31st day of March 2022

President	Director

BREWARRINA SUB-BRANCH RSL CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 $	2020 $
Revenues	2	2,902,031	2,823,174
Changes in inventories of finished goods		(3,306)	7,746
Raw materials and consumables used		(755,433)	(871,299)
Employee benefits expense	3	(934,268)	(696,556)
Depreciation expense	3	(168,149)	(157,015)
Other expenses	3	(900,744)	(618,469)
Profit before income tax expense		140,131	487,581
Income tax expense	4	1,613	(13,598)
Net profit for the year		141,744	473,983
Other comprehensive income		-	-
Total comprehensive income for the year		$141,744	$473,983

The accompanying notes form part of these financial statements

BREWARRINA SUB-BRANCH RSL CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	5	1,898,793	1,615,480
Trade and other receivables	6	10,160	13,701
Inventories	7	84,148	87,454
Other assets	8	22,289	16,658
Total Current Assets		2,015,390	1,733,293
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,407,509	1,458,119
Intangible assets	9	144,000	144,000
Deferred tax assets	13	61,298	52,485
Total Non-Current Assets		1,612,807	1,654,604
TOTAL ASSETS		3,628,197	3,387,897
CURRENT LIABILITIES			
Trade and other payables	11	255,880	192,396
Current tax liabilities	13	11,860	8,806
Borrowings	12	7,545	7,169
Provisions	14	89,085	55,984
Total Current Liabilities		364,370	264,355
NON-CURRENT LIABILITIES			
Borrowings	12	35,780	43,325
Provisions	14	11,837	5,751
Total Non-Current Liabilities		47,617	49,076
TOTAL LIABILITIES		411,987	313,431
NET ASSETS		$3,216,210	$3,074,466
EQUITY			
Accumulated funds		3,216,210	3,074,466
TOTAL EQUITY		$3,216,210	$3,074,466

The accompanying notes form part of these financial statements

BREWARRINA SUB-BRANCH RSL CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Retained Earnings $
Balance at 1 January 2020	2,600,483
Profit for the year	473,983
Other comprehensive income	-
Balance at 31 December 2020	3,074,466
Profit for the year	141,744
Other comprehensive income	-
Balance at 31 December 2021	$3,216,210

The accompanying notes form part of these financial statements.

BREWARRINA SUB-BRANCH RSL CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,417,636	3,064,570
Interest received	8,728	6,778
Payments to suppliers and employees	(3,022,125)	(2,403,097)
Income taxes paid	(4,146)	(14,339)
Net cash flows provided /(used in) by operating activities (Note 15.2)	400,093	653,912
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	8,000	8,000
Purchase of property, plant and equipment	(117,611)	(203,169)
Net cash flows used in investing activities	(109,611)	(195,169)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(7,169)	(2,146)
Net cash flows used in financing activities	(7,169)	(2,146)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	283,313	456,597
Cash at beginning of year	1,615,480	1,158,883
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	$1,898,793	$1,615,480

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover the financial entity of Brewarrina Sub-Branch RSL Club Limited. Brewarrina Sub-Branch RSL Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of related non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

1.1. Income tax

Under current income tax law, income derived by the company from members is not assessable to income tax. Income tax liabilities arise in respect of income derived by non-members and investments, less certain allowable deductions. Commission income is assessable in full, less direct operating expenses and is not subject to the mutuality principle.

1.2. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.

1.3. Trade and other receivables

Trade and other receivables include amounts receivable from customers. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

1.4. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any impairment in value.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the assets are held ready for use. The depreciation rates for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10%-25%
Buildings	2.5%-10%
Motor vehicles	20%
Office equipment	10%-40%
Furniture and fittings	13%-20%
Poker machines	20%-30%

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4. Property, plant and equipment (Continued)

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 and losses are included in the statement of comprehensive income.

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised as a line item in the statement of comprehensive income.

1.5. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (that is, trade date accounting is adopted).

Financial instruments (except trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised in profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.5. Financial instruments (Continued)

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.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at amortised cost.

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

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

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset.

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 or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.5. Financial instruments (Continued)

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

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 contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective rate of the financial instrument.

The Company uses the simplified approach.

The simplified approach does not require tracking of changes 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 that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component.

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

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognised the movement in the loss allowance as an impairment gain or loss in the statement of comprehensive income.

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

1.6. Leases

At inception of a contract, the company assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.
- The company has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.6. Leases (Continued)

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

1.7. Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement, plus related on-costs.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

The provision for annual leave has been reviewed with all entitlements classified as current liabilities.

1.8. Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, at call deposits and term deposits with banks or financial institutions, net of bank overdrafts.

1.9. Comparative amounts

When the presentation or classification of items in the financial statements are amended, comparative amounts shall be reclassified unless the reclassification is impractical.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10. Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- where the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO are classified as operating cash flows.

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

1.11. Trade and other payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

1.12. Intangible assets

Intangible assets represent the poker machine licenses of the company. Poker machine licenses were initially brought to account at deemed cost. Any subsequent purchases of poker machine licenses have been brought to account at cost.

The useful lives of these intangible assets are assessed to be indefinite.

Intangible assets are tested for impairment on an annual basis or when an indicator for impairment exists.

1.13. Impairment

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.14. Revenue

The Club has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058).

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

The customer for these contracts is the fund provider.

Revenue is recognised by applying a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price
- Recognise revenue

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Sales of goods

Revenue from sales of goods comprises revenue earned from the sale of goods purchased for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred.

None of the items sold have any warranty attached to them.

Fees and charges

The member or guest receives and consumes the benefits of the services as the company provides them. Revenue is recognised on a straight-line basis over the term of the contract.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control of the asset.

Grant income and Government rebates

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the revenue is recognised based on either cost or time incurred which best reflects the transfer of control.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.15. Fair value of assets and liabilities

The company measures some of its assets and liabilities 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 company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie 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 either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie that market that maximizes the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction cost and transport costs).

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

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

1.16 Critical Accounting Estimates and Judgements

The company evaluates 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) Impairment - general

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.16 Critical Accounting Estimates and Judgements (Continued)

Key Judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee render the related services. As the Company expects that most employees will not use all of their annual leave entitlement in the same year in which they are earned or during the following 12 month period, obligations for annual leave entitlements are classified under AASB 119 as long term employee benefits and therefore, are assumed to be measured at the present value of the expected future payments to be made to employees. Long service leave entitlements are classified under AASB 119 as long term employee benefits and therefore, are assumed to be measured at the present value of the expected future payments to be made to employees.

(ii) Useful lives of depreciable assets

As describe in Note 1.4, the company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of assets.

1.17 New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements has found they are not applicable to the company.

	2021 $	2020 $

2. REVENUE

	2021 $	2020 $
Bar sales	1,101,943	1,190,440
Bingo	9,201	8,373
Cigarette sales	73,158	77,557
Commission income - ATM	21,350	18,839
Gain on disposal of property plant and equipment	7,928	-
Government stimulus		
Cash flow boost	-	100,000
Covid grant	-	10,000
Job keeper	-	138,000
Job saver	99,990	-
Ice machine income	6,793	-
Insurance recoveries	34,160	17,217
Interest received	5,511	6,037
Keno income	91,566	91,387
Other income	6,210	8,337
Poker machine income	1,304,368	1,043,983
Poker machine GST rebate	17,180	17,180
Raffle income	52,769	54,192
Rent received - House	7,350	7,800
Rent received - Kitchen	18,287	16,171
Subscriptions - membership	15,077	9,042
TAB commission	9,190	8,619
Wage subsidy	20,000	-
	$2,902,031	$2,823,174

3. RESULT FROM OPERATIONS

	2021 $	2020 $
Cost of goods sold		
Opening stock	87,454	79,708
Purchase	754,044	870,940
Freight	1,389	359
Closing stock	(84,148)	(87,454)
	$758,739	$863,553

	2021 $	2020 $
Employee benefits		
Wages	779,580	624,530
Superannuation contributions	71,792	50,548
Employee entitlements	39,188	10,299
Staff amenities	6,617	2,155
Staff training and welfare	3,679	1,738
Uniforms	6,436	363
Workers' compensation insurance	26,976	6,923
	$934,268	$696,556

3. RESULT FROM OPERATIONS (Continued)

	2021 $	2020 $
Depreciation of non-current assets		
Buildings	28,950	29,864
Plant and equipment	70,775	58,397
Motor vehicles	7,846	9,807
Poker machines	37,993	36,664
Office equipment	4,889	4,663
Furniture and fittings	17,696	17,620
	$168,149	157,015
Auditor's remuneration		
Audit services	28,900	28,900
Accounting services	2,400	2,400
	$31,300	$31,300
Other Expenses		
Accountancy fees	11,531	10,800
Advertising	19,775	10,154
Audit fees	31,300	31,300
Bank charges	6,495	5,244
Bingo expense	2,887	14,263
Cleaning	43,898	28,726
Computer expenses	13,918	6,200
Consulting expenses	16,212	9,593
Donations	11,503	2,260
Electricity and gas	73,639	62,489
Entertainment	31,820	23,623
Insurance	39,683	36,424
Interest expenses	2,472	2,771
Keno expenses	5,040	2,999
Legal fees	1,430	3,571
Loss on disposal of assets	-	19,730
Members draw and amenities	71,084	41,929
Motor vehicle expenses	8,556	7,247
Poker machine service	20,909	22,809
Poker machine tax	131,228	50,981
Postage, printing and stationery	10,078	6,883
Raffles	90,945	78,446
Rates and taxes	33,571	35,900
Repairs and maintenance	165,082	66,559
Security	10,830	1,098
Sky racing	11,194	10,584
Subscriptions	16,889	5,037
Sundry	5,467	8,313
TAB expenses	-	812
Telephone	13,308	11,724
	$900,744	618,469

4. INCOME TAX EXPENSE

	2021 $	2020 $
The components of income tax expense comprise:		
Current tax	(10,425)	4,708
Deferred tax	8,812	8,890
	($1,613)	$13,598
The prima facie tax on the result from operations before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from operations before income tax at 26% (2020 – 27.5%)	36,434	134,085
Tax effect of:		
Income from members not subject to income tax under the mutuality principle	(29,235)	(111,597)
Movement the result of tax rate adjustment	2,863	-
Non allowed items	(11,675)	(8,890)
Income tax expense attributable to profit from operations	($1,613)	$13,598

5. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at Bank		
Bank account – Premium	475,956	337,615
Bank account – Keno	195,288	99,468
Bank account – Events	952	1,072
Bank account – Tab	25,641	12,159
	697,837	450,314
Cash on hand	152,148	123,200
Term deposit	1,048,808	1,041,966
	$1,898,793	$1,615,480

6. TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Trade debtors	8,073	8,397
Accrued income	2,087	5,304
	$10,160	$13,701

6. TRADE AND OTHER RECEIVABLES (Continued)

(i) Expected Credit Losses of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and an expected credit loss is recognised when there is objective evidence that an individual trade receivable is impaired. As at 31 December 2021 there was no expected credit loss of receivables (2020 - $Nil).

(ii) Credit Risk - Trade and Other Receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

	Gross amounts	Past due and impaired	Past due but not impaired (Days overdue)			Within initial trade terms
			31-60	61-90	>90	
	$	$	$	$	$	$
2021						
Trade receivables	8,073	-	-	-	-	8,073
Accrued income	2,087	-	-	-	-	2,087
	10,160	-	-	-	-	10,160
2020						
Trade receivables	8,397	-	-	-	-	8,397
Accrued income	5,304	-	-	-	-	5,304
	13,701	-	-	-	-	13,701

	2021 $	2020 $
7. INVENTORIES		
Stock on hand - Bar	80,857	76,281
Stock on hand - Cigarettes	3,291	11,173
	$84,148	$87,454
8. OTHER ASSETS		
Prepayments	17,289	11,658
TAB security deposit	5,000	5,000
	$22,289	$16,658

	2021 $	2020 $
9. INTANGIBLE ASSETS		
Poker machine licences - at deemed cost	$144,000	$144,000
10. PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	100,000	100,000
Buildings – at cost	1,097,014	1,075,443
Less: accumulated depreciation	(315,745)	(286,795)
	781,269	788,648
Plant and equipment – at cost	701,224	671,846
Less: accumulated depreciation	(440,752)	(369,977)
	260,472	301,869
Poker machines – at cost	299,426	258,256
Less: accumulated depreciation	(197,224)	(173,159)
	102,202	85,097
Motor vehicles – at cost	64,999	64,999
Less: accumulated depreciation	(33,616)	(25,770)
	31,383	39,229
Office equipment – at cost	38,602	36,784
Less: accumulated depreciation	(20,929)	(16,039)
	17,673	20,745
Furniture and fittings – at cost	226,003	216,328
Less: accumulated depreciation	(111,493)	(93,797)
	114,510	122,531
	$1,407,509	$1,458,119

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land $	Buildings $	Plant and Equipment $	Poker Machines $	Motor Vehicles $	Office Equipment $	Furniture and Fittings $	Total $
Balance at 1 January 2020	100,000	818,514	242,008	79,626	49,036	17,984	132,527	1,439,695
Additions	-	-	142,343	59,570	-	8,340	11,504	221,757
Disposals	-	(2)	(24,085)	(17,435)	-	(916)	(3,880)	(46,318)
Depreciation	-	(29,864)	(58,397)	(36,664)	(9,807)	(4,663)	(17,620)	(157,015)
Carrying amount at 31 December 2020	$100,000	$788,648	$301,869	$85,097	$39,229	$20,745	$122,531	$1,458,119
Additions	-	21,571	29,378	55,170	-	1,817	9,675	117,611
Disposals	-	-	-	(72)	-	-	-	(72)
Depreciation	-	(28,950)	(70,775)	(37,993)	(7,846)	(4,889)	(17,696)	(168,149)
Carrying amount at 31 December 2021	$100,000	$781,269	$260,472	$102,202	$31,383	$17,673	$114,510	$1,407,509

	2021 $	2020 $
11. TRADE AND OTHER PAYABLES		
Trade creditors	167,254	115,973
Accrued expenses	66,737	54,630
Income received in advance	9,433	9,433
War Memorials costs in advance	12,456	12,360
	$255,880	$192,396
12. BORROWINGS		
Current		
Bank loans – secured	$7,545	$7,169
Non-current		
Bank loans – secured	$35,780	$43,325
a) Total current and non-current secured liabilities:		
Bank loans	$43,325	$50,494
b) The carrying amounts of non-current assets pledged as security are:		
First registered charge		
- Hiace Bus CR81MA	$31,383	$39,229
13. TAX		
Current tax assets or liabilities		
Income tax payable	$11,860	$8,806
Deferred tax assets		
Provision	26,240	16,977
Property, plant and equipment	20,421	20,485
Other	14,637	15,023
	$61,298	$52,485

There was no direct change to equity during the year as result of deductible temporary differences (2020 - $Nil).

14. PROVISIONS

	2021 $	2020 $
Current		
Annual leave	49,453	29,208
Long service leave	39,632	26,776
	$89,085	$55,984
Non-current		
Long service leave	$11,837	$5,751
Opening balance at 1 January	61,735	51,436
Additional provisions raised during the year	67,139	32,407
Amounts used	(27,952)	(22,108)
Closing balance at 31 December	$100,922	$61,735

15. NOTES TO THE STATEMENT OF CASH FLOWS

15.1. Reconciliation of cash and cash equivalents

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 as follows:

	2021 $	2020 $
Cash assets (Note 5)	$1,898,793	$1,615,480

15.2. Reconciliation of cash flow from operations with operating profit after income tax

	2021 $	2020 $
Profit from operations after income tax	141,744	473,983
Non-cash flows in profit from ordinary activities:		
Depreciation	168,149	157,015
Net (gain)/loss on disposal of assets	(7,928)	19,730
Changes in assets and liabilities		
Increase/(decrease) in current tax liabilities	3,054	8,150
Increase/(decrease) in provisions	39,187	10,299
Increase/(decrease) in payables	63,484	2,115
(Increase)/decrease in inventories	3,306	(7,746)
(Increase)/decrease in receivables	3,541	3,268
(Increase)/decrease in prepayments	(5,631)	(4,012)
(Increase)/decrease in deferred tax assets	(8,813)	(8,890)
Cash flow from operations	$400,093	$653,912

	2021 $	2020 $
15.3. Credit standby arrangements and loan facilities		
Overdraft facilities	50,000	50,000
Current borrowing	-	-
Available	$50,000	$50,000

15.4. Non-cash Financing and Investing Activities

During the year there was $Nil (2020 - $15,580) disposed poker machines which were converted into new poker machines. These acquisitions are not reflected in the statement of cash flows.

16. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel - Directors

The names of the directors who have held office during the year are:

Lesley Baker
Rory Finlayson (appointed 28 November 2021)
Wendy Finlayson
Sharon Fox
Janice Frail
Michael Hertslet (appointed 6 October 2021)
Donna Jeffries
Dianne Kelly
Christopher Redmond
Mark Redmond (resigned 11 July 2021)

Other Key Management Personnel

The names of the other key management personal that have held office during the year are:

Bradley Beetson - General Manager
Stephen Harding – General Manager
Larry Neale - Bar Manager

	2021 $	2020 $
Remuneration to Key Management Personnel		
Short-term benefits		
Salaries and fees	253,800	232,294
Superannuation	22,984	18,801
	$276,784	$251,095

17. RELATED PARTY TRANSACTIONS

During the year, the company was party to a number of contracts with businesses where a director has a substantial financial interest. This includes repair and maintenance of company's premises and purchases of supplies from a local business. All contracts were under normal commercial terms and conditions.

Other than the foregoing, no director has received or become entitled to receive, during or since, the financial year, a benefit arising from contract made by the company with a business where a director is a member or has a substantial financial interest.

18. EXPENDITURE COMMITMENTS

Finance lease commitments

The company does not have any finance lease commitments at year end. (2020 - $Nil)

19. SEGMENT REPORTING

The main business activity is to provide entertainment services and facilities for members in the Brewarrina region of New South Wales.

20. COMPANY LIMITED BY GUARANTEE

The Brewarrina Sub-Branch RSL Club Limited is a company limited by guarantee and accordingly does not have any share capital. If the company is wound up, the liability of the members is limited to the amount set out in the company's constitution.

21. COMPANY DETAILS

The registered office of the company is;

Brewarrina Sub-Branch RSL Club Limited
Cnr Sandon and Bourke Street
BREWARRINA NSW 2839

22. FINANCIAL INSTRUMENTS

22.1. Interest Rate Risk

The company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the reporting date, are as follows:

	Floating interest rate		Fixed interest rate maturing in: 1 year or less		1-5 years		Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $	2021 %	2020 %
Financial Instrument												
(i) Financial assets												
Cash and cash equivalents	697,837	450,314	1,048,808	1,041,966	-	-	152,148	123,200	1,898,793	1,615,480	0.4	0.5
Trade and other receivables	-	-	-	-	-	-	10,160	13,701	10,160	13,701	-	-
Total financial assets	697,837	450,314	1,048,808	1,041,966	-	-	162,308	136,901	1,908,953	1,629,181		
(ii) Financial liabilities												
Trade and other payables	-	-	-	-	-	-	255,880	192,396	255,880	192,396	-	-
Borrowings	-	-	7,545	7,169	35,780	43,325	-	-	43,325	50,494	1.6	1.6
Total financial liabilities	-	-	7,545	7,169	34,780	43,325	255,880	192,396	299,205	242,890		

22. FINANCIAL INSTRUMENTS (Continued)

22.2. Financial risk management objectives and policies

The company's principal financial instruments comprise cash on short-term deposit. The objective of these deposits is to maximise the return on surplus funds.

22.3. Terms, conditions and accounting policies

Creditors

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. Creditors are normally settled within normal trading terms and no interest is incurred on these accounts.

Short term money market securities and deposits at call

Short term money market securities and deposits at call are stated at the lower of cost and net realisable value. At reporting date the market securities and deposits have an average maturity of 60 days (2020 – 60 days) and the effective weighted average rate was 0.5% (2020 – 1.1%).

22.4. Credit risk exposures

The company's maximum exposure to credit risk at reporting date in respect of each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position.

The company does not have a significant exposure to any individual counterparty, other than the short-term money market securities which are all accepted by major commercial institutions.

22.5. Net fair values of financial assets and liabilities

The net fair values of the company's cash, deposits on call, short term money market securities, receivables and creditors approximate their carrying amounts.

22.6. Interest rate risk

At reporting date, the company's only exposure to interest rate risk is in relation to its cash and cash equivalents.

At reporting date, if interest rates had been 1% higher or lower, the company's profit for the year and the company's equity at reporting date would have increased or decreased by $15,330 (2020 - $12,327).

23. FAIR VALUE MEASUREMENT

The company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit and loss;
- Available for sale financial assets; and
- Property, plant and equipment.

23. FAIR VALUE MEASUREMENT (Continued)

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined by using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches.

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

23. FAIR VALUE MEASUREMENT (Continued)

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

2021	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Poker machine licences	9	-	144,000	-	144,000
Freehold land	10	-	100,000	-	100,000
Buildings	10	-	781,269	-	781,269
Plant and equipment	10	-	260,472	-	260,472
Poker machines	10	-	102,202	-	102,202
Motor vehicles	10	-	31,383	-	31,383
Office equipment	10	-	17,673	-	17,673
Furniture and fittings	10	-	114,510	-	114,510
Total non-financial assets recognised at fair value		-	1,551,509	-	1,551,509

2020	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Poker machine licences	9	-	144,000	-	144,000
Freehold land	10	-	100,000	-	100,000
Buildings	10	-	788,648	-	788,648
Plant and equipment	10	-	301,869	-	301,869
Poker machines	10	-	85,097	-	85,097
Motor vehicles	10	-	39,229	-	39,229
Office equipment	10	-	20,745	-	20,745
Furniture and fittings	10	-	122,531	-	122,531
Total non-financial assets recognised at fair value		-	1,602,119	-	1,602,119

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2020: no transfers).

23. FAIR VALUE MEASUREMENT (Continued)

a) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair value at 31 December 2021 $	Valuation Technique(s)	Inputs Used
Non-financial assets			
Poker machine licences	144,000	Market approach using recent observable market data for similar assets; income approach using discounted cash flow methodology	Entitlement value traded at average market exchange rates.
Freehold land	100,000	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Land - Price per hectare; market borrowing rate
Buildings	781,269	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Buildings - Price per square metre; market borrowing rate
Plant and equipment	260,472	Market approach using recent observable market data for similar plant and equipment; income approach using discounted cash flow methodology	Price per plant or equipment; market borrowing rate
Poker machines	102,202	Market approach using recent observable market data for similar poker machines; income approach using discounted cash flow methodology	Price per machine; market borrowing rate
Motor vehicles	31,383	Market approach using recent observable market data for similar motor vehicles; income approach using discounted cash flow methodology	Price per motor vehicles; market borrowing rate
Office equipment	17,673	Market approach using recent observable market data for similar office equipment; income approach using discounted cash flow methodology	Price per office equipment; market borrowing rate

23. FAIR VALUE MEASUREMENT (Continued)

Description	Fair value at 31 December 2021 $	Valuation Technique(s)	Inputs Used
Non-financial assets			
Furniture and fittings	114,510	Market approach using recent observable market data for similar Furniture and fittings; income approach using discounted cash flow methodology	Price per Furniture and fittings; market borrowing rate
	$1,551,509		

There were no changes during the period in the valuation techniques used by the company to determine Level 2 fair values.

b) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes.

- Trade receivable and other debtors;
- Trade payable and other payables.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets				
Trade receivables and other debtors	6	1	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Liabilities				
Trade payables and other payables	11	1	Income approach using discounted cash flow methodology	Market interest rates for similar assets

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

24. EVENTS AFTER THE REPORTING PERIOD

The Covid-19 outbreak that was declared by the World Health Organisation as a global pandemic on 11 March 2020 continues to cause uncertainty after year end. The spread of the virus has resulted in Australia enacting border closures, travel restrictions, quarantine and social distancing measures. These responses have assisted in reducing the exponential spread of the virus. The Government may from time to time implement measures to control the virus based on the number of cases within the community. The results of the company will continue to be impacted.

Apart from the abovementioned, the directors are not aware of any significant events since the end of the reporting period.

[*End of the Audited Financial Statements]*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BREWARRINA SUB-BRANCH RSL CLUB LIMITED

Opinion

We have audited the financial statements of Brewarrina Sub-Branch RSL Club Limited, which comprises the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, accompanying notes to the financial statements and directors' declaration.

In our opinion, the financial statements of Brewarrina Sub-Branch RSL Club Limited are in accordance with:

(a) the Corporations Act 2001, including:

(i) giving 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; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Material Uncertainty Regarding Events After the Reporting Period – Covid-19

Without qualifying our audit opinion, we draw attention to Note 24 in the financial statements which indicate uncertainty in events after the reporting period due to the ongoing Covid-19 pandemic with border closures, travel restrictions, quarantine and social distancing measures. Tighter restrictions by the Government to manage the pandemic may impact the operations of the Company into the future. These conditions provide a material uncertainty regarding events after the reporting period.

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 Statements* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) and the *Corporations Act 2001* that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 detailed profit and loss statement and trading account for the year ended 31 December 2021.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements 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 Management and the Directors for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and for such internal control as management deems necessary to enable the preparation of the financial statements that are free from material misstatement, where due to fraud or error.

In preparing the financial statements, management is 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 management intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 it is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with 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 statements, 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BREWARRINA SUB-BRANCH RSL CLUB LIMITED
(Continued)

We communicate with the Directors, 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 the audit.

LUKA GROUP

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 31 March 2022

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Luka Group

CHARTERED ACCOUNTANTS & FINANCIAL ADVISERS

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COMPILATION REPORT
TO THE MEMBERS OF BREWARRINA SUB BRANCH RSL CLUB LIMITED

We have compiled the accompanying special purpose financial statements of Brewarrina Sub Branch RSL Club Limited, which comprise the detailed profit and loss statement for the year ended 31 December 2021 on the basis of information provided by the directors. The specific purpose for which the special purpose financial statements have been prepared is to provide detailed information relating to the performance of the company that satisfies the information needs of directors and members.

The Responsibility of the Directors of Brewarrina Sub Branch RSL Club Limited

The Directors of Brewarrina Sub Branch RSL Club Limited are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting adopted is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors of Brewarrina Sub Branch RSL Club Limited, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting adopted and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit of review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefits of the directors and members of Brewarrina Sub Branch RSL Club Limited. We do not accept responsibility to any person for the contents of the special purpose financial statements.

Luka Group

LUKA GROUP

JM SHANKS
PARTNER

2 River Street
Dubbo
Dated: 31 March 2022

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation

BREWARRINA SUB BRANCH RSL CLUB LIMITED
(a company limited by guarantee)
ABN 73 001 050 102

UNAUDITED DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 $	2020 $
TRADING ACCOUNT		
Sales	1,175,101	1,267,997
Cost of goods sold		
Opening stock	87,454	79,708
Purchase	754,044	870,940
Freight	1,389	359
Closing stock	(84,148)	(87,454)
	758,739	863,553
TOTAL TRADING PROFIT 35.4% (2020 – 31.9%)	416,362	404,444
OTHER OPERATING INCOME		
Bingo	9,201	8,373
Commission income - ATM	21,350	18,839
Gain on disposal of property plant and equipment	7,928	-
Government stimulus		
Cash flow boost	-	100,000
Covid grant	-	10,000
Job keeper	-	138,000
Job saver	99,990	-
Ice machine income	6,793	-
Insurance recoveries	34,160	17,217
Interest received	5,511	6,037
Keno income	91,566	91,387
Other income	6,210	8,337
Poker machine income	1,304,368	1,043,983
Poker machine GST rebate	17,180	17,180
Raffle income	52,769	54,192
Rent received - House	7,350	7,800
Rent received - Kitchen	18,287	16,171
Subscriptions - membership	15,077	9,042
TAB commission	9,190	8,619
Wage subsidy	20,000	-
TOTAL OTHER OPERATING INCOME	1,726,930	1,555,177
TOTAL INCOME	2,143,292	1,959,621
EXPENDITURE		
Accountancy fees	11,531	10,800
Advertising	19,775	10,154
Audit fees	31,300	31,300
Bank charges	6,495	5,244
Bingo	2,887	14,263
Cleaning	43,898	28,726
Computer	13,918	6,200
Consulting	16,212	9,593

This statement does not form part of the audited financial statements

BREWARRINA SUB BRANCH RSL CLUB LIMITED
(a company limited by guarantee)
ABN 73 001 050 102

UNAUDITED DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021
(Continued)

	2021 $	2020 $
EXPENDITURE		
Depreciation	168,149	157,015
Donations	11,503	2,260
Electricity and gas	73,639	62,489
Employee entitlements	39,184	10,299
Entertainment	31,820	23,623
Ice machine	536	-
Insurance	39,683	36,424
Interest expenses	2,472	2,771
Keno expenses	5,040	2,999
Legal fees	1,430	3,571
Leasing expense – cigarette machine	-	1,560
Loss on disposal of assets	-	19,730
Members draw and amenities	71,084	41,929
Motor vehicle expenses	8,556	7,247
Poker machine service	20,909	22,809
Poker machine tax	131,228	50,981
Postage, printing and stationery	10,078	6,883
Raffles	90,945	78,446
Rates and taxes	33,571	35,900
Repairs and maintenance	165,082	66,559
Security	10,830	1,098
Sky racing	11,194	10,584
Staff amenities	6,617	2,155
Staff training and welfare	3,679	1,738
Subscriptions	16,889	5,037
Superannuation contributions	71,792	50,548
Sundry	4,935	6,753
TAB expenses	-	812
Telephone	13,308	11,724
Wages	779,580	624,530
Uniforms	6,436	363
Workers' compensation insurance	26,976	6,923
TOTAL EXPENDITURE	2,003,161	1,472,040
PROFIT BEFORE INCOME TAX	140,131	487,581
Income tax expense	1,613	(13,598)
PROFIT FOR YEAR	141,744	$473,983

This statement does not form part of the audited financial statements.