

D E E  
W H Y  
R S L



# Annual Report.

FY2021

## Past Presidents

Usher, CAM	1945	Lecky, EC	1969 — 1976
Hamilton, A	1946	Poole, R	1976 — 1977
Thew, EO	1947 — 1955	Shiels, H	1977 — 1981
Skene, H	1955 — 1958	Jackson, EW	1981 — 2004
Miles, AE	1958 — 1961	Jeffery, SN	2004 — 2007
James, AG	1961 — 1963	Olive, CC	2007 — 2011
Jackson, EW	1963 — 1966	Dalgarno, A	2011 — 2013
Knappstein, PB	1966 — 1969		

## Dee Why RSL Life Members

Arday, JS*	Couchman, WT*	Jackson, Mrs T*	Poole, R*
Benefield, R*	Elias, LL*	James, AG*	Robinson, L
Bilston, LJ*	Fletcher, JT*	Jeffery, SN*	Shiels, H*
Bonser, DF*	Gifford, WD*	Knappstein, PB*	Shore, Mrs L
Bourke, LJ*	Hall, CB	LaForest, Mrs M*	Spencer, JH*
Broadway, B*	Hall, R*	Lambert, RA*	Thew, EO*
Brown, H*	Hayman, EH*	Lecky, EC*	Vockler, JT*
Brown, VG*	Hodge, WH*	Morgan, K*	West, JD*
Bryant, SP	Jackson, EW*	Moyle, AG*	

## Board of Directors



**Graeme Liddell**  
President



**Mark Rendell**  
Vice President



**Mark Pitt**  
Treasurer



**Peter Bell**  
Director



**Graham Heiser**  
Director



**Peter St. John**  
Director



**Toby Williams**  
Director

## Executive Team



**Grant Easterby**  
Chief Executive Officer



**Sarah Sutherland**  
Chief Financial Officer



**Bruce McLean**  
Executive Manager  
Operations & Compliance



**Lauren Kekwick**  
Executive Manager  
Marketing & Communications

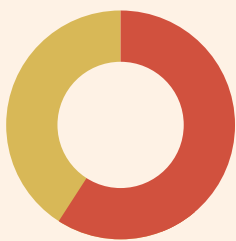


**Sheila Zakhar-Malone**  
Executive Manager  
Community



**Scott Drinkwater**  
Executive Chef

# Community Support.



Minimum Contribution	\$875,788
Voluntary Contribution	\$564,537
Total Contribution	\$1,440,325

As we navigated through a second year of extraordinary COVID-19 challenges, our local community, and indeed the world, have encountered some of the toughest times we've seen. In the face of this, we were very proud to have been able to donate \$1,440,325 in cash and in-kind support to many deserving local community organisations.

Funding was prioritised for organisations dedicated to helping the most vulnerable, isolated, those with disabilities, illness and mental health concerns. Their unwavering commitment to our community has been commendable. While further challenges may lay ahead, together as a community we will recover and come back stronger than before.

Things may look a little different at the moment, but one thing that hasn't changed is our spirit of service, and to this end we are working tirelessly to bounce back stronger and more sustainable for future community support for the Northern Beaches.

### **Veterans Centre Australia (formerly Veterans Centre Sydney Northern Beaches)**

Veterans Centre Australia (VCA) has been proudly supporting current and former servicemen, women and their families since 2015, a result of continued research, investment, collaboration and commitment.

Through the ongoing generosity of DYRSL members, VCA received substantial support totalling \$332,985. This support has enabled VCA to provide transition services to ADF members being medically discharged, with onsite partnerships at multiple military sites to provide support, advice and guidance in the difficult transition from military back to civilian life.

In collaboration with DYRSL, VCA are to be commended on winning the 2021 Clubs & Community Health and Wellbeing Award.

The DYRSL Board and management would also like to sincerely congratulate Veterans Centre Australia on their name change. They have now expanded beyond DYRSL and the Northern Beaches, into an independent national organisation. DYRSL has been immensely proud to support VCA, and wish them all the best of luck for the future.

**Through your support, Veterans Centre Australia has continued to provide a wide range of assistance to veterans and their families in 2020/2021.**



DYRSL President Graeme Liddell (L), Executive Manager Community Sheila Zakhar-Malone (R) look on while Fisher Road School student helps prepare One Meal breakfast packs to feed those in need.



Front: Centre Manager Nikki Noakes (L), Former Chair, Brig. Michael Griffin AM (Retd). Back: DYRSL CEO Grant Easterby (L) and Legatee Steve Hopwood

### **One Meal It Makes a Difference**

This local organisation has been tirelessly devoted to providing food relief on the Northern Beaches throughout the COVID-19 pandemic, contributing thousands of meals each week to the disadvantaged. DYRSL was proud to support the breakfast program, which provides healthy meal packs to children going to school without breakfast, due to challenging home situations, prepared by students from Fisher Road Special School. DYRSL was also pleased to provide cold storage facilities to One Meal during the lockdown.

**Through your support, weekly nutritious breakfast packs were provided to children from struggling families from 11 local primary and high schools.**



### Narrabeen Sports High School

Narrabeen Sports High School runs a Sports Academy Program, which is a selective, self-funded program for promising young athletes attending the school. Full or partial scholarships are offered to students of families impacted by financial and other difficulties, which has been more important than ever due to the ongoing COVID-19 crisis. Financial support is based on a case-by-case basis, and enables emerging athletes to participate and realise their full potential.

**Through your support, 12 local students from diverse backgrounds have been supported to achieve their sporting dreams.**



Narrabeen Sports Academy students Dylan Coutts (L), Latu Fainu (R), Principal Dane Ropa (C) with DYRSL President Graeme Liddell and Executive Manager Community Sheila Zakhar-Malone



### The Cottage Counselling Centre

Demand has been at an all-time high for assistance with mental health-related issues such as anxiety, depression, trauma and stress. The Cottage Counselling Centre provides subsidised, professional, affordable counselling to all those who need help across the Northern Beaches, whether they are able to pay for it or not. Naturally there has been a large number of clients struggling with COVID-19 related distress, including job loss, financial pressure, isolation, separation from loved ones and fears related to the pandemic, so this support has been very welcomed.

**Through your support, 300 counselling sessions were provided to help those struggling with mental health related issues, who otherwise would not have been able to afford help.**

### The Wig Library – Northern Beaches Hospital

DYRSL provided \$25,000 for the establishment of a Wig Library at the Oncology and Infusion Centre at Northern Beaches Hospital, through an initiative by Cancer Council NSW. Opened in June and committed to supporting local residents suffering from hair loss due to chemotherapy treatment, the Library is staffed by humble and friendly volunteers. The Library provides local patients a free service of professional fittings for wigs in contemporary colours and styles, as well as head coverings, hats, turbans, scarves and head wraps.

**Through your support, over 60 local patients per week suffering from hair loss due to cancer treatment are able to look and feel better about themselves.**



Oncologist Dr Antonia Pearson (L) assists patient with wig fitting at Northern Beaches Hospital Wig Library



Pictured top left: DYRSL President Graeme Liddell speaks at the Northern Beaches Hospital Wig Library opening. Pictured top right: Veterans Centre (Australia) Challenge Coin, which is presented to those who make significant contributions to the defense force community. Challenge coins are a military tradition; a way for senior officers to reward troops for exceptional service. Pictured middle right: (L to R): DYRSL Director Toby Williams, DYRSL VP Mark Rendell, NSW Cancer Council Community Programs Coordinator Angelina Belluomo, NBH Chief Operating Officer, Andrew Spillane, DYRSL President Graeme Liddell. Pictured bottom: DYRSL President Graeme Liddell with students from Fisher Road School enjoy preparing breakfast packs for One Meal - Northern Beaches Co-op.



# President's Report.



Graeme Liddell

On behalf of my fellow Board members, I submit for your approval and adoption the Annual Report for the year ending 30 June 2021. Your Board continues to focus on responsible financial management to secure the Club's long term sustainable future. The Treasurer will detail the Financial Statements for your approval.

What a roller coaster ride we have had! Lockdowns, shutdowns, openings, restrictions, isolations and the list of threats to our industry goes on! The shutdown over Christmas and again, just recently, has once again tested our organization, our patience and our resilience! The way in which management and staff have faced these challenges makes me proud to be President of Dee Why RSL. We have used the opportunity during tough times to reflect upon our achievements and to plan for our Club to meet the changes and challenges of the future "new norms".

Your Board continues to be conscious of our Corporate Social Responsibility and, despite COVID-19 closures and reduced revenues, our focus has been to fully meet our community and intra club funding obligations. I am proud to report that we have achieved this goal with over \$1.4m supporting over 60 organizations representing thousands of people predominately in the Dee Why local area. Once again this year, COVID-19 has intervened to prevent and restrict the many Community events that I am privileged to attend. I am really looking forward to seeing the invitations start to flow again, enabling me to visit and experience firsthand the work of our fantastic Dee Why Community. The countless hours of volunteer work provided by our Community groups must never be underestimated. Many of these groups are doing it tough and our thoughts are with them as they try to navigate their way through these difficult times.

Despite COVID-19's attempts to disrupt our operations, the newly opened areas in the Club have proven to

be an outstanding success. Food is fantastic, beverages are bountiful and the Battery House has brought the meaning of a Club Sports Bar to a new level. That huge screen is something to behold! How good was it to watch, on the huge screen, a victorious Manly Sea Eagles play the ANZAC Day match resplendent in their purpose made DYRSL ANZAC jerseys!! Of course, these new areas are just to whet the appetite. The new Courtyard, Flame restaurant and the Bingo room are going to take us to a new level of member facilities.

Our Veterans Centre located in Dee Why RSL continues to grow under the leadership of Centre Manager Nikki Noakes. Congratulations to the Veterans Centre on winning the prestigious 2021 Clubs and Community Award in the Health and Wellbeing category for their support of veterans. Dee Why RSL has ensured that the Centre remains operational during our shutdown periods to provide continued support for Veterans and their families. I am thrilled to inform you that the model for Veterans' support on the Northern Beaches initiated by Dee Why RSL some 7 years ago has now outgrown the peninsula and now assists Veterans across Australia. Dee Why RSL supports the name change to Veterans Centre Australia and congratulates the Controlling Body on its vision and pathway for the future.

A bright spot during the year was an opportunity to gather together on April 25, a window between shutdowns! Albeit restricted in numbers, many hundreds were able to assemble safely in our Peace Garden for our ANZAC Dawn Service to remember those who paid the supreme sacrifice and those who have since passed on. We are hoping to return to the beautiful Dee Why Beach next year!

Our Club is fortunate to have a close working relationship with local, state and federal authorities and again we thank Northern Beaches Mayor Michael Regan, Hon Brad Hazzard and the Hon Jason Fallinski for their support.

My sincere thanks go to my fellow Board members for their time, energy and dedication to Dee Why RSL Club throughout yet another extraordinarily demanding year. I thank them for sharing the strategic vision and leadership to make the Club what it is today. They are wonderful advocates for all Club members.

I extend the Board's gratitude to CEO Grant Easterby, CFO Sarah Sutherland, the Executive Team and Managers. This dedicated Leadership Team has worked tirelessly to change the way business is managed in order to comply with almost daily changes to Health Orders and government rules and regulations to implement COVID-19 Safe practices to protect the health and wellbeing of members and guests. I have observed firsthand the professionalism and leadership of these wonderfully talented people as they managed the unprecedented challenges both operational and personal on a daily basis. They should be proud of what they have achieved. We certainly are!

To our wonderful staff, the Board acknowledges that the uncertain times this year have presented you with personal challenges as you find your way through lockdowns and stand downs. Despite the dark times, your continued hard work and loyalty to DYRSL provides our members with the best possible service from the best possible staff. You are appreciated! You are simply the best!!

Finally, to you the members, a huge thank you for your loyalty. Your patience will be tested as we try to keep you COVID-19 Safe within the Club and comply with Health Orders. We will be all experiencing the "new norms" of queueing, distancing, masking, sitting and vaccinating but we are back and open!



# CEO's Report.



Grant Easterby

## Difficult times we've had but exciting times are ahead!

The 2020/21 year has been a challenge. It has certainly not been easy for any of us to navigate restrictions, lockdowns, QR Codes, vaccinations, zoom meetings, click & collect and everything else that COVID-19 brought to us. Despite all that, we are now well on our way back to some semblance of normality. Even with the closure, your Club maintained stringent control of its finances to ensure we are debt free and ready to deliver fantastic facilities to you, the members. Please refer to the Treasurer's report for more detailed financial commentary.

## You want sport? We've got sport...

Battery House is the undisputed home of sport on the Northern Beaches – right here at your Club! With every sport imaginable televised at all times of the day and night it certainly is the place to be accompanied by an outstanding range of craft beers with the best burgers and wings in town. Prior to the closures, Battery House attracted a whole new level of patronage and was a major reason that your Club surpassed 51,000 happy members proud to call DYRSL their own.

## Don't worry – Flame is coming back !

Everyone is eagerly anticipating the re-opening of our ever popular Flame restaurant. Your favourite venue reimagined for modern dining with traditional values still at heart.

Our focus is on local suppliers, superb Australian steak and an extensive seafood menu – prepared exactly as you like it, and all paired with an impeccable wine list. What will you go for? Maybe the Seared Canadian Scallops followed by the Pepper Crusted Eye Fillet or perhaps the Crab Spaghetti? Maybe just go all out and have the Seafood Platter!

From the warm and welcoming atmosphere of our dining room to the

personal attention of our dedicated staff, Flame will deliver nothing less than the very best for great dining in great company. Flame will open before the end of the year.

## Something new – beautiful by nature

Introducing Courtyard – an expansive new bar with indoor and open air spaces alive with the spirit of time spent well with friends and family. Discover a playground of signature cocktails, sweet tunes and delectable eats, all surrounded by lush greenery. From fine wine and shared plates to gourmet pizzas and craft beers, we know you will love your new Courtyard in time for Christmas celebrations!

## Great spaces of course – but it's really about the people

We know you missed your Club and we certainly missed you – so welcome back!

Real coffee in a cup, ice cold draught beer, a hot lamb roast, an Asian plate – didn't we all miss that? All your favourites are still there, with a few new delights – but most importantly, to be enjoyed with your family and friends.

We know that many of our members struggled with the lack of social interaction. We felt for you, our staff felt for you. That is why our staff rallied to make phone calls to many of our members – just to check in – see how they were going. I was surprised, but very pleasantly so, to see that phone durations averaged 30 – 40 minutes each. Thank you to each and every one of those staff – you made a difference to those members' lives on those days when all they needed was someone to chat to.

While we are on staff, can we all please spare a thought for them for what they have endured this year. Club closure was tough. It was scary. It not only meant isolation, but a loss of purpose for many and the very real threat to their livelihoods. They have remained loyal and committed and ready to

get back to you the members, many of whom they regard as close friends. Amazing resilience – thank you.

I thank the Board of Directors for their stewardship of the Club. Despite being closed, their time, effort and commitment to the sustainable future of your Club remained their top priority. It was no easy task making important decisions in uncertain times. They never wavered. I thank them for their counsel and support.

To the Executive Management team of Sarah, Bruce, Lauren, Sheila and Scott, you have been incredible. The Board, and in turn the members, reap the benefit of your experience, expertise and professionalism. You are the reason that DYRSL has been able to come through these difficult times intact and with bright aspirations for a very positive future. You should be justifiably proud of yourselves. Thank you for everything you do and for your friendship.

## So what does membership mean?

COVID-19 has been rough – let's not doubt that. But it has also reminded us what we are all about. Membership of this great Club means friendship, celebrating, enjoying great times and also enduring the hard times, helping each other out when we need a hand – just being there. In short – a community. It's what we do best – and we do it together.

See you around the Club !

# Treasurer's Report.



Mark Pitt

It is with pleasure that I submit for your approval and adoption, the Financial Statements for the Year ending 30 June 2021.

## COVID-19

Members would be aware that a government mandated closure relating to the entire club industry closed your Club for eleven weeks in the last financial year. Unfortunately, this was not the last of COVID-19 and your Club was again closed on Friday 18 December 2020 due to the Northern Beaches COVID-19 outbreak. It is with regret that so many member festivities were impacted with your Club welcoming everyone back as soon as we were permitted on Sunday 3 January 2021. Your Club continued to trade under COVID restrictions before being closed for a third time at 5:00pm on Saturday 26 June 2021 under a NSW Government directive for all of Greater Sydney. Clubs were finally permitted to reopen on 11 October 2021 and we are now pleased to be trading again albeit still under COVID-19 restrictions.

## Prudent financial management

Your Board has followed a long term strategy of prudent resource management, investment and social responsibility and as a result was well placed to deal with the significant impact of COVID-19. Your Club was in a solid financial position prior to the outbreak and was contractually well protected to complete the construction of new member facilities and progress through to completion of the final areas by December 2021. The new dedicated Bingo/Housie room, Courtyard food and beverages outlet, and Flame restaurant are all expected to be open before Christmas with the same tight control over construction expenditure and deliverables as has been seen in the past.

## Revenue and diversified income streams

Revenue for the year increased 29%.

Core revenue (food, beverage and gaming) increased 20% from \$39m to \$47m however these levels are still significantly below prior years due to the negative impact of COVID-19.

The one area of long term growth is beverage revenue due to the huge success of the Battery House.

Revenue from diversified income streams also saw considerable growth predominantly due to the strong property market and associated revaluations. Oceangrove Seniors' Living Village continues to be popular with a current waitlist of over 230 parties. The bowling centre has been successful for both entities and subsequent to the end of the financial year, the tenant (TEEG) exercised the option to extend the lease and are currently completing a refurbishment of the centre. It is envisaged this will be complete just prior to Christmas for the enjoyment of the local community. The children's long day care centre and car wash continue to meet local demand and contribute to both revenue and Club profit.

Interest income declined from \$619k to \$85k in line with further reductions in interest rates and significant investment in new member facilities.

## Expenditure

Investment in member facilities has resulted in a 40% increase in depreciation for the year. This will increase further with the completion of the final stage of works. This is not a cash item but reflects the capital invested in your Club over its useful life. Other key items of expenditure include \$9.4m of gaming taxes and \$2.6m of resident share in the capital growth of Oceangrove apartments. Employee costs reduced 3% during the year.

## Helping the local community

Your Club was proud to provide over \$1.4m of support to the local community. This exceeds statutory requirements by \$0.6m and reflects your Board's ongoing commitment to the community, mental health and veterans despite the challenges presented by COVID 19.

To that end, your Board has been proud to facilitate the growth and success of the Veterans Centre Sydney Northern Beaches located within your Club. Over \$2.4m of support has been provided since its inception

and the organisation has grown from strength to strength. It has now expanded its reach well beyond the Northern Beaches supporting current, transitioning, and former service personnel, and their families, from across the country. Your Board is proud of what has been achieved for Veterans and congratulates the Centre as they expand beyond Dee Why RSL to become Veterans Centre Australia.

## Solid results and financial position

Your Club generated a profit before tax of \$11m for the year. The tax provision of \$2.6m includes deferred tax provisions relating to Oceangrove and results in an after tax profit of \$8.4m.

The Statement of Financial Position remains strong with \$17m of cash at bank at the end of the financial year, nil debt and Total Net Assets of \$153m. These assets will continue to be managed responsibly for the benefit of current and future generations. It is this approach that has enabled your Club to positively work through the significant ramifications of the global epidemic facing the hospitality industry. Your Club's strategic plan will see the completion and opening of the new member facilities before Christmas without drawing any debt.

I thank our CFO, Sarah Sutherland and her team for their diligent and successful management of the construction works and the impact of COVID-19. This team couple strong financial acumen with a genuine care and concern for positive and sustainable community outcomes.

## Thank you members

Membership continues to grow with over 3,300 additional members during the year. Your Club now has over 51,000 members and an average of 1400 people visiting your Club every day. I sincerely thank all members for your continued support and patronage and for your patience during construction and the ongoing COVID-19 restrictions. This support is certainly not taken for granted.

I look forward to seeing you around your Club soon and enjoying the rest of the new facilities. Stay safe and well.

# Directors' Report.

The Directors submit their report on Dee Why RSL Club Ltd (the "Club") for the year ended 30 June 2021.

## DIRECTORS AND DIRECTORS' MEETINGS

The names and details of the Club's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated. The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

				Directors' Meetings	Audit and Compliance Committee Meetings
<b>Number of meetings held:</b>				24	11
<b>Number of meetings attended:</b>					
G. Liddell	President	Retired School Teacher	13 years on the Board	23	11
M. Rendell	Vice President	Retired School Teacher	10 years on the Board	24	11
M. Pitt	Treasurer	Retired Administration Manager	16 years on the Board	24	11
P. Bell		Retired Business Partner	8 years on the Board	23	-
G. Heiser		Retired Managing Director	10 years on the Board	23	-
P. St John		Retired Businessman	21 years on the Board	22	-
T. Williams		Senior Electorate Officer	2 years on the Board	24	-

## DIVIDENDS

The Club is prevented by its Constitution from paying dividends.

## CORPORATE INFORMATION

Dee Why RSL Club Ltd is a company limited by guarantee and without share capital. It is incorporated and domiciled in Australia. The Club is a not-for-profit entity. In accordance with the Constitution the liability of members in the event of the Club being wound up would not exceed \$5 per member. The registered office and principal place of business of the Club is: 932 Pittwater Road, Dee Why NSW 2099.

## PRINCIPAL ACTIVITY

The principal activity of the Club during the year was the conducting of a licensed club. There have been no significant changes in the nature of this activity during the year.

The Club's objectives are focused on the provision of premium recreational and leisure facilities and services to the local community. This is achieved through the provision of excellent customer service and facilities which are targeted at the local demographic while maintaining the objective of the Club and the RSL movement through prudent resource management and social responsibility. The Club operates a structured community support program which focuses on the needs of the local community, mental health and Veterans. Donations through the program intentionally exceed all legislated requirements. The Club continues its long term strategy of solid financial investment in the building infrastructure, operations and investments to drive the Club forward for the long term while continuing to diversify income streams to reduce its reliance on gaming.

## REVIEW AND RESULTS OF OPERATIONS

### Key trading highlights

- The global epidemic - COVID-19 - continued to impact Club operations during the financial year. This included two government mandated closures. The first affected the Northern Beaches and forced the Club to close on the 18th December 2020 reopening on the 3rd January 2021. The second outbreak affected the entire club industry with Dee Why RSL Club closing on Saturday 26th June 2021. As at the date of this report the Club has reopened. Last year the epidemic caused forced closure for 2 1/2 months. It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, the Club does not consider it practicable to provide a quantitative or qualitative estimate of the future impact of this outbreak on the Club at this time.
- Membership increased 7% to 51,376 members.
- Revenue from core activities (food, beverage and gaming) increased 20% to \$46.9m.
- Revenue from non-core activities increased 117% to \$10.1m.
- Interest income decreased from \$0.6m to \$0.09m with a reduction in interest rates and funds invested in improved Club facilities.
- Income from the Car Wash remained solid at \$1m and generated \$0.4m profit before tax.
- Lease income from Zone Bowling, Dee Why Kindergarten, 7-Eleven and residential property totalled \$1.5m generating a profit of \$1.1m.



## Directors' Report. (continued).

### REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

#### Key trading highlights (continued)

- Oceangrove Seniors' Living Village generated \$2m of revenue and \$1m profit before tax.
- Investments increased (including the above properties) in value by \$5.3m reflecting a very strong property market.
- Non-core income streams contributed \$5.1m of Club profit before tax.
- Net profit before tax totalled \$11.1m.
- Net profit after tax totalled \$8.4m.
- Support provided to the Community exceeded statutory requirements by \$0.6m and totalled \$1.4m.
- Net assets increased from \$144.9m to \$153.3m.
- The Club has \$16.8m of cash and term deposits with zero debt. These funds continue to be invested in Club facilities with a new Flame restaurant, dedicated Bingo room and new Courtyard areas due for completion before Christmas 2021.

### MEASUREMENT OF SUCCESS

Management and the Board monitor the Club's overall performance, from its implementation of its mission statement and strategic plan through to the performance of the Club against operating plans and financial budgets.

The Board, together with management, have identified key performance indicators (KPIs) that are used to monitor performance. Key management monitor these KPIs on a regular basis. The second Board meeting of each month is focused on the Club's operating performance and the Directors receive the KPIs for review prior to the meeting allowing all Directors to actively monitor the Club's performance.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Club during the year.

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 26 June 2021, the Club doors were closed under the Government restrictions due to the COVID-19 pandemic. The Club has reopened as at the date of this report.

There have been no other significant events occurring after the reporting period which may affect either the Club's operations or results of those operations or the Club's state of affairs.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

No indemnities have been given or insurance premiums paid during, or since the end of the financial year for any person who is, or has been an officer of the Club.

### INDEMNIFICATION OF AUDITOR

To the extent permitted by law, the Club has agreed to indemnify its auditor, Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young (Australia) during or since the financial year.

### DIRECTORS' BENEFITS

Other than those benefits shown in the Financial Statements and since the end of the previous financial year, no Director of the Club has received or become entitled to receive a benefit by reason of a contract made by the Club or related entity with a Director or with a firm of which he is a member, or with a Club in which he has a substantial financial interest.

## Directors' Report. (continued).

### AUDITOR'S INDEPENDENCE

The Directors have received a declaration from the auditor of Dee Why RSL Club Ltd. This has been included below.

Signed in accordance with a resolution of the Directors.



**G. Liddell**  
**President**

12 October 2021



**M. Pitt**  
**Treasurer**

12 October 2021



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### Auditor's Independence Declaration to the Directors of Dee Why RSL Club Limited

As lead auditor for the audit of Dee Why RSL Club Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

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



Ernst & Young



**Daniel Cunningham**  
**Partner**  
12 October 2021

## Directors' Declaration.

In accordance with a resolution of the Directors of Dee Why RSL Club Ltd, I state that:

In the opinion of the Directors:

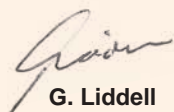
(a) the financial statements and notes of the Club for the financial year ended 30 June 2021 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Club's financial position as at 30 June 2021 and its performance for the year ended on that date;

(ii) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporation Regulations 2001*;

(b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**G. Liddell**  
**President**

12 October 2021



# Statement of Profit or Loss and Other Comprehensive Income.

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue from contracts with customers	4(a)	49,101,924	41,006,809
Other operating income	4(b)	9,980,849	4,276,643
Purchases net of movement in inventories of finished goods and work in progress	4(c)	(4,572,038)	(3,843,985)
Employee benefits expense	4(d)	(14,359,637)	(14,828,339)
Depreciation and amortisation expense	4(e)	(7,199,632)	(5,160,882)
Other expenses	4(f)	(11,096,657)	(10,163,527)
Support to the community		(1,440,325)	(1,784,982)
Government licences and taxes		(9,409,828)	(7,830,971)
Finance income	4(g)	85,381	619,130
Finance costs	4(h)	(23,052)	-
<b>Profit before income tax</b>		<b>11,066,985</b>	<b>2,289,896</b>
Income tax expense	5(a)	(2,634,422)	(170,745)
<b>Net profit for the year</b>		<b>8,432,563</b>	<b>2,119,151</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>8,432,563</b>	<b>2,119,151</b>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

# Statement of Financial Position.

As of 30 June 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash	6	16,838,012	23,380,271
Trade and other receivables	7	169,413	1,126,023
Inventories	8	280,316	203,618
Income tax receivables		152,687	-
Other assets	9	415,499	520,742
<b>Total current assets</b>		<b>17,855,927</b>	<b>25,230,654</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	124,622,043	122,472,548
Investment properties	12	84,322,424	79,045,968
Intangible assets	14	4,069,303	4,069,303
Other assets	9	190,292	192,314
<b>Total non-current assets</b>		<b>213,204,062</b>	<b>205,780,133</b>
<b>Total assets</b>		<b>231,059,989</b>	<b>231,010,787</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables	15	4,088,857	9,402,851
Income tax payable		-	1,665
Provisions	16	589,090	615,031
Employee benefit liabilities	17	2,520,927	2,397,874
Other liabilities	19	1,163,343	1,240,357
Seniors' living village residents' loans		57,745,534	54,819,318
<b>Total current liabilities</b>		<b>66,107,751</b>	<b>68,477,096</b>
<b>Non-current liabilities</b>			
Employee benefit liabilities	17	306,192	378,543
Interest-bearing loans and borrowings	18	-	8,831,965
Other liabilities	19	247,916	236,293
Deferred tax liabilities	5	11,078,131	8,199,454
<b>Total non-current liabilities</b>		<b>11,632,239</b>	<b>17,646,255</b>
<b>Total liabilities</b>		<b>77,739,990</b>	<b>86,123,351</b>
<b>Net assets</b>		<b>153,319,999</b>	<b>144,887,436</b>
<b>Equity</b>			
Retained earnings		152,851,640	144,419,077
Asset revaluation reserve	20	468,359	468,359
<b>Total equity</b>		<b>153,319,999</b>	<b>144,887,436</b>
<b>Total liabilities and equity</b>		<b>231,059,989</b>	<b>231,010,787</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of Cash Flows.

For the year ending 30 June 2021

	Notes	2021 \$	2020 \$
<b>Operating activities</b>			
Receipts from customers		52,163,778	43,367,174
Receipts of government subsidies		1,849,500	1,050,000
Payments to suppliers and employees		(43,582,469)	(34,590,553)
Interest received		85,381	619,130
Interest paid		(23,052)	-
Income tax refund/(paid)		89,903	(173,803)
<b>Net cash flows from operating activities</b>		<b>10,583,041</b>	<b>10,271,948</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		115,000	19,039
Purchase of property, plant and equipment	10	(9,448,346)	(42,841,790)
Purchase of investment property	12	(37,534)	(38,262)
Receipt of resident contributions from investment property		3,630,000	1,940,000
Repayment of Resident Loans		(2,552,455)	(1,241,518)
<b>Net cash flows used in investing activities</b>		<b>(8,293,335)</b>	<b>(42,162,531)</b>
<b>Financing activities</b>			
(Repayment of)/Proceeds from borrowings – other		(8,831,965)	8,831,965
<b>Net cash flows (used in)/from financing activities</b>		<b>(8,831,965)</b>	<b>8,831,965</b>
Net decrease in cash and cash equivalents		(6,542,259)	(23,058,618)
Cash and cash equivalents at 1 July		23,380,271	46,438,889
<b>Cash and cash equivalents at 30 June</b>	6	<b>16,838,012</b>	<b>23,380,271</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.



## Statement of Changes in Equity.

For the year ending 30 June 2021

	<i>Retained earnings</i> \$	<i>Asset revaluation reserve (Note 20)</i> \$	<i>Total equity</i> \$
At 1 July 2019	142,299,926	468,359	142,768,285
Profit for the year	2,119,151	-	2,119,151
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	2,119,151	-	2,119,151
<b>At 30 June 2020</b>	144,419,077	468,359	144,887,436
Profit for the year	<b>8,432,563</b>	-	<b>8,432,563</b>
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<b>8,432,563</b>	-	<b>8,432,563</b>
<b>At 30 June 2021</b>	<b>152,851,640</b>	<b>468,359</b>	<b>153,319,999</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

# Notes to the Financial Statements.

For the year ending 30 June 2021

## 1 CORPORATE INFORMATION

The financial report of Dee Why RSL Club Ltd (the "Club") for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 12 October 2021.

Dee Why RSL Club Ltd is a company limited by guarantee and without share capital. It is incorporated and domiciled in Australia. The Club is a not-for-profit entity. In accordance with the Constitution the liability of members in the event of the Club being wound up would not exceed \$5 per member.

The nature of the operations and principal activities of the Club are described in the Directors' Report.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

These general purpose financial statements have been prepared in compliance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standards - Simplified Disclosures*. The Club is a not for-profit entity for the purposes of preparing these financial statements.

The Club has opted to adopt AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* ahead of its mandatory effective date of 1 July 2021. These general purpose financial statements for the year ended 30 June 2021, are the first the Club has prepared complying with *Australian Accounting Standards - Simplified Disclosures (SDS)*. The Club has availed itself of the relief from restating comparative information, from presenting comparative information not disclosed in the notes of the previous financial statements and from distinguishing corrections of errors from changes in accounting policies, as permitted by AASB 1053 *Application of Tiers of Australian Accounting Standards*. The Club has been preparing general purpose (RDR) financial statements for periods up to and including the year ended 30 June 2020.

Both the functional and presentation currency of Dee Why RSL Club Ltd is Australian dollars (\$).

### (b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2021, the Club's total current liabilities exceeded total current assets by \$48,251,824 (2020: \$43,246,442). Under the Resident Lease Agreements, the Club has an obligation to repay the resident loans (totalling \$55,068,779 (2020: \$51,514,175)) within six months of the residents departing Oceangrove. As such, the resident loans are classified in the financial report as a current liability. The Directors are of the view that it is highly unlikely that a significant number of residents would depart Oceangrove without new residents entering, thereby replenishing the resident loans balance. Consequently, the Directors have concluded that the use of the going concern assumption in the preparation of the financial report is appropriate.

### (c) Changes in accounting policy, disclosures, standards and interpretations

#### New and amended standards and interpretations

The new and amended standards and interpretations that apply for the first time in 2020/2021 do not materially impact the financial statements of the Club.

#### Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Club for the annual reporting year ended 30 June 2021. Other than the early adoption of *Australian Accounting Standards- Simplified Disclosures*, the Club has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Club intends to adopt the new or amended standards or interpretations when they become effective.

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Current versus non-current classification

The Club presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Club classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### (e) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of twelve months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

### (f) Trade and other receivables

A receivable represents the Club's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The Club holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate (EIR) method.

For trade receivables, the Club applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Club does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### (g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### (h) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Club depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at cost, less accumulated depreciation on buildings and any impairment losses recognised after the date of the revaluation.

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Property, plant and equipment (continued)

Depreciation of buildings is on a diminishing value basis for acquisitions prior to 1 July 1993 and major building and car parking extensions. Depreciation of other items is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Land	not depreciated
Buildings	5 to 40 years
Plant and equipment	2.5 to 20 years
Capital works	not depreciated

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (i) Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss and other comprehensive income in the year of retirement or disposal.

### (j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

#### **Club as a lessee**

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Club, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss and other comprehensive income.

#### **Club as a lessor**

Leases in which the Club does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.



# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Impairment of non-financial assets

The Club assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Club bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Club's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as an expense.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Club estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### (l) Intangible assets

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Poker machine licenses are carried at cost less accumulated impairment losses and have been determined to have indefinite useful lives.

### (m) Seniors' living village residents' loans

These loans, which are repayable on the departure of the resident, are classified as financial liabilities at fair value through profit or loss with resulting fair value adjustments recognised in the statement of profit or loss and other comprehensive income. The fair value of the obligation is measured as the ongoing contribution plus the resident's share of capital appreciation, including accrued deferred management fee, at reporting date. Although the expected average residency term is around 12 years, these obligations are classified as current liabilities, as required by Accounting Standards, because the Club does not have an unconditional right to defer settlement to more than twelve months after reporting date.

### (n) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Club prior to the end of the financial year that are unpaid and arise when the Club becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (o) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for a least 12 months after the reporting date.

### (p) Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Club transfers the related goods or services. Contract liabilities are recognised as revenue when the Club performs under the contract (i.e., transfers control of the related goods or services to the customer).

### (q) Provisions

#### *General*

Provisions are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Club expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### *(i) Poker machine link jackpot*

Poker machine link jackpots are poker machine turnover increments accumulating towards a combined jackpot. These jackpots are won as a result of achieving the required combination for the link jackpot on the machine being played.

#### *(ii) Members' jackpot*

Members' jackpot is a membership reward promotion accumulating when not won. These jackpots are won if the randomly selected member is present in the Club at draw times for the promotion.

### (r) Employee leave benefits

#### *Long service leave and annual leave*

The Club does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Club recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

#### *Wages and salaries*

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

### (s) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements.

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (t) Other operating income

#### *Government grants*

The government introduced a JobKeeper Payment scheme to support businesses significantly affected by the Coronavirus to help keep more Australians in jobs. The JobKeeper Payment is available to eligible employers to enable them to pay their eligible employee's salary or wages of at least \$1,500 (before tax) per fortnight. Eligible employers are reimbursed per fortnight for each eligible employee with the corresponding rate depending on the number of hours the eligible employee works until 28 March 2021.

Employers are required to pay eligible employees a minimum of \$1,500 (before tax) per fortnight to claim the JobKeeper payment. This is paid to the employer in arrears each month by the Australian Taxation Office (ATO). If employers do not continue to pay their employees for each pay period, they cease to qualify for the JobKeeper payment.

The Club is eligible for this payment and has claimed a total amount of \$1,849,500 as at 30 June 2021 (2020: \$1,578,000).

The Jobkeeper Payment scheme is accounted for in line with AASB 1058 *Income of Not-for-Profit Entities*. The Club has recognised a receivable and income when it obtained control over the funding.

### (u) Finance income

Interest income is recorded using the EIR. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other revenue in the statement of profit or loss and other comprehensive income.

### (v) Income tax

The *Income Tax Assessment Act 1997 (Amended)* provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

#### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### *Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- When receivables and payables are stated with the amount of GST included.

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (v) Income tax (continued)

#### *Goods and services tax (GST) (continued)*

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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 taxation authority is classified as part of operating cash flows.

### (w) Fair value measurement

The Club measures its investment properties at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Club.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Club uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### (x) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 3 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### ***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Club. Such changes are reflected in the assumptions when they occur.

### ***Impairment of non-financial assets***

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Club is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### ***Taxes***

The Club's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

### ***Revaluation of investment properties***

The Club carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. For investment properties, a valuation methodology based on a discounted cash flow (DCF) model was used, as there is a lack of comparable market data because of the nature of the properties. The Club engaged an independent valuation specialist to assess the fair value of all the investment properties as at 30 June 2021.



# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

	2021 \$	2020 \$
<b>4 REVENUE AND EXPENSES</b>		
<b>(a) Disaggregated revenue information</b>		
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
<b>Type of services</b>		
Poker machines	36,294,478	30,335,966
Beverage	5,580,217	3,391,690
TAB and Keno	215,554	202,496
Catering	4,267,988	4,187,578
Carwash	984,079	1,004,098
Functions and entertainment	472,443	764,465
Membership	113,570	121,853
Dee Why Kindergarten - lease	390,055	345,488
Bowling - lease	783,540	653,175
<b>Total revenue from contracts with customers</b>	<b>49,101,924</b>	<b>41,006,809</b>
<b>Geographical markets</b>		
Australia	49,101,924	41,006,809
<b>Total revenue from contracts with customers</b>	<b>49,101,924</b>	<b>41,006,809</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	47,814,759	39,886,293
Services transferred over time	1,287,165	1,120,516
<b>Total revenue from contracts with customers</b>	<b>49,101,924</b>	<b>41,006,809</b>
<b>(b) Other operating income</b>		
Gain on revaluation of investment properties	5,268,122	-
Government subsidies - JobKeeper	1,849,500	1,578,000
Income from investment properties	2,275,364	2,322,055
Oceangrove - Resident share of capital gain	-	37,500
Other	587,863	339,088
	<b>9,980,849</b>	<b>4,276,643</b>
<b>(c) Purchases net of movement in inventories of finished goods and work in progress</b>		
Beverage	2,072,536	1,395,197
Catering	2,233,449	2,365,504
Carwash	96,128	83,284
Others	169,925	-
Total purchases net of movement in inventories of finished goods and work in progress	<b>4,572,038</b>	<b>3,843,985</b>
<b>(d) Employee benefits expense</b>		
Wages and salaries	11,078,623	11,456,579
Defined contribution superannuation expense	1,057,772	1,035,311
Fringe benefits tax	74,850	79,198
Payroll tax and workers compensation	827,653	841,267
Provision for leave	1,198,042	1,288,812
Other employee benefit expense	122,697	127,172
Total employee benefits expense	<b>14,359,637</b>	<b>14,828,339</b>
<b>(e) Depreciation and amortisation expense within Core Activities</b>		
Total depreciation and amortisation expense	7,201,379	5,163,366
Depreciation and amortisation included in support to the community	(1,747)	(2,484)
Total depreciation and amortisation expense within Core Activities	<b>7,199,632</b>	<b>5,160,882</b>

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

	2021 \$	2020 \$
<b>4 REVENUE AND EXPENSES (continued)</b>		
<b>(f) Other expenses</b>		
Ausgrid substation and associated works	-	24,650
Bands and artists	51,653	288,963
Computer expenses	362,027	407,384
Energy costs	781,600	708,327
Government central monitoring fees	228,906	215,346
Loss on disposal of property, plant and equipment and investment properties	9,950	26,660
Loss on revaluation of investment properties	-	679,071
Oceangrove - Resident share of capital gain	2,560,000	-
Promotion costs including member events	818,328	1,869,942
Rates, taxes and insurance	922,652	849,277
Repair, maintenance and cleaning	2,479,141	1,893,067
Security	700,038	581,543
Others	2,182,362	2,619,297
Total other expenses	11,096,657	10,163,527
<b>(g) Finance income</b>		
Interest income	85,381	619,130
<b>(h) Finance costs</b>		
Interest expense	23,052	-
<b>5 INCOME TAX</b>		
<b>(a) Income tax expense</b>		
The major components of income tax expense are:		
<b>Statement of profit or loss</b>		
<i>Current income tax</i>		
Adjustments in respect of current income tax of previous years	(244,255)	156
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	2,878,677	170,589
Income tax expense reported in the statement of profit or loss	2,634,422	170,745
<b>(b) Numerical reconciliation between aggregate tax expense recognised in the statement of profit or loss and tax expense calculated per the statutory income tax rate</b>		
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Club's applicable income tax rate is as follows:		
Total accounting profit before income tax	11,066,985	2,289,896
At the Club's statutory income tax rate of 30% (2020: 30%)	3,320,096	686,969
Loss carry back different tax rates	22,205	-
Member only income	(34,071)	(36,556)
Member only expenses	19,632	51,660
Effect of mutuality	(1,766,537)	(678,529)
Other items (net)	1,073,097	147,201
Aggregate income tax expense	2,634,422	170,745

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

	2021	2020
	\$	\$
<b>5 INCOME TAX (continued)</b>		
<b>(c) Recognised deferred tax assets and liabilities</b>		
<i>(i) Deferred income tax liabilities</i>		
Land - owner-occupied	5,262,237	4,957,090
Fair Value Gain on Leasehold - Oceangrove	5,841,849	3,410,075
Deferred Management Fees	2,843,835	2,581,670
Prepayments and other	72,444	70,106
JobKeeper receivable	-	158,400
Depreciable assets	212,390	-
Capital works and depreciable assets	146,092	722
Gross deferred tax liabilities	14,378,847	11,178,063
<i>(ii) Deferred income tax assets</i>		
Capital works and depreciable assets	559,501	662,610
Oceangrove - Residents' share of future capital gain	2,305,038	1,705,038
Accruals	17,586	12,482
Provision for employee entitlements	198,704	136,462
Provisions	37,670	26,434
Tax losses	121,915	294,327
Other	60,302	141,256
Gross deferred tax assets	3,300,716	2,978,609
Net deferred income tax liabilities	11,078,131	8,199,454
<b>Recognised deferred tax assets and liabilities</b>		
<i>Statement of profit or loss</i>		
<i>Deferred income tax charge</i>		
Prepayments and other	2,338	9,433
Land - owner-occupied	305,147	304,016
JobKeeper	(158,400)	158,400
Motor vehicles	145,371	(1,146)
Instant asset write-off	212,390	-
Fair Value Gain on Leasehold - Oceangrove	2,431,773	(187,800)
Deferred Management Fees	262,165	264,340
Capital works and depreciable assets	103,108	(64,993)
Accruals	(5,105)	9,798
Provision for employee entitlements	(62,242)	(18,907)
Provision for various jackpots	(11,236)	1,603
Oceangrove - Share of Capital Gain	(600,000)	93,900
Tax losses	172,412	(294,327)
Future deductible capital expenses	80,956	(103,728)
Deferred tax expense	2,878,677	170,589
<b>6 CASH</b>		
Cash at bank and on hand	8,838,012	23,380,271
Short-term deposits	8,000,000	-
	16,838,012	23,380,271

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represents fair value.

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

	2021 \$	2020 \$
<b>7 TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	79,978	143,358
Provision for expected credit losses	(1,330)	(1,330)
Sundry debtors	90,765	904,474
GST receivable	-	79,521
	<b>169,413</b>	<b>1,126,023</b>

<b>8 INVENTORIES</b>		
Catering stock at cost	73,360	59,421
Liquor stock at cost	206,956	144,197
	<b>280,316</b>	<b>203,618</b>

During 2021, \$4,572,038 (2020: \$3,843,985) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

<b>9 OTHER ASSETS</b>		
<b>Current</b>		
Prepayments	368,217	482,221
Deposits	3,872	3,432
Deferred lease income - Childcare	43,410	35,089
	<b>415,499</b>	<b>520,742</b>
<b>Non-current</b>		
Deferred lease income - 7-Eleven Petrol Station	190,292	192,314

## 10 PROPERTY, PLANT AND EQUIPMENT

	Capital works \$	Land \$	Buildings \$	Plant and equipment \$	Total \$
<b>Year ended 30 June 2021</b>					
Net book value at 30 June 2020	63,888,567	19,660,457	26,750,059	12,173,465	122,472,548
Additions	8,580,500	-	-	867,846	9,448,346
Transfers	(66,101,942)	-	62,659,617	3,442,325	-
Net disposals	-	-	(4)	(97,468)	(97,472)
Depreciation charge for the year	-	-	(3,761,906)	(3,439,473)	(7,201,379)
Net book value at 30 June 2021	<b>6,367,125</b>	<b>19,660,457</b>	<b>85,647,766</b>	<b>12,946,695</b>	<b>124,622,043</b>
<b>At 30 June 2021</b>					
Cost	6,367,125	19,660,457	116,757,576	50,591,882	193,377,040
Accumulated depreciation	-	-	(31,109,810)	(37,645,187)	(68,754,997)
Net carrying amount	<b>6,367,125</b>	<b>19,660,457</b>	<b>85,647,766</b>	<b>12,946,695</b>	<b>124,622,043</b>
<b>At 30 June 2020</b>					
Cost	63,888,567	19,660,457	54,098,145	48,359,016	186,006,185
Accumulated depreciation	-	-	(27,348,086)	(36,185,551)	(63,533,637)
Net carrying amount	<b>63,888,567</b>	<b>19,660,457</b>	<b>26,750,059</b>	<b>12,173,465</b>	<b>122,472,548</b>

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

	2021 \$	2020 \$
<b>11 LEASES</b>		
<b>Club as a lessee</b>		
The Club leases certain items of machinery with lease term of 12 months. The Club applies the 'short-term lease' recognition exemptions for these leases.		
The following is recognised in profit or loss:		
Expense relating to short-term leases	<u>42,077</u>	<u>58,860</u>
The Club had total cash outflows for leases of \$85,949 in 2021 (2020: \$58,860).		
<i>Leasing commitments</i>		
<i>Operating lease commitments receivable – Club as lessor</i>		
The Club has entered into a property lease consisting of the childcare building.		
The Club has purchased land at 940 Pittwater Rd, Dee Why. This is leased to 7-Eleven Stores Pty Ltd.		
The non-cancellable leases have remaining terms of between 1 and 8 years. The leases include clauses to enable upward revision of the rental charge on an annual basis. Option to extend the 7-Eleven lease exists.		
The Club has entered short term residential leases on the properties at 2-4 Dee Why Parade.		
Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:		
Within one year	682,180	668,108
After one year but not more than five years	1,913,749	2,249,594
After more than five years	-	346,335
Total minimum lease payments receivable	<u>2,595,929</u>	<u>3,264,037</u>

## 12 INVESTMENT PROPERTIES

	Land and Buildings - Investment - Non Core Property - Seniors' living village \$	Land and Buildings - Investment - Non Core Property - Other \$	Total \$
<b>Year ended 30 June 2021</b>			
Opening balance at 1 July	70,445,968	8,600,000	79,045,968
Additions	37,534	-	37,534
Disposals	(29,200)	-	(29,200)
Movement in fair value	3,868,122	1,400,000	5,268,122
Closing balance at 30 June	<u>74,322,424</u>	<u>10,000,000</u>	<u>84,322,424</u>
<b>Year ended 30 June 2020</b>			
Opening balance at 1 July	70,714,099	9,000,000	79,714,099
Additions	38,262	-	38,262
Disposals	(42,322)	-	(42,322)
Movement in fair value	(264,071)	(400,000)	(664,071)
Closing balance at 30 June	<u>70,445,968</u>	<u>8,600,000</u>	<u>79,045,968</u>



# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 12 INVESTMENT PROPERTIES (continued)

### Valuation

Independent valuation of the investment property at Oceangrove Seniors' Living Village, was carried out as at 30 June 2021 by Jones Lang LaSalle on the basis of the market value for existing use and resulted in a valuation of \$16,580,000 (2020: \$14,950,000) net of resident loans. As investment properties are recorded at fair value, the valuation has been brought to account as part of the calculation for this year's movement in fair value of investment properties. The valuer has reported their valuation on the basis of 'significant valuation uncertainty' due to COVID-19.

Independent valuation of the investment property at 2-6 Dee Why Parade, Dee Why, was carried out as at 30 June 2021 on the basis of the market value for existing use and resulted in a valuation of \$4,200,000 (2020: \$3,400,000). As investment properties are recorded at fair value, the valuation has been brought to account in this year's movement in fair value of investment properties. The valuer has reported their valuation on the basis of 'significant valuation uncertainty' due to COVID-19.

Independent valuation of the investment property at 940 Pittwater Road, Dee Why, was carried out as at 30 June 2021 on the basis of the market value for existing use and resulted in a valuation of \$5,800,000 (2020: \$5,200,000). As investment properties are recorded at fair value, the valuation has been brought to account in this year's movement in fair value of investment properties. The valuer has reported their valuation on the basis of 'significant valuation uncertainty' due to COVID-19.

Such valuations are estimates of the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.

As at 30 June 2021, there was significant valuation uncertainty relating to the investment property fair value. COVID-19 and the response has impacted our operations as well as the market. This uncertainty affects our ability to reliably determine the key judgements and assumptions used in the property valuations. Two property valuation approaches are generally used: the Income Capitalisation approach and the Discounted Cash Flow approach to arrive at a range of valuation outcomes, from which a best estimate of fair value is derived at a point in time. The Club has followed the Discounted Cash Flow approach ("DCF") and the key assumptions and estimates used in these valuation approaches which have been impacted by COVID-19 include:

- DCF model incorporates actuarial tables and probability analysis to estimate when residents are likely to terminate their resident agreements.
- It also considers the market value of the Independent Living Units within the village, the possible escalation in unit prices, and the sharing of capital gain between the operator and residents.
- The discount rate derived from recent comparable market transactions adjusted for COVID-19 to reflect the uncertainty in the amount and timing of cash flows.

Due to the valuation uncertainty the investment property values may change significantly and unexpectedly over a relatively short period of time. The property valuations have been prepared based on the information that is available at 30 June 2021.

## 13 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement of the Club's assets as at 30 June 2021 and 2020.

	Date of valuation	Fair value \$
Investment in properties		
Land and Buildings - Investment - Non Core Property - Seniors' living village	30 June 2021	<u><u>16,580,000</u></u>
Land and Buildings - Investment - Non Core Property - Other		
2-6 Dee Why Parade, Dee Why - Residential/Commercial properties	30 June 2021	<u>4,200,000</u>
940 Pittwater Road, Dee Why - 7-Eleven Petrol Station	30 June 2021	<u>5,800,000</u>
		<u><u>10,000,000</u></u>
Investment in properties		
Land and Buildings - Investment - Non Core Property - Seniors' living village	30 June 2020	<u><u>14,950,000</u></u>
Land and Buildings - Investment - Non Core Property - Other		
2-6 Dee Why Parade, Dee Why - Residential/Commercial properties	30 June 2020	<u>3,400,000</u>
940 Pittwater Road, Dee Why - 7-Eleven Petrol Station	30 June 2020	<u>5,200,000</u>
		<u><u>8,600,000</u></u>

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

	2021 \$	2020 \$
<b>14 INTANGIBLE ASSETS</b>		
Poker machine licenses at cost (gross carrying amount)	4,069,303	4,069,303
Net carrying amount	4,069,303	4,069,303

**(a) Reconciliation of carrying amount at beginning and end of the year**

Poker machine licenses at cost (gross carrying amount)	4,069,303
Carrying amount - opening	4,069,303
Carrying amount - closing	4,069,303

Poker machine licenses are carried at cost less accumulated impairment losses and have been determined to have indefinite useful lives.

**15 TRADE AND OTHER PAYABLES**

**Current**

Trade payables	1,453,044	1,961,605
Accrued expenses	2,505,581	7,441,246
Goods and services tax	130,232	-
	4,088,857	9,402,851

Due to the short-term nature of payables, their carrying value is assumed to approximate their fair value. Trade payables are non-interest bearing and normally settled on 30 day terms.

**16 PROVISIONS**

**Current**

Poker machine link jackpot	589,090	598,667
Members jackpot	-	16,364
	589,090	615,031

**(a) Movements in provisions**

Movements in each class of provision during the financial year, other than provisions relating to employee benefits, are set out below:

	<i>Poker machine link jackpot</i> \$	<i>Members' jackpot</i> \$	<i>Total</i> \$
At 30 June 2020	598,667	16,364	615,031
Utilised during the year	(9,577)	(16,364)	(25,941)
At 30 June 2021	589,090	-	589,090

**17 EMPLOYEE BENEFIT LIABILITIES**

**Current**

Annual leave	898,321	969,263
Long service leave	1,622,606	1,428,611
	2,520,927	2,397,874

**Non-current**

Long service leave	306,192	378,543
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# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

	2021 \$	2020 \$
<b>18 INTEREST-BEARING LOANS AND BORROWINGS</b>		
<b>Non-current</b>		
Loans	-	8,831,965

## **Terms and conditions**

The Club has a loan facility of \$nil (2020: \$18,000,000) with \$nil (2020: \$8,831,965) being drawn as of 30 June 2021. The bank loan is secured by registered mortgages over five of the Club's properties.

## **19 OTHER LIABILITIES**

### **Current**

Deferred subscription income	101,287	91,392
Deferred income - loyalty points	1,062,056	1,148,965
	<b>1,163,343</b>	<b>1,240,357</b>

### **Non-current**

Deferred subscription income	247,916	236,293
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## **20 ASSET REVALUATION RESERVE**

The asset revaluation reserve was used to record increments and decrements in the fair value of land and buildings on transition to IFRS. As at 30 June 2021, the Club's asset revaluation reserve is \$468,359 (2020: \$468,359).

## **21 AUDITOR'S REMUNERATION**

The auditor of Dee Why RSL Club Ltd is Ernst & Young (Australia).

	2021 \$
<i>Amounts received or due and receivable by Ernst &amp; Young (Australia) for:</i>	
An audit of the financial report of the entity	82,888
Other services in relation to the entity	
Tax compliance services	25,100
Other services	8,888
	<b>116,876</b>

## **22 EVENTS AFTER THE REPORTING PERIOD**

On 26 June 2021, the Club doors were closed under the Government restrictions due to the COVID-19 pandemic. The Club has reopened as at the date of this report.

There have been no other significant events occurring after the reporting period which may affect either the Club's operations or results of those operations or the Club's state of affairs.

## **23 COMMITMENTS AND CONTINGENCIES**

### **(a) Commitments**

The Club has contractual commitments relating to construction and fitout of new food and beverage outlets for a total of \$4,858,085 (2020: \$2,116,302).

### **(b) Contingencies**

The Club had no contingent liabilities as at 30 June 2021 (2020: \$nil).

# Notes to the Financial Statements (continued).

For the year ending 30 June 2021

## 24 KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Club.

	2021 \$	2020 \$
(a) Total compensation of Key Management Personnel	<b>2,452,580</b>	2,614,373

In the course of attending the Club and/or representing the Club in an official capacity, Directors were provided with goods and services provided by the Club up to and not exceeding the honorariums agreed by resolution at a previous Annual General Meeting. The total amount charged to those honorariums totalled \$51,530 (2020: \$41,945).

## 25 MEMBERSHIP

	2021 No.	2020 No.
Social Members	<b>50,895</b>	47,537
Sub-Branch Members	<b>481</b>	511
	<b>51,376</b>	48,048

## 26 CORE AND NON-CORE LAND

With reference to section 41J of the Registered Clubs Act as amended by the Registered Clubs Amendment Act 2006, the properties owned or occupied by the Dee Why RSL Club Ltd, as at 30 June 2021, are as follows:

Non-core properties:

- 825 Pittwater Rd, Dee Why (Dee Why RSL carwash)
- 2 Clarence Avenue, Dee Why (Dee Why Kindergarten childcare centre)  
Previously 14 Dee Why Parade & 2 Clarence Avenue – land has been consolidated into one title
- 8 Dee Why Parade, Dee Why (Oceangrove – Seniors' Living Village)  
Previously 914 Pittwater Rd, 916 Pittwater Rd, 918 Pittwater Rd, 920 Pittwater Rd, 922-930 Pittwater Rd & 8 Dee Why Parade – land has been consolidated into one title
- 940 Pittwater Rd, Dee Why (7-Eleven Petrol Station)
- 2 - 6 Dee Why Parade (Residential / Commercial Properties / Vacant land)

The above properties are owned by the Dee Why RSL Club and were purchased by the Club as investment properties and not for the licensed premises of the Club.

Core properties:

- 932 Pittwater Rd, Dee Why (Dee Why RSL Club premises)



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## Independent auditor's report to the members of Dee Why RSL Club Limited

### Opinion

We have audited the financial report of Dee Why RSL Club Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter: Investment Properties Valuation

We draw attention to Note 12 of the financial report which describes the impact of the COVID-19 pandemic on the determination of fair value of Investment properties and how this has been considered by the Directors in the preparation of the financial report. Due to the heightened degree of valuation uncertainty, property values may change significantly and unexpectedly over a relatively short period of time. Our opinion is not modified in respect of this matter.

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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





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

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

### **Responsibilities of the directors for the financial report**

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters 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 judgment 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.

A handwritten signature in black ink, appearing to read 'Ernst &amp; Young', written in a cursive style.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Daniel Cunningham', written in a cursive style.

Daniel Cunningham  
Partner  
Sydney  
12 October 2021

# More than \$1,400,000 in community support.

## 2020 - 2021

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Aboriginal Support Group

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Autism Spectrum Australia (Aspect)

---

Be Centre Foundation Ltd

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Cerebral Palsy Alliance

---

Community Northern Beaches Inc

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Computer Pals for Seniors Northern  
Beaches Inc

---

Curl Curl Longboard Club

---

Dalwood Spilstead Service

---

Dee Why Football Club

---

DYRSL Golf Club

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DYRSL Ladies Golf Club

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DYRSL Swimming Club

---

DYRSL Toastmasters Club

---

DYRSL Touch Football Club

---

DYRSL Winter Swimming Club

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Early Education (EarlyEd) Inc

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Fisher Road School

---

Furlough House

---

Girls Boadriider Fraternity

---

Grace City Care Inc

---

Lions Club of Manly Inc

---

Manly United Football Club

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Manly Warringah Gymnastic Club

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Narrabeen Beach Surf lifesaving Club Inc

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Narrabeen Sports High School

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North Curl Curl Knights JRLC

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Northern Sydney Rebels Gridiron Club

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Northside Enterprise

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NSW Police Force Northern Beaches PAC

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One Meal It Makes A Difference

---

Pins and Needles Group

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St Vincent de Paul Society NSW

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Stewart House

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Street Mission Inc

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StreetWork Australia

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Sunnyfield

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Surf Life Saving Sydney Northern  
Beaches Inc

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TAD (Technical Aid to the Disabled)

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Taldumande Youth Services Inc

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The Community Pantry

---

The Cottage Counselling Centre

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The Wig Library - Northern Beaches Hospital/  
The Cancer Council NSW

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Uniting Church Kaddy Transport

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Veterans Centre Australia

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Warringah Cricket Club Inc

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Water Skills For Life Inc

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Women & Children First/Manly Warringah  
Womens Resource Centre

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Zonta Club of Northern Beaches Inc

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