PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

A.B.N. 84 564 200 303

DIRECTORS' REPORT

Your directors present their report on the Co-operative for the financial year ended 31st December 2021.

DIRECTORS

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

Name and Qualifications	Experience and Special Responsibilities
Richard Best	President Retired Aircraft Engineer/Aircraft Regulator
Terry Farley	Vice President Commander - Education & Training. Fire & Rescue NSW
David Miller	Director - Appointed May 2022 High school history teacher
John Doyle	Director Former Long Term Employee. Extensive Pastoral Work
Daphne Hardin	Director Retired Real Estate Business Owner
Paul Owen	Director - Appointed May 2022 Businessman - Owner DTS Lighting Company
Nick Penny	Director - Appointed May 2022 Strata little manager

MEETINGS OF DIRECTORS

During the financial year, 12 meetings of directors were held. Attendances were:

	Directors' Meetings	
Directors	No. Eligible To Attend	No. Attended
Richard Best	12	9
Terry Farley	12	12
Paul Owen	8	7
John Doyle	12	12
Daphne Hardin	12	11
David Miller	8	8
Nick Penny	8	8

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

CO-OPERATIVE SECRETARY

The following person held the position of Secretary at the end of the financial year.
Mr Ross Lamb

OPERATING RESULTS

The loss of the Co-operative for the financial year after providing for income tax amounted to $439,990 (2020: Loss $115,604).

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED
A.B.N. 84 564 200 303

DIRECTORS' REPORT

MEMBERSHIP

The number of members at 31st December 2021 was 1,263 (2020: 2,589).

REVIEW OF OPERATIONS

The Co-operative continued to provide the facilities of a licensed club to the members and visitors during the year under review. The Co-Operative has 13 (2020: 13) employees at balance date.

PRINCIPAL ACTIVITY

The principal activity of the Co-operative during the course of the financial year consisted of the conduct and promotion of a registered and licensed social club for members of the Co-operative.

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

SHORT TERM AND LONG TERM OBJECTIVES

The clubs short term objectives are to:

i) Increase functions & connect to the community.
ii) Increase main bar patronage and attendances at raffles and promotions.
iii) Continual changes and monitoring of gaming room and equipment.
iv) Introduce new entertainment with live music and stage shows.

The clubs long term objectives are to:

i) Make a profit after depreciation and finance costs.
ii) Continually upgrading gaming machines, function rooms and member facilities.
iii) Increase marketing via email and text messaging
iv) To better utilise certain areas of the Club with a view of long term leasing thus providing a solid income stream
v) Rejuvenate the exterior of the club with colours, lighting and signage.

to achieve these objectives, the club has adopted the following strategies:

i) Engage with music industry and entertainment groups.
ii) Offer greater raffle and promotion prizes
iii) Continual investment in gaming related equipment.
iv) To re-engage with prospective clients interested in long term leasing of Club areas.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATOR

- Financial results are reviewed by the Board on a monthly basis;
- A measure of the Club's financial reserves has been established and this is monitored monthly to ensure the Club's solvency;
- Member numbers are monitored monthly;
- Board members have experience in business generally.

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

A.B.N. 84 564 200 303

DIRECTORS' DECLARATION

The directors of the co-operative declare that:

1. The financial statements and notes

   a. comply with Accounting Standards-Reduced Disclosure Requirements, the Co-Operatives National Law and the Co-Operatives National Law Regulations; and

   b. give a true and fair view of the financial position of the Co-Operative as at 31st December 2021, and of its performance for the year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Co-Operative will be able to pay its debts as and when they become due and payable.

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

Director

Director

TERRENCE FARLEY JP.
24 MAR 22
VICE PRESIDENT.

Dated: 22 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PADDINGTON WOOLLAHRA RSL MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

To the Directors of Paddington Woollahra RSL Memorial and Community Club Co-Operative Limited:

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

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

The audit opinion expressed in this report has been formed on the above basis.

Conroy
Audit & Advisory

Chartered Accountants

D R Conroy
Principal

Sydney

Dated: 24 March 2022

154 Elizabeth Street SYDNEY NSW 2000

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED
A.B.N. 84 564 200 303

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st DECEMBER 2021

	Notes	2021 $	2020 $
Revenue			
Sale of goods		627,421	802,089
Rendering of services		522,741	778,873
Other revenue		254,888	544,831
Total revenue	2	**1,405,050**	**2,125,793**
Expenses			
Cost of sales	3	(252,726)	(331,627)
Donations and subsidies		(2,400)	(2,400)
Employment and staffing expenses		(471,309)	(680,075)
Entertainment, marketing and promotional costs		(73,665)	(114,866)
Poker machine expenses and taxes		(61,099)	(62,558)
Property expenses		(265,373)	(312,955)
Other expenses		(301,432)	(307,393)
Total expenses		**(1,428,004)**	**(1,811,874)**
Earnings before depreciation and finance costs		**(22,954)**	**313,919**
Depreciation and amortisation expense	3	(390,474)	(400,743)
Finance costs	3	(26,562)	(28,780)
(Loss)/Profit before income tax		**(439,990)**	**(115,604)**
Income tax expense	1	-	-
Net (Loss)/Profit		**(439,990)**	**(115,604)**
Other Comprehensive Income		-	-
Total Comprehensive Income		**(439,990)**	**(115,604)**

The Accompanying Notes Form Part of These Financial Statements

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

A.B.N. 84 564 200 303

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and Cash Equivalents	4	204,871	269,819
Trade and Other Receivables	6	9,686	14,325
Inventories	5	38,258	39,289
Other	6	8,507	30,268
TOTAL CURRENT ASSETS		261,322	353,701
NON CURRENT ASSETS			
Property, Plant and Equipment	7	4,760,995	5,125,841
Right of Use Asset	8	77,595	-
TOTAL NON-CURRENT ASSETS		4,838,590	5,125,841
TOTAL ASSETS		5,099,912	5,479,542
CURRENT LIABILITIES			
Trade and Other Payables	9	154,415	85,246
Financial Liabilities	10	150,435	171,915
Short Term Provisions	11	107,770	89,233
Other	12	2,340	2,340
TOTAL CURRENT LIABILITIES		414,960	348,734
NON CURRENT LIABILITIES			
Financial Liabilities	10	664,725	669,265
Share Capital	12	1,263	2,589
TOTAL NON-CURRENT LIABILITIES		665,988	671,854
TOTAL LIABILITIES		1,080,948	1,020,588
NET ASSETS		**4,018,964**	**4,458,954**
MEMBERS' FUNDS			
Retained Earnings		3,309,385	3,749,375
Asset Revaluation Reserve	13	709,579	709,579
TOTAL MEMBERS' FUNDS		**4,018,964**	**4,458,954**

The Accompanying Notes Form Part of These Financial Statements

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

A.B.N. 84 564 200 303

STATEMENT OF CHANGES IN MEMBERS' FUNDS AS AT 31st DECEMBER 2021

	ASSET REVALUATION RESERVE $	RETAINED EARNINGS $	TOTAL $
Total Members' Funds at 1/1/20	709,579	3,864,979	4,574,558
Profit (Loss) for the year		(115,604)	(115,604)
Total Members' Funds at 31/12/20	**709,579**	**3,749,375**	**4,458,954**
Profit (Loss) for the year		(439,990)	(439,990)
Total Members' Funds at 31/12/21	**709,579**	**3,309,385**	**4,018,964**

The Accompanying Notes Form Part of These Financial Statements

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

A.B.N. 84 564 200 303

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st DECEMBER 2021

	Note	2021 $	2020 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Trading		1,403,896	1,840,473
Government Stimulus		128,777	452,600
Payments to Suppliers and Employees		(1,448,255)	(2,188,032)
Interest Received		4	36
Interest and Borrowing costs paid		(26,562)	(28,780)
Net cash provided by (used in) operating activities		**57,860**	**76,297**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on Disposal of Poker Machine Entitlements		-	-
Payment for Property, Plant & Equipment	7	(17,831)	(28,779)
Net cash provided by (used in) investing activities		**(17,831)**	**(28,779)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		78,501	110,000
Repayment of Borrowings		(183,478)	(155,809)
Net cash provided by (used in) financing activities		**(104,977)**	**(45,809)**
Net increase/(decrease) in cash held		***(64,948)***	***1,709***
Cash as at 1st January 2021		269,819	268,110
CASH AS AT 31st December 2021	4	**204,871**	**269,819**

The Accompanying Notes Form Part of These Financial Statements

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

A.B.N. 84 564 200 303

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2021

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Paddington/Woollahra R.S.L. Memorial and Community Club Co-Operative Ltd as an individual entity dominciled in Australia. Paddington/Woollahra R.S.L. Memorial and Community Club Co-Operative Ltd is a Co-operative for reporting purposes.

Covid-19

On the 26 June 2021 the Club was forced to close by the State Government due to the Impact of the COVID- 19 Pandemic. The club reopened on the 11 October 2021 a closure of approximately 15 weeks. The Directors believe the Club is well placed to remain viable and solvent and continue as a going concern and have signed an unqualified Directors Declaration (Solvency Statement) on that basis. (refer going concern note below)

Basis for Preparation

Paddington/Woollahra R.S.L. Memorial and Community Club Co-Operative Ltd applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements except for cash flow statement have been prepared on an accruals basis and are based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

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

The Club recorded a deficit before financing, depreciation and income tax of $22,954 (2020: $313,919 earnings) during the year ended 31 December 2021 with positive cash flows from operating activities of $57,860 (2020: Positive $76,297). The Club made a Loss of $439,990 for the year ended 31 December 2021 (2020: Loss $115,604) the Directors believe that the going concern basis is appropriate given:

- The Club has ongoing support of its financiers.
- The Club has met all financial covenants with respect to the facilities during the past twelve months and is forecasting to meet all of the covenants over the coming twelve months.

After considering the above, the Directors consider that the Club will be able to continue to fulfil all obligations as and when they fall due for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and accordingly, that the Club's financial statements should be prepared on a going concern basis. Accordingly, no adjustment has been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Club not continue as a going concern.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2021

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Tax

The income tax expense as stated in the Statement of Comprehensive Income is the amount calculated to be payable based on a formula determined by the Australian Taxation Office. Clubs are only assessed for income tax on the proportion of income derived from non-members, investments and other income specifically assessable under the Income Tax Assessment Act.
Deferred tax assets relating to temporary timing differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available to absorb those timing differences.

Inventories

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

Property, Plant and Equipment

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

Property
Freehold Land and Buildings are carried at deemed cost less, where applicable, any accumulated depreciation. The carrying amount of land and buildings is reviewed annually by the Club's Directors to ensure that the carrying amount is not less than their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction).

Plant and Equipment

Plant and equipment are measured on the cost basis less, where applicable, depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Club to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis and diminishing value basis over their useful lives to the Co-Operative commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings and Freehold improvements	2.50%
Furniture and Fittings	15%
Plant and Equipment	20%-40%
Poker Machines	30%-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2021

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets

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

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the Co-Operative prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee Benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2021

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

The Co-Operative recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Co-Operative is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Co-Operative: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue
Events, fundraising and raffles are recognised when received or receivable.

Donations
Donations are recognised at the time the pledge is made.

Grants
Grant revenue is recognised in profit or loss when the Co-Operative satisfies the performance obligations stated within the funding agreements.
If conditions are attached to the grant which must be satisfied before the Co-Operative is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian tax office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset and as part of an expense item. Receivables and payables in the Balance Sheet are shown inclusive of GST.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Co-Operative's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Co-Operative's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Leases

The entity as lessee

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

–fixed lease payments less any lease incentives;

–variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

–the amount expected to be payable by the lessee under residual value guarantees;

–the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;

–lease payments under extension options, if the lessee is reasonably certain to exercise the options; and

–payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Comparative Figures

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

Critical Accounting Estimates Judgments and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Co-Operative assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Co-Operative and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED
A.B.N. 84 564 200 303

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2021

NOTE 2- REVENUE

	2021 $	2020 $
Operating Activities:		
Bar Sales	627,421	802,089
Poker Machine Takings	414,272	614,304
Members Subscriptions	5,566	12,518
Commission Received	61,250	92,355
Interest Received	4	36
Room Hire	41,653	59,696
Catering Income	26,663	51,273
Covid-19 Relief Income	68,777	439,600
Grants	60,000	13,000
Other Income	99,444	40,922
Total Revenue	1,405,050	2,125,793

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES

(a) Profit from ordinary activities before income tax has been determined after:

	2021 $	2020 $
Cost of Sales:		
Bar	252,726	331,627
Total Cost of Sales	252,726	331,627
Depreciation of Non-Current Assets:		
Freehold Building	55,800	55,800
Freehold Improvements	160,221	160,228
Plant and Equipment	25,718	27,919
Furniture & Fittings	5,494	5,788
Poker Machines	135,444	151,008
Total Depreciation	382,677	400,743
Finance Costs		
Interest Charges	26,562	28,780
Total Finance Costs	26,562	28,780

(b) Key Performance Indicators

	2021	2020
Bar		
Gross Profit Percentage	59.72%	58.65%
Wages to Sales Percentage	30.79%	38.55%
Total Wages - Percentage of Total Revenue	34%	32%
EBITDA Percentage	-1.63%	14.77%

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED
A.B.N. 84 564 200 303

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2021

	2021 $	2020 $
NOTE 4 - CASH AND CASH EQUIVALENTS		
Cash on Hand	65,195	65,195
Cash at Bank	134,322	199,270
Deposits	5,354	5,354
	204,871	269,819
NOTE 5 - INVENTORIES		
Current		
Finished Goods - at Cost		
Liquor stock	38,118	38,989
Coles Vouchers	140	300
	38,258	39,289
NOTE 6 - OTHER ASSETS		
Trade and other Receivables	9,686	14,325
Other	8,507	30,268
	18,193	44,593
NOTE 7 - PROPERTY, PLANT AND EQUIPMENT		
Property		
Land and Buildings at deemed cost	3,650,000	3,650,000
Less Accumulated Depreciation	(1,621,642)	(1,565,842)
Improvements at cost	5,391,905	5,391,905
Less Accumulated Depreciation	(3,070,288)	(2,910,067)
Total Land and Buildings	4,349,975	4,565,996
Plant and Equipment at Cost	4,899,182	4,881,350
Less Accumulated Depreciation	(4,488,162)	(4,321,505)
Total Plant and Equipment	411,020	559,845
Total Property, Plant and Equipment	4,760,995	5,125,841

Revaluation of Land and Buildings
Based on independent evidence available, Directors believe the fair value of the club's Land and Buildings to be in excess of the book value.

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

	Land and Buildings $	Plant and Equipment $	Total $
Balance at the beginning of year	4,565,996	559,845	5,125,841
Additions	-	17,831	17,831
Disposals & W/Offs	-	-	-
Depreciation expense	(216,021)	(166,656)	(382,677)
Carrying amount at the end of year	4,349,975	411,020	4,760,995

	2021 $	2020 $
NOTE 8 - RIGHT OF USE ASSETS		
Right of Use Assets - Poker Machine Lease	85,392	-
Less Accumulated Amortisation	(7,797)	-
Total Right of Use Assets	77,595	-
NOTE 9 - TRADE AND OTHER PAYABLES		
Current		
Unsecured liabilities		
Trade Creditors and Accrued Expenses	154,415	85,246
NOTE 10 – FINANCIAL LIABILITIES		
Current		
Secured liabilities		
Bank Loan	45,000	45,000
Lease Liabilities	105,435	126,915
	150,435	171,915
Non-current		
Secured liabilities		
Bank Loan	578,752	584,251
Lease Liabilities	85,973	85,014
	664,725	669,265
	815,160	841,180

Security
The bank loan facilities are secured by a registered mortgage over the club's freehold property at 220-232 Oxford St, Paddington.

	2021 $	2020 $
NOTE 11 – SHORT TERM PROVISIONS		
Current		
Employee Entitlements	107,770	89,233
Aggregate Employee Entitlements Liability	107,770	89,233
Number of employees at year end	13	13

Superannuation commitment
Types of benefits
The fund provides benefits that represent the accumulation of contributions to employers, providing lump sum or annuity benefits upon retirement, death or disability.
Contributions
The Co-Operative is under a legal obligation to contribute 9.50% to 10% of each employee's base salary to a
Details of contributions during the year are as follows:

	2021 $	2020 $
Employer contributions to the plans	38,982	47,868

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2021

	2021 $	2020 $
NOTE 12 – OTHER LIABILITIES		
Current		
Members Subscriptions in Advance	2,340	2,340
	2,340	2,340
Non Current		
Share Capital	1,263	2,589
	1,263	2,589

NOTE 12 – RESERVES

	2021 $	2020 $
Asset Revaluation Reserve	709,579	709,579

Revaluation Surplus
The revaluation surplus records the revaluations of non-current assets.

NOTE 13 - KEY MANAGEMENT PERSONNEL COMPENSATION

The following were key management personnel of the Co-operative at any time during the reporting period, and unless otherwise indicated were directors for the entire period:

Non Executive Directors
Richard Best
Terry Farley
David Miller
John Doyle
Daphne Hardin
Paul Owen
Nick Penny

Executive
Ross Lamb - General Manager

The key management personnel compensations included in "Employee Benefits Expense" as follows:

	2021 $	2020 $
Employee Benefits	124,221	126,360
	124,221	126,360

NOTE 14 - OTHER RELATED PARTY TRANSACTIONS

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

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

Capital Expenditure Commitments
Capital expenditure commitments contracted for : The Club did not enter into any capital works contracts prior

	2021	2020
	$	$

to 31/12/21.

NOTE 16 - EVENTS AFTER THE REPORTING PERIOD

From 31st December 2021 to the date of this report, there has been no subsequent event that would have a material effect on the financial position of the company except as disclosed in these financial statements.

NOTE 17 – CO-OPERATIVE DETAILS

The Club is incorporated and domiciled in Australia as a Co-Operative. In accordance with the Constitution of the Co-
The registered office of the Co-Operative is:

Paddington-Woollahra R.S.L. Memorial and Community Club Co-operative Limited
222-232 Oxford Street, PADDINGTON NSW 2021

PADDINGTON WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

A.B.N. 84 564 200 303

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PADDINGTON WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Paddington-Woollahra R.S.L. Memorial and Community Club Co-operative Limited (the company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in members funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Paddington-Woollahra R.S.L. Memorial and Community Club Co-operative Limited is in accordance with the Corporations Act 2001 and the Co-operatives National Law and the Co-operatives National Law Regulations:

(i) giving a true and fair view of the company's financial position as at 31 December 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the 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 (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.

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conroy
Audit & Advisory

D. R. Conroy
154 Elizabeth Street, Sydney NSW 2000

Dated: 22 March 2022

PADDINGTON/WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED
A.B.N. 84 564 200 303

DIRECTORS' REPORT

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATION ACT 2001

A copy of the Auditor's Independence Declaration follows this Directors Report.

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

PAUL OWEN

Director

Dated: 24 March 2022

Director

TERRENCE FARLEY JP.
VICE PRESIDENT
24 MAR 22.

PADDINGTON WOOLLAHRA R.S.L. MEMORIAL AND COMMUNITY CLUB CO-OPERATIVE LIMITED
A.B.N. 84 564 200 303

DISCLOSURE REQUIREMENTS UNDER S 41E OF THE REGISTERED CLUBS ACT 1976

Core and Non Core Property

Section 41E of the Registered Clubs Act 1976 requires the club to disclose its core and non-core property as defined in the annual report. The Club's core property comprises the first floor of the defined premises of the club situated at 220-232 Oxford St, Paddington and the Clubs Car Park.

In accordance with a resolution passed by members at the 2014 AGM held on the 16th March 2014, the whole of the existing ground floor of the Club was certified as non-core property of the Club.

Notes to Members

1. Section 41E (5) of the Registered Clubs Act requires the Annual Report to specify the Club's Core and Non-Core Properties as at the end of the financial year to which the report related to.

2. Core Property is any real Property owned or occupied by the Club that comprises:

(a) the defined premises of the Club; Or
(b) any facility provided by the Club for use of its members and their guests; Or
(c) any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be Core Property of the Club.

3. Non-Core Property is any other property, other than that referred to above as Core Property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be Core Property.

4. The significance of the distinction between Core Property and Non-Core Property is that the Club cannot dispose of any Core Property unless;

(a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
(b) the disposal has been approved at a general meeting of the ordinary members of the Club at which a majority of the votes cast supported the approval; and
(c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.