

RSL Club Southport

2021/22 Annual Report



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Our team board.



President
Lawrie Pollard



Vice President
Peter Boyd



Secretary
Trevor Bock



Treasurer
Robert Knight



Director
Andrew Nesbitt



Director
Mark Robertson



Director
Maureen Szmelter



Director
Shirley Gordon

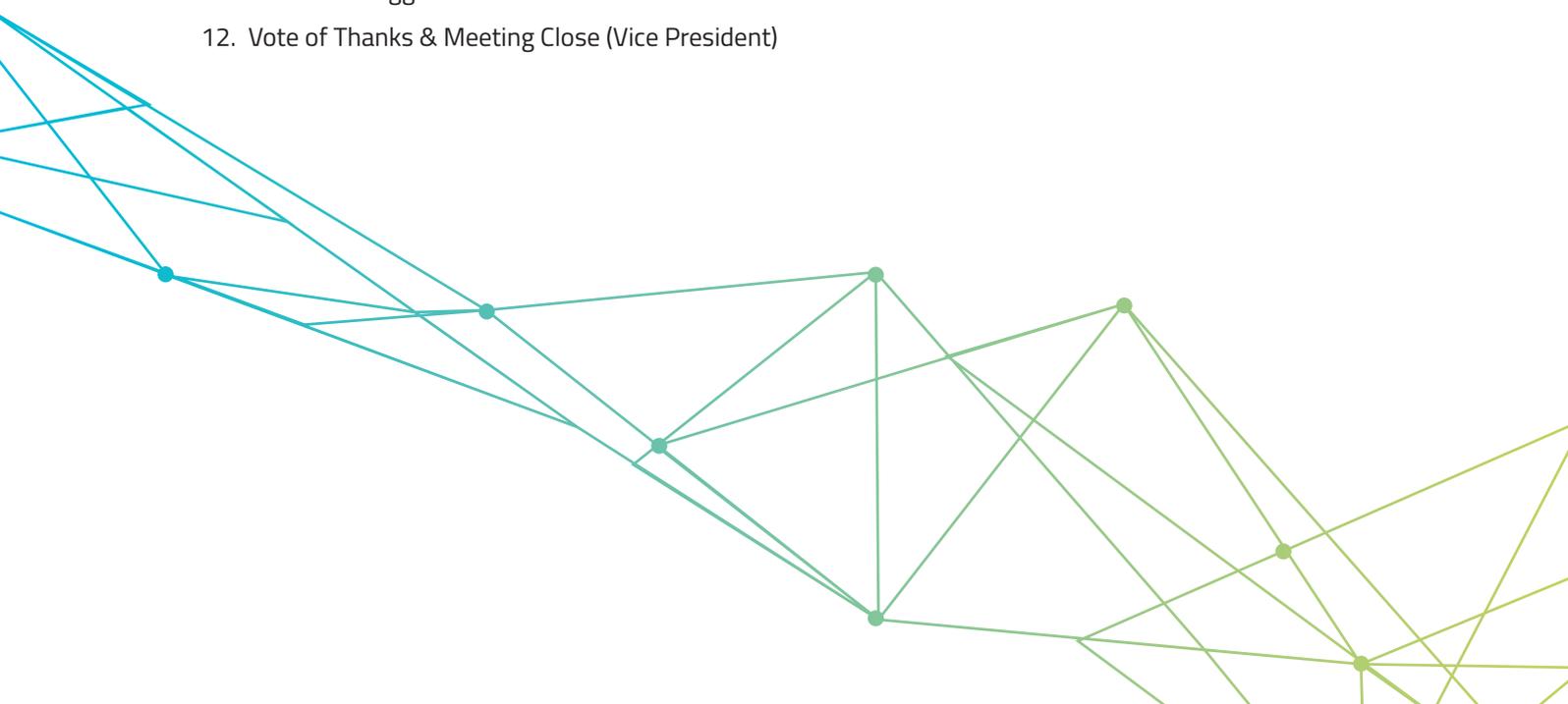


Director
Jenny Allen

Agenda

2022 AGM.

1. Opening & Welcome / Ode
2. Attendance (as per attendance registers)
3. Apologies / Visitors
4. Confirmation of Minutes from 2021 AGM
5. Business Arising from 2021 AGM Minutes
6. Treasurers Report / Financial Statements auditor statement
 - Adopt 2021 Audited Financial Report and Financial Statements
7. Reports
 - Presidents Report
 - General Managers Report
 - Sub Clubs' / Associations' Reports: (As submitted and included in the Club's AGM report to members)
8. Proposed Constitutional Amendment's
9. Director Elections: (In compliance with Rule 14 of the Club Constitution)
 - Vice President - One Position
 - Treasurer - One Position
 - Director - Two Positions
10. Appointment of Auditor for 2022 - (KPMG) - Recommendation from the Board (Adopt the Board of Directors recommendation)
11. Members Suggestions / Recommendations from the floor
12. Vote of Thanks & Meeting Close (Vice President)



Minutes

from 2021 AGM.

Southport RSL Memorial Club

Minutes of the Annual General Meeting held Sunday 28 March 2021 at Club Auditorium Northern Star.

1. **OPENING AND WELCOME / ODE**

The meeting was called to order at 11.03am.

Mr Lawrie Pollard opened with an Ode. The meeting opened with a recitation of the Ode.

2. **ATTENDANCE (AS PER THE ATTENDANCE REGISTERS)**

Present

Directors

Mr Lawrie Pollard (Acting President)

Mr Peter Boyd (Vice President)

Mr Trevor Bock (Secretary)

Mr Robert Knight (Treasurer)

Mr Andrew Nesbitt

Ms Shirley Gordon

Ms Maureen Szmelter

Ms Jenny Allen

Management

Mr Paul Burton (General Manager SRSL)

Ms Lisa Traynor (Operations & Events Manager SRSL)

Members

56 members (as per attendance register)

Acknowledgments

Mr Brian Baker (Club Patron)

Mr Mark Tull (outgoing President)

Mr John Riebling (Sub-Branch President)

Mr Derek Holyoake (S.E.A.K President)

Mr Adam Twemlow (KPMG)

3. **APOLOGIES / VISITORS**

Visitors

1 visitor (as per attendance register)

Apologies

0 apologies (as per attendance register)

Minutes

from 2021 AGM. (cont)

4. CONFIRMATION OF PREVIOUS MINUTES FROM 2020 AGM

Motion: That the minutes of the AGM held on 13 September 2020 be accepted as correct recording of that meeting.

Motion: Moved by Mark Tull, Seconded by Mr John Riebling. Carried.

4.1. BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising

5. REPORTS

5.1. TREASURERS REPORT / AUDITED FINANCIAL REPORT AND FINANCIAL STATEMENTS **** (ADOPT 2020 AUDITED FINANCIAL REPORT & FINANCIAL STATEMENTS) ****

The report was taken as read.

- Mr Robert Knight presented the report and summarised the results for 2020.
- Recorded profit \$438,309
- Great effort since the Club was affected by Covid last year
- Asset position healthy with strong cash reserves · RSL was closed March to June 2020, opened 1 July 2020
- Without Government assistance, the Club would have found it difficult to retain management and staff and reopen. Being supported by the Government gave the Club the opportunity to open with original staff.
- Good trading period followed Covid
- Thank you to members who came back and supported the Club
- Strategic plan 2020 was adopted to increase the revenue of the Club and is tracking well
- Board management increased governance, each week board management have a financial snapshot of how Club is going
- Future viability of this Club is dependence on many factors, ongoing concern being note (2e) on papers · Acknowledged the continued support of board, staff and members of club Mr Adam Twemlow from KPMG presented his Audit Report.
- Club is in a strong financial position at end of financial year
- Acknowledge board and management for oversight of the business
- Highlights include the turnaround of financial result, from \$240K loss in 2019 to a \$438K profit in 2020
- Club is sitting in a healthy position
- Healthy balance sheet
- Adam asked if there were any questions from the floor – no questions

5.2. PRESIDENTS REPORT

The report was taken as read. Mr Lawrie presented the report and summarised.

- Mark Tull was acknowledged as the appointed President. Due to circumstances relating to

Minutes

from 2021 AGM. (cont)

work, Mark applied for emergency services leave up to the AGM. Lawrie was then appointed as Acting President.

- The Club has evolved over the last 5 years
- The Club is not a small business. Financial reports show the Club turn overs more than \$100m per year, the Club has 87 staff and is a highly regulated industry.
- Key governing documents include the Association Incorporations Act 1981 and the Constitution of the Club which is derived from that Act.
- The Strategic plan has been added to the key documents
- Also governed by Gaming Machine Act 1991 and Liquor Act 1992
- Regulators include the Queensland Justice Department Office of Fair Trading, OLGR, Queensland Police Licensing brands, GCCC Food Licensing Department and Queensland Department of Health.
- Lawrie acknowledged the level of equality in the Club. From the top 16 Management positions, 10 of those roles are held by women. One third of the Board is also held by women.
- Establishment of the Strategic Plan was created in the last financial year with the help of Danny Nixon-Smith from DNS Specialist Services. In August 2020, the Board and Senior Management met for 2 days to produce the Strategic Plan.
- Lawrie identified the difference between a Strategic Plan and Master Plan. The Master plan includes the refurbishments and upgrade of facilities. The Strategic Plan is a formal guide for the board and Club Management to direct and control the business of the Club. It identifies areas of possible growth, process to achieve growth, risk litigation, ongoing Corporate Governance, legal issues etc. The Strategic Plan becomes the Governance blueprint of the Club. The plan is a key business driver and a document the Club has never had before. The board have introduced an additional meeting per month to address Strategic Plan
- Lawrie noted the corporate identity of the club and recited the Mission Statement, Vision Statement and Values.
- As part of the Strategic plan a number of improvements have been identified and are underway.
- The Master Plan was created to update services areas and refurbishment of the club.
- An audit of the Catering department has begun with an external body who specialises in improving the procedures and menu.
- An audit and upgrade of the IT by an industry specialist is underway.
- Improvements in the auditorium, including sound system and a high-quality lighting system that is cheaper to run.
- Establishment of a Board Members Induction manual and a Memorial Board Policies and Procedure manual.
- 14th April 2021 the Club will be holding an Industry networking night for community. The purpose is to expand client demographic, memberships and become the centre of Southport business community activity.
- Corporate partnership has been entered with the Labrador Tigers Hockey Club · Lawrie noted the Club is still in legal disputes with the RSL Memorial Club. This matter is in Sub Judge Contempt and it will not be discussed.
- Lawrie thanked everyone on the board and acknowledged their professionalism and dedication.

Minutes

from 2021 AGM. (cont)

5.3. GENERAL MANAGERS REPORT

The report was taken as read. Mr Paul Burton presented the report and noted.

- Member's appreciation day was held last Sunday, being 12 months since the Club closed its doors due to Covid. The day was a huge success with staff, management and members of other clubs also in attendance to see what Southport RSL were doing. Great feedback was received.
- The Masterplan is underway, currently a week behind schedule.
- Stage 1 – gaming room, bar, front of house bistro · Stage 2 – coffee shop with street access, redo palm lounge · Stage 3 – sports/cocktail bar upstairs
- Stage 1 of masterplan has been in works for 4/5 months, finalisation of budget design and finishes will be done in a meeting held next week. The Club will hopefully go to tender in next 2 weeks.
- Paul presented the plan designs for Stage 1. The refurbishments are planned for June with official reopening 1 July.
- Paul noted that full due diligence has been done on the budget and funding options. The work will be funded from working capital and the financier.
- Paul asked the floor for questions.
- Q – Will the gaming room function or stop its operations 50% will remain open, done in 2 week blocks.
- Q – will downstairs tables and Chairs be replaced Yes, interior designer is in the process of finalising the finishes.
- Q – will there still be the Cenotaph area and fishing weigh in. yes
- Q – Sound system outside and mic downstairs, music is too loud – will that be upgraded? Yes, currently in process of investigating what can be done with the former PA system to improve the sound
- Q – TV system upgrade We are waiting on interior designer to finalise his plans, in interim we have able get a hefty discount to obtain new TV's. This will come hopefully mid July 2021.
- Q – will upstairs stage 3 furniture be addressed. Yes, this is part of the interior designer's brief. There will be new furniture in pulse lounge and furnishings, greenery as a short-term fix until stage 3 commences.
- Lawrie added the Club is conscious of the Pulse Lounge being a fully operational bar and it will be utilised as a revenue earning facility in the interim before stage 3 design.
- Q – Will a TAB be included in the Pulse lounge/Sports Bar. Its noted running a TAB costs the club a loss of \$60K per year. Paul will look to see if there is a digital solution that can be used to reduce club costs.

5.4. SUB CLUBS / ASSOCIATION REPORTS

The following reports were taken as tabled and read.

- R.S.L Club Southport, Social Darts Club 2.
- (S.E.A.K's) South East Asia, Korea & Peacekeeping Veterans Association Inc.

Minutes

from 2021 AGM. (cont)

- R.S.L Club Southport, Spare Parts & Rebel Darts Teams
- R.S.L Club Southport, 500 Club
- R.S.L Club Southport, Euchre Club
- Southport R.S.L. Armature Fishing Club
- Southport Club, Southport Scrabble Club

6. DIRECTOR ELECTIONS (IN COMPLIANCE WITH RULE 14 OF THE CLUBS' CONSTITUTION)

- Lawrie invited the outgoing President, Mr Mark Tull to the table and presented a Certificate of Appreciation from the board.
- Mark thanked the board and members for their support over the last 3 years as Club President. During his time he's seen the resignations of 4 Directors, Commonwealth games, 19/20 bushfire emergency, vicious attack from media saying the Club is going broke, Covid shut down for 101 days. Mark thanked Paul, management and staff for their contribution to the club.
- Mark is confident in the handover to a new President
- Mark thanked everyone for their friendship, support, guidance and advice
- Lawrie stood down as Acting President of the Club

The scrutineers nominated were Mr Paul Burton and Mr Adam Twemlow.

President (1) One Position available

Nominations

- Lawrie Pollard
- Maureen Smeltzer

Lawrie Pollard address:

- Elected to board 3 years ago, he has been the secretary, appointed to 2 subcommittees, and the building subcommittee. Achievements include the Board insider, changes to the constitution, being the primary liaison for solicitors and barristers.
- Under the leadership he will ensure people will have their voices heard. No votes are made on personal agendas and votes are a majority vote. It's been a well working board.
- Lawrie is in the club 4-5 times per week, attending all significant club activities. Works well with the General Manager.
- There are numerous changes ahead for the Club.
- He has achieved a lot in the last 6 months and contributed positively.

Minutes

from 2021 AGM. (cont)

Maureen Smeltzer address:

- Maureen presented a summary of her background education and skills in Nursing.
- She presented her major achievements.
- Maureen advised she has the time and commitment to work as president of the Board

A ballot took place to elect one (1) President

Mr Lawrie Pollard was elected to the position of President

Director (1) position available Nominations -

No nominations

Motion: That the ballot papers for the AGM held on 28 March 2021 be destroyed.

Motion: Moved by Wayne Collins, Seconded by John (staff to advise). Carried.

7. CONFIRMATION OF AUDITOR

MOTION

That as per recommendation from the Board of Directors, KPMG continue working with the Club as Auditors for 2021. Proposed by Lawrie Pollard, seconded by Mark Tull. Carried

8. MEMBERS SUGGESTIONS / RECOMMENDATIONS FROM THE FLOOR

Nil.

9. VOTE OF THANKS & MEETING CLOSE

Mr Peter Boyd thanked everyone for their attendance and declared the meeting closed at 12.42pm

Treasurers report.



It is with great pleasure that I present my Treasurers Report to the Annual General Meeting of the members of Southport RSL Memorial Club. Following my report is the Club's Audited Financial Report for the 12 months to December 2021. The result for the year shows that the Club posted a book loss of \$291,814 (2020 profit \$438,309). The net assets position of the Club at December 2021 remains very healthy at \$868,813 with strong cash reserves totaling \$1,575,857.

The recorded loss for the year is disappointing, however there were some mitigating factors that have influenced the result. Firstly the ongoing battle of trading in a Covid-19 environment where the State Government continued to impose severe restrictions, particularly in the hospitality sector, severely affected our ability to get back to some form of normal trading. These restrictions impacted on members and staff and our attendance numbers fell alarmingly, in some part generated by a community fear of going anywhere where there were other people. It is noteworthy that we were not the only hospitality business affected by this pandemic but we believe that we are in a much better financial position now than many others.

Secondly the Club made a very good decision to invest in the Sports & Diggers Club in Surfers Paradise and took over control on 1st October, 2021. This Club was poorly managed by the previous operators and there are many synergies & economies of scale that will benefit our overall business in the long term. Unfortunately an outbreak of Covid-19 closed the Sports & Diggers Club in the first 2 weeks of our tenure and we experienced plenty of resistance to our investment in the business. The initial cost of investing in a business comes with some pain and this has impacted our net result for the year. The future of the Sports & Diggers Club is very good and already the increase in revenue in 2022 is significant. The cost of this investment is outlined in Note 21 in the Financial Statements.

On a very positive note, the Annual Financial Report on page 4 reports that the overall business generated \$1,190,515 net cash from operating activities for the year which is an outstanding result and positions the business in an excellent cash position for the future. As reported by the President, the Club invested heavily during the year in major capital expenditure in the gaming, lounge & bistro areas of the RSL Southport Club as part of our strategic plan for future change and to secure our future viability. As in past years and part of the final audit assessment by our auditors, KPMG, the Club's future viability is dependent on a number of factors and these are referred to in the "Going Concern" note in the Financial Statements (Note 2 (e)) which our Auditors, KPMG, will speak to, amongst other issues, at the meeting.

In closing my Report I would like to acknowledge the continued support I have received from all Board members during the year and also congratulate the Management and Staff for their commitment to the Club, particularly during the difficult Covid-19 restrictions.

A handwritten signature in black ink, appearing to read 'Robert Knight'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Robert Knight

Treasurer

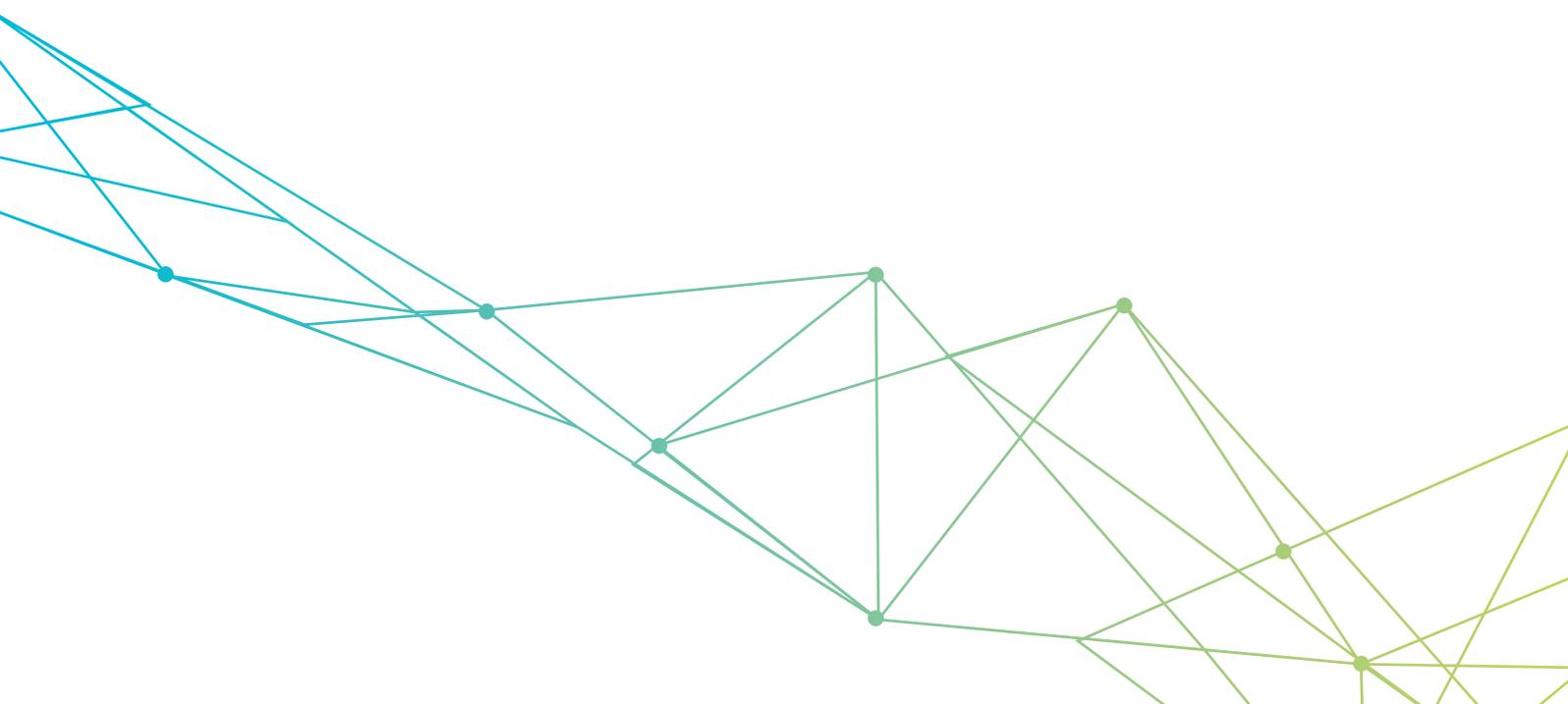
Financial report.

**Southport RSL Memorial Club Incorporated
IA: 08014**

**Annual Financial Report
for the year ended 31 December 2021**

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Southport RSL Memorial Club Incorporated

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Food and bar			
Revenue	4	4,126,587	1,958,188
Cost of sales	4	<u>(1,343,139)</u>	<u>(662,950)</u>
Gross profit		<u>2,783,448</u>	<u>1,295,238</u>
Poker machines, subscriptions, TAB and other			
Revenue	4	10,464,118	7,650,801
Poker gaming expenses	4	<u>(4,373,570)</u>	<u>(3,184,596)</u>
Raffles, TAB, Keno expenses	4	<u>(992,491)</u>	<u>(1,306,747)</u>
Gross profit		<u>5,098,057</u>	<u>3,159,458</u>
Total gross profit		7,881,505	4,454,696
Grants and subsidies	4	5,998	1,498,330
Administration expenses	4	<u>(5,407,716)</u>	<u>(4,008,564)</u>
Other cost centre expenses	4	<u>(2,627,844)</u>	<u>(1,367,737)</u>
Results from operating activities		<u>(148,057)</u>	<u>576,725</u>
Finance income	4	153	949
Finance expenses	4	<u>(143,910)</u>	<u>(139,365)</u>
Net finance costs		<u>(143,757)</u>	<u>(138,416)</u>
(Loss)/profit before tax		<u>(291,814)</u>	<u>438,309</u>
Income tax expense	5	<u>-</u>	<u>-</u>
(Loss)/profit from continuing operations		<u>(291,814)</u>	<u>438,309</u>
Other comprehensive (loss)/income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the period		<u>(291,814)</u>	<u>438,309</u>

Accompanying notes are an integral part of these financial statements

Southport RSL Memorial Club Incorporated

Statement of Financial Position

As at 31 December 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	6	1,575,857	2,444,947
Receivables		199,046	42,772
Inventories	8	226,597	82,284
Other assets	9	<u>101,228</u>	<u>64,299</u>
Total current assets		<u>2,102,728</u>	<u>2,634,302</u>
Non-current assets			
Property, plant and equipment	10	3,238,774	757,276
Right-of-use assets	11	3,129,267	2,291,402
Financial assets	7	64,960	86,080
Other assets	9	<u>114,615</u>	<u>114,615</u>
Total non-current assets		<u>6,547,616</u>	<u>3,249,373</u>
Total assets		<u>8,650,344</u>	<u>5,883,675</u>
Current liabilities			
Payables	12	1,142,761	810,655
Interest-bearing liabilities	13	2,089,215	1,306,400
Provisions	14	540,600	541,811
Other liabilities	15	<u>177,707</u>	<u>103,616</u>
Total current liabilities		<u>3,950,283</u>	<u>2,762,482</u>
Non-current liabilities			
Interest-bearing liabilities	13	3,759,600	1,896,280
Provisions	14	<u>71,648</u>	<u>64,286</u>
Total non-current liabilities		<u>3,831,248</u>	<u>1,960,566</u>
Total liabilities		<u>7,781,531</u>	<u>4,723,048</u>
Net assets		<u>868,813</u>	<u>1,160,627</u>
Equity			
Retained earnings	19	<u>868,813</u>	<u>1,160,627</u>
Total surplus		<u>868,813</u>	<u>1,160,627</u>

Accompanying notes are an integral part of these financial statements

Southport RSL Memorial Club Incorporated

Statement of Changes in Equity

For the year ended 31 December 2021

	Retained Earnings \$	Total Equity \$
2021		
Balance at 1 January 2021	1,160,627	1,160,627
Total comprehensive income for the period		
Loss for the period	(291,814)	(291,814)
Other comprehensive loss	-	-
Total comprehensive loss for the period	<u>(291,814)</u>	<u>(291,814)</u>
Transactions with owners, recorded directly in equity	-	-
Total transaction with owners	<u>-</u>	<u>-</u>
Balance at 31 December 2021	<u>868,813</u>	<u>868,813</u>

	Retained Earnings \$	Total Equity \$
2020		
Balance at 1 January 2020	722,318	722,318
Total comprehensive income for the period		
Profit for the period	438,309	438,309
Other comprehensive income	-	-
Total comprehensive income for the period	<u>438,309</u>	<u>438,309</u>
Transactions with owners, recorded directly in equity	-	-
Total transaction with owners	<u>-</u>	<u>-</u>
Balance at 31 December 2020	<u>1,160,627</u>	<u>1,160,627</u>

Accompanying notes are an integral part of these financial statements

Southport RSL Memorial Club Incorporated

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Cash receipts in the course of operations		15,077,586	9,656,186
Cash receipts from government grant		5,998	1,498,330
Cash payments in the course of operations		(13,749,312)	(9,179,253)
Net cash generated from operations		1,334,272	1,975,263
Interest received		153	949
Interest paid		(143,910)	(139,365)
Net cash provided by operating activities	18(b)	1,190,515	1,836,847
Cash flows from investing activities			
Payments for property, plant and equipment		(1,924,409)	(119,650)
Proceeds from sale of property, plant and equipment		14,511	-
Net investments in term deposit		-	104,646
Payment for equity investments		-	(2,000)
Acquisition of business – net of cash acquired		(227,012)	-
Net cash used in investing activities		(2,136,910)	(17,004)
Cash flows from financing activities			
Net repayment of lease facilities		(854,377)	(506,874)
Repayment of borrowings		(221,782)	-
Drawdown of borrowings		1,403,464	16,329
(Repayment)/drawdown of government funding		(250,000)	250,000
Net cash provided by/(used in) financing activities		77,305	(240,545)
Net (decrease)/increase in cash held		(869,090)	1,579,298
Cash and cash equivalents at the beginning of the period		2,444,947	865,649
Cash and cash equivalents at the end of the period	18(a)	1,575,857	2,444,947

Accompanying notes are an integral part of these financial statements

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

1. Reporting Entity

The Southport RSL Memorial Club Incorporated (the “Club”) is a club incorporated in Queensland and domiciled in Australia.

The financial statements of the Club as at and for the year ended 31 December 2021 comprise the trading operations of Southport RSL Memorial Club and Diggers and Sports Club (together referred to as the “Club”).

The financial report was authorised for issue by the Board on the date of signing their declaration on page 31.

2. Basis of Preparation

(a) Statement of compliance

This financial report is a special purpose financial report prepared for use by its members. The Board have determined that the Club is not a reporting entity.

The financial report is a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (“AASBs”) adopted by the Australian Accounting Standards Board (“AASB”) and the Associations Incorporation Act 1981.

The special purpose financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Cash Flow Statements*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1048 *Interpretation and Application of Standards*
- AASB 1054 *Australian Additional Disclosures*

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except where indicated.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Club’s functional currency. All financial information presented in Australian dollars has been rounded to the nearest dollar.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

2. Basis of Preparation (cont)

(d) Use of estimates and judgements

The preparation of a financial report in accordance with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(e) Going concern

The Club had net assets of \$868,813 (2020: \$1,160,627) and net current liabilities of \$1,847,555 (2020: \$128,180) at 31 December 2021, recognised a loss of \$291,814 (2020: profit of \$438,309), and generated positive cash flows from operations of \$1,190,515 (2020: \$1,836,847) for the year ended 31 December 2021.

As outlined in note 16 to the financial statements, the Club has an ongoing dispute with the Southport RSL Sub-Branch ("Sub-Branch") in relation to debts outstanding amounting to \$513,421 as at 31 December 2021 as disclosed in note 13, amongst other matters. Subsequent to the year end, and as at the date of this report, these matters remain outstanding and are yet to be finalised.

In addition, the spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020. This has led to the closure of Australian borders from 20 March 2020, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

The Club operates in an industry that has continued to be impacted by COVID-19 during the period. The Club was required to shut down its operations to the public on several occasions during the period due to restrictions imposed by the Australian Federal Government. Whilst restrictions have eased, the uncertainties stemming from the pandemic still has an impact upon trade. The Club has been successful in negotiating arrangements with its financier Westpac and undertaking other cost cutting measures. The Directors have prepared cash flow projections that support the ability of the Club to continue as a going concern.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

2. Basis of Preparation (cont)

(e) Going concern (cont)

The cash flow projections, and therefore the ability to continue as a going concern, are reliant on the following:

- ongoing compliance with banking arrangements and other debt facilities;
- continual cost cutting measures being agreed and achieved;
- improved trading results within the short to medium term; and
- the successful settlement of the legal matters with the Sub-Branch, including repayment arrangements that can be accommodated by the net cash flow performance of the Club.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Club's ability to continue as a going concern. In the event that the Club cannot achieve cash flow forecast as budgeted, improve its trading results within the short to medium term, and the legal matters are not resolved in the favour of the Club, the Club may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

(f) Changes in significant accounting policies

The Club has applied all new and revised mandatorily applicable accounting standards during the period that are relevant to its operations and effective for the annual reporting period.

3. Significant Accounting Policies

(a) Revenue recognition

The Club recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Club is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Club: 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.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(a) Revenue recognition (cont)

The Club has concluded that it acts as principal in the provision of products and services through its operations of the Southport RSL Club and the Diggers and Sports Club. The Club recognises its revenue upon completion of its performance obligations which are in the following distinct categories:

Revenue from customers at point of sale including for bar sales, food and beverage, entertainment receipts, Bingo, Keno, TAB and commissions, are recognised at the time the sale is made which aligns to the Club's performance obligations;

Revenue from catering and functions are recognised when the event has occurred and the Club has fulfilled its performance obligations; and

Revenue from membership subscriptions is recognised over the duration of the membership period.

Government grants

State and Federal government grant funding that contain specific conditions on the use of those funds are recognised as and when the Club satisfies its performance obligations by providing those goods and services to its students. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. General grants that do not impose specific performance obligations on the Club are recognised as income when the Company obtains control of those funds, which is usually on receipt.

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.

Unearned revenue

Payments received in advance from customers to secure catering and function bookings are deferred on the balance sheet as a liability until date of the event. Revenue is recognised in the statement of profit and loss when the event has occurred and the performance obligation is complete.

Where payments are received from members upfront for a long-term membership, they are deferred on the balance sheet as a liability and brought to account in the statement of profit and loss over the period of the membership.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(b) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(c) Income tax

The principle of mutuality applies to the Club in determining liability for income tax.

Income tax on the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The deferred tax asset on tax losses is not recognised unless the benefit to be obtained is probable.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(d) Financial Instruments

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Club may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment:

The Club makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(d) Financial Instruments (cont)

Financial assets (cont)

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Club considers the contractual terms of the instrument.

Financial assets - Subsequent measurement amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets - Subsequent measurement at FVOCI and gains and losses:

These assets are subsequently measured at fair value. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Club benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Club has not elected to classify irrevocably its non-listed equity investments under this category.

Financial assets – Impairment of assets:

The Club recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(d) Financial Instruments (cont)

Financial assets (cont)

The Club measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and including forward-looking information. The Club assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Club's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, loans and lease liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; or
- Financial liabilities at amortised cost (loans and borrowings).

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(d) Financial Instruments (cont)

Financial liabilities (cont)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Club has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Club. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(e) Impairment

The carrying amounts of the Club's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy (d)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs of disposal and value in use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Inventories

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

Net Realisable Value

Net realisable value is determined on the basis of normal selling patterns. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish a net realisable value.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(g) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost as deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy (e)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent costs

The Club recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Club and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line and reducing balance methods over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

- Plant & equipment 3-5 years
- Leasehold improvements 5 years
- Leased plant & equipment 3-5 years

The residual value, if not insignificant, is reassessed annually.

Consumables are recorded at initial cost and represent glasses, cutlery, crockery and kitchen utensils. Replacements are expensed to maintain the book value.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(h) Provisions

Employee Entitlements

Wages, Salaries, and Annual Leave

The provision for employees' entitlements to wages, salaries and annual leave represent the amount which the Club has a present obligation to pay resulting from employees' services provided up to balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs. The carrying value of the provisions approximate net fair value.

Long Service Leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history.

(i) Superannuation funds

The Club contributes to defined contribution superannuation plans. Contributions to employee superannuation funds are charged against income as they are made.

(j) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Club. Trade accounts payable are normally settled within 30 days.

(k) Leases

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Club applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Club recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Club recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(k) Leases (cont)

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leased plant & equipment 3-5 years

If ownership of the leased asset transfers to the Club at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Club recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Club and payments of penalties for terminating the lease, if the lease term reflects the Club's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Club uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Club's lease liabilities are included in Interest-bearing loans and borrowings (see Note 13).

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

3. Significant Accounting Policies (cont)

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(m) Expenses

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and the unwinding of finance discounts.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

(n) Business combinations

The Club accounts for business combinations using the acquisition method when control is transferred to the Club. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debts or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

	2021 \$	2020 \$
4. Operating Revenue & Expenses		
(a) Revenue		
Sale of goods	<u>4,126,587</u>	<u>1,958,188</u>
Other revenue		
Rendering of services	1,556,366	1,103,010
Gaming revenue	<u>8,907,752</u>	<u>6,547,791</u>
	<u>10,464,118</u>	<u>7,650,801</u>
Government grant		
Grants and subsidies	<u>5,998</u>	<u>1,498,330</u>
Finance income		
Interest received	<u>153</u>	<u>949</u>
Total revenue and other income	<u>14,596,856</u>	<u>11,108,268</u>
(b) Operating results		
<i>Bar</i>		
Sales	1,808,254	781,804
Cost of Sales	<u>(678,542)</u>	<u>(311,449)</u>
Net income	1,129,712	470,355
<i>Bottle shop</i>		
Sales	14,681	17,506
Cost of Sales	<u>(12,361)</u>	<u>(11,734)</u>
Net income	2,320	5,772
<i>Catering/functions</i>		
Sales	2,303,652	1,158,878
Cost of Sales	<u>(652,236)</u>	<u>(339,767)</u>
Net income	1,651,416	819,111
<i>Totals</i>		
Sales	4,126,587	1,958,188
Cost of Sales	<u>(1,343,139)</u>	<u>(662,950)</u>
Net income	<u>2,783,448</u>	<u>1,295,238</u>

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

	2021	2020
	\$	\$
4. Operating Revenue & Expenses (cont)		
(b) Operating results (cont)		
<i>Other revenue</i>		
Poker machines		
Gross revenue	8,907,752	6,547,791
Hopper variance	-	-
Net revenue	<u>8,907,752</u>	<u>6,547,791</u>
Membership subscriptions	59,662	48,517
TAB, Members, Bingo, Keno	<u>1,496,704</u>	<u>1,054,493</u>
	<u>1,556,366</u>	<u>1,103,010</u>
<i>Total other revenue</i>	<u>10,464,118</u>	<u>7,650,801</u>
Poker gaming expenses	(4,373,570)	(3,184,596)
Raffles, TAB, Keno expenses	<u>(992,491)</u>	<u>(1,306,747)</u>
<i>Net income</i>	<u>5,098,057</u>	<u>3,159,458</u>
<i>Other expenditure</i>		
Insurance	125,485	131,479
<i>Administration</i>		
Amounts set aside for employee entitlements	194,344	150,509
Amortisation & depreciation	1,397,091	1,214,867
Wages - administration/managerial	1,903,202	1,342,720
Repairs & maintenance	103,605	113,711
Overheads (electricity, phones, rates)	374,138	314,720
Impairment – note 7	21,120	21,520
Other	<u>1,288,731</u>	<u>719,038</u>
	<u>5,407,716</u>	<u>4,008,564</u>
Cost centre expenses	<u>2,627,844</u>	<u>1,367,737</u>
<i>Total other expenditure</i>	<u>8,035,560</u>	<u>5,376,301</u>
<i>Finance income</i>		
Interest received	<u>153</u>	<u>949</u>
<i>Finance costs</i>		
Interest paid	<u>143,910</u>	<u>139,365</u>

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

5. Taxation	2021 \$	2020 \$
<i>Income tax expense/(benefit)</i>		
Profit/(loss) before tax from continuing operations	(291,814)	438,309
Prima facie income tax expense/(benefit) at 25% (2020: 26%) on the operating profit.	(72,954)	113,960
Increase/(decrease) in deferred tax assets for tax losses not brought to account	61,911	(20,688)
Permanent differences	32,237	(105,315)
Temporary differences	(21,194)	12,043
Income tax expense	<u>-</u>	<u>-</u>

Deferred tax/(liability) not brought to account

The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery is not probable:

Timing differences	22,037	47,555
Tax losses carried forward	565,089	553,495
	<u>587,126</u>	<u>601,050</u>

The potential deferred tax asset will only be obtained if:

- (a) the relevant association derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (b) the Club continues to comply with the conditions for deductibility imposed by the law; and
- (c) no changes in tax legislation adversely affect the relevant association and/or the economic entity in realising the benefit.

6. Cash and Cash Equivalents – Current

Cash on hand	426,331	271,979
Bank accounts	1,123,966	2,148,352
Other cash accounts	25,560	24,616
	<u>1,575,857</u>	<u>2,444,947</u>

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

	2021 \$	2020 \$
7. Financial Assets – Non-current		
Equity investments	213,200	213,200
Less: impairment	<u>(148,240)</u>	<u>(127,120)</u>
	<u>64,960</u>	<u>86,080</u>
<p>The Club holds 213,200 (2020: 213,200) ordinary non-redeemable shares in WhiteGreen Pty Ltd (“WhiteGreen”). The Club purchased nil (2020: 2,000) shares in WhiteGreen during the period. At 31 December 2021, the cost base of the investment is based on the price of a recent transaction of WhiteGreen ordinary shares in the month of October 2020 which was \$1 per share. We note that all investments have always been at \$1 per share.</p> <p>WhiteGreen is a non-trading investment Club which holds 204,274 (2020: 203,524) shares in CLUB8CASINO PTY LTD (“Club8Casino”). Club8Casino was established in 2014, the business provides online simulated gaming services and receives revenue through license fees for the use of the Club8IP, Club8 Marks, Club8 Material and the Club8 Website. Club 8 is an online simulated gaming site based in Australia targeted to the RSL members of the clubs listed above. It is a free-to-play and pay-to-play website with no real money online gaming supported.</p> <p>The Directors have considered the carrying value of the investment at 31 December 2021 and have determined to recognise an impairment of \$21,120 (2020: \$21,520).</p>		
8. Inventories – Current		
Bar and bottle shop – at cost	174,032	54,801
Catering – at cost	<u>52,565</u>	<u>27,483</u>
	<u>226,597</u>	<u>82,284</u>
9. Other Assets – Current		
Deposits	11,692	6,500
Prepayments	102,520	57,786
Other	<u>(12,984)</u>	<u>13</u>
	<u>101,228</u>	<u>64,299</u>
Other Assets – Non-Current		
Payment for leasehold improvements	<u>114,615</u>	<u>114,615</u>

The payment for leasehold improvements represents amounts expended on the Club’s premise which are being claimed for reimbursement by the Club from the Sub-Branch as outlined in note 16.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

	2021 \$	2020 \$
10. Property, Plant and Equipment – Non-Current		
Leasehold improvements - at cost	2,036,344	702,597
Less accumulated amortisation	<u>(712,565)</u>	<u>(561,497)</u>
	<u>1,323,779</u>	<u>141,099</u>
Plant and equipment - at cost	10,116,450	8,564,036
Less accumulated depreciation	<u>(8,324,423)</u>	<u>(8,062,146)</u>
	<u>1,792,027</u>	<u>501,890</u>
Consumables	133,132	133,132
Less accumulated depreciation	<u>(52,328)</u>	<u>(26,196)</u>
	<u>80,804</u>	<u>106,936</u>
Capital work in progress	<u>-</u>	<u>7,350</u>
Motor vehicles	45,000	-
Less accumulated amortisation	<u>(2,836)</u>	<u>-</u>
	<u>42,164</u>	<u>-</u>
Total property, plant & equipment	<u>3,238,774</u>	<u>757,276</u>

The expected cash flows from the Club's operations support the book value of the property plant and equipment on a value in use basis.

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

Leasehold improvements

Carrying amount at beginning of year	141,099	253,095
- additions	1,333,748	-
- amortisation	<u>(151,068)</u>	<u>(111,996)</u>
Carrying amount at end of year	<u>1,323,779</u>	<u>141,099</u>

Plant and equipment

Carrying amount at beginning of year	501,890	694,249
- additions	590,662	112,300
- additions through business combination	1,071,637	-
- disposals	(30,146)	(1,694)
- depreciation	<u>(342,016)</u>	<u>(302,965)</u>
Carrying amount at end of year	<u>1,792,027</u>	<u>501,890</u>

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

	2021 \$	2020 \$
10. Property, Plant and Equipment – Non-Current (cont)		
Consumables		
Carrying amount at beginning of year	106,936	133,132
- amortisation	<u>(26,132)</u>	<u>(26,196)</u>
Carrying amount at end of year	<u>80,804</u>	<u>106,936</u>
Motor vehicles		
Carrying amount at beginning of year	-	-
- additions through business combinations	45,000	-
- amortisation	<u>(2,836)</u>	<u>-</u>
Carrying amount of end of year	<u>42,164</u>	<u>-</u>
Capital work in progress		
Carrying amount at beginning of year	7,350	-
- transfers	<u>(7,350)</u>	<u>7,350</u>
Carrying amount at end of year	<u>-</u>	<u>7,350</u>

11. Right-Of-Use Assets and Liabilities

(a) Assets – Non-Current

Right-of-use assets – at cost	6,951,128	5,288,077
Less accumulated depreciation	<u>(3,821,861)</u>	<u>(2,996,675)</u>
	<u>3,129,267</u>	<u>2,291,402</u>

The Club has lease contracts for various items of property, plant and other equipment used in its operations. Leased property has terms between 5 and 6 years, while other plant and equipment is between 3 and 5 years. The Club's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leased Office Equipment	Leased Operating Equipment	Leased Property	Total Leased
Opening balance	76,063	599,124	1,616,215	2,291,402
Additions	-	322,400	2,126	324,526
Additions through business combination	-	320,000	1,068,025	1,388,025
Disposal	-	(49,500)	-	(49,500)
Depreciation	<u>(20,734)</u>	<u>(307,899)</u>	<u>(496,553)</u>	<u>(825,186)</u>
Closing balance	<u>55,329</u>	<u>884,125</u>	<u>2,189,813</u>	<u>3,129,267</u>

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

11. Right-Of-Use Assets and Liabilities (cont)	2021 \$	2020 \$
b) Lease Liabilities		
Lease liabilities – current	917,153	765,289
Lease liabilities – non-current	2,208,868	1,646,280
Total lease liabilities – note 13	<u>3,126,021</u>	<u>2,411,569</u>

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The lessee's incremental borrowing rate applied to the lease liabilities was between 4.59% and 5.90%.

Set out below are the carrying amounts of the lease liabilities recognised and the movements during the period:

Opening balance	2,411,569	2,580,178
Additions	322,400	355,778
Additions through business combination	1,245,826	-
Accretion of interest	109,847	137,155
Payments	(963,620)	(661,542)
Closing balance	<u>3,126,021</u>	<u>2,411,569</u>

12. Payables – Current

Trade creditors	282,853	258,235
Other creditors and accruals	782,368	481,519
GST control	77,540	70,901
	<u>1,142,761</u>	<u>810,655</u>

13. Interest Bearing Liabilities

Current

Lease liability – note 11(b)	917,153	765,289
Loan from Sub-Branch – note 16	513,421	513,421
Other loan ²	164,875	27,690
Bank overdraft	60,314	-
Bank loan ¹	433,452	-
	<u>2,089,215</u>	<u>1,306,400</u>

Non-current

Lease liability – note 11(b)	2,208,868	1,646,280
Loan from government grant	-	250,000
Other loan ²	831,675	-
Bank loan ¹	719,057	-
	<u>3,759,600</u>	<u>1,896,280</u>

¹ Loan facility amounting to \$1,250,000 was secured from Westpac during the year for a term of 3 years with an indicative variable rate of 1.871% pa and is secured over the Club's assets.

² Includes loan amounting to \$1,000,000 from Harburg Drive Pty Ltd relating to Diggers and Sports Club during the year for a period of 6 years at an interest rate of 2.81%.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

	2021 \$	2020 \$
14. Provisions		
<i>Current</i>		
Provision for employee entitlements	540,600	541,811
<i>Non-current</i>		
Provision for employee entitlements	71,648	64,286
	<u>612,248</u>	<u>606,097</u>
Number of employees (full time equivalents) at year end	64	61
15. Other Liabilities		
Functions in advance	10,500	12,215
Subscriptions in advance	38,497	37,486
Ticket sales in advance	128,710	53,915
	<u>177,707</u>	<u>103,616</u>

16. Commitments and Contingencies

Legal dispute with the Sub-Branch

During the year, and subsequent to year end, the Club has an ongoing dispute with the Sub-Branch in relation to debts outstanding amounting to \$513,421 as at 31 December 2021 as disclosed in note 13, amongst other matters.

Offers of settlement by the Club to the Sub-Branch have been made however the Sub-Branch has not accepted the offers. The Club is now seeking a resolution to these legal matters in the Supreme Court, however as at the date of this report, these matters remain outstanding and are yet to be finalised.

In addition, subsequent to year end, judgement was awarded in the District Court in Queensland against the Club in favour of the Sub-Branch for an amount of \$192,820 in relation to a lease dispute. The Club has lodged an appeal against this judgement and as at the date of this report, no amounts have been settled.

Commitments

The Club has no commitments as at 31 December 2021.

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

17. Related Parties

Board of Directors

The names of each person holding a position on the Board of Directors during the year are: Lawrence Pollard (President), Peter Boyd (Vice President), Trevor Bock (Secretary), Robert Knight (Treasurer), Jennifer Allen (Director), Maureen Szmelter (Director), Andrew Nesbitt (Director), Shirley Gordon (Director) and Mark Robertson (Director).

One board member was newly appointed and resigned during the year, namely:

- Mark Robertson (Appointed on 22 November 2021)
- Mark Tull (Resigned on 29 March 2021)

The Board of Directors are members of the Club and do not receive any remuneration for their services, other than their benefits as members.

18. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	Note	2021 \$	2020 \$
Cash	6	426,331	271,979
Bank accounts	6	1,123,966	2,148,352
Other cash accounts	6	25,560	24,616
		<u>1,575,857</u>	<u>2,444,947</u>

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

	2021 \$	2020 \$
18. Notes to the Statement of Cash Flows (cont)		
(b) Reconciliation of operating profit after income tax to net cash provided by operating activities		
Operating (loss)/profit after income tax	(291,814)	438,309
Add/(less) non-cash items:		
Impairment	21,120	21,520
Depreciation/amortisation	1,397,091	1,214,867
Loss/(gain) on disposal of assets	21,108	(1,576)
Amounts set aside to provisions		
- employee entitlements	(9,640)	64,786
	<u>1,137,865</u>	<u>1,737,906</u>
Net cash provided by operating activities before change in assets and liabilities	1,137,865	1,737,906
Change in assets and liabilities during the financial period		
(Increase)/decrease in debtors and other receivables	(156,274)	19,690
(Increase)/decrease in inventory	(144,313)	30,034
(Increase)/decrease in other assets	(36,929)	26,558
Increase in trade and other payables	390,166	22,650
	<u>1,190,515</u>	<u>1,836,847</u>
Net cash provided by operating activities	1,190,515	1,836,847
19. Retained Earnings		
Retained earnings at beginning of year	1,160,627	722,318
Net (loss)/profit attributable to members	(291,814)	438,309
	<u>868,813</u>	<u>1,160,627</u>
Retained earnings at end of year	<u>868,813</u>	<u>1,160,627</u>

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

	2021 \$	2020 \$
20. Auditor's Remuneration		
Fees paid to auditors of the Club – KPMG		
<i>Audit of financial statements</i>		
Audit of financial reports for the Club and gaming machine audit under the <i>Office of Liquor and Gaming Regulation</i>	36,500	21,800
	<u>36,500</u>	<u>21,800</u>
<i>Other services</i>		
Tax compliance	<u>1,500</u>	<u>1,500</u>

21. Business Combination

The Club completed the following business combination during the year:

Date	Name	Type
1 October 2021	Diggers and Sports Club	Certain business assets

Below is a summary of the total purchase consideration and net assets acquired.

	\$
Cash and cash equivalents	58,213
Inventories	66,999
Other assets	25,426
Property, plant and equipment	1,116,637
Rights of use asset	1,388,023
Trade and other payables	(108,457)
Employee benefits	(15,791)
Lease liabilities	(1,245,825)
Loans and borrowings	(1,000,000)
Net identifiable assets acquired	285,225
Total purchase consideration - cash	285,225

Southport RSL Memorial Club Incorporated

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2021

22. Events Subsequent To Reporting Date

Subsequent to the year end, the legal disputes with the Sub-Branch as outlined in note 16 remain ongoing. Judgement was awarded in the District Court of Queensland against the Club in favour of the Sub-Branch for an amount of \$192,820 in relation to a lease dispute. The Club has lodged an appeal against this judgement and as at the date of this report, no amounts have been settled.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the management committee, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

Southport RSL Memorial Club Incorporated

Statement by Board of Directors

In the opinion of the Board of Directors of Southport RSL Memorial Club Incorporated ("the Club"):

- (a) the Club is not publicly accountable nor a reporting entity;
- (b) the financial statements and notes, set out on pages 1 to 30, are in accordance with the Associations Incorporation Act 1981, including:
 - (i) giving a true and fair view of the financial position of the Club as at 31 December 2021 and of its performance for the financial year ended on that date in accordance with the basis of preparation described in notes 1 to 3; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in notes 1 to 3; and
- (c) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

Dated at Gold Coast this 23 March 2022.



President



Treasurer



Independent Auditor's Report

To the Directors of Southport RSL Memorial Club Incorporated

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Southport RSL Memorial Club Incorporated (the "Club").

In our opinion, the accompanying Financial Report of the Club is in accordance with the Australian Accounting Standards, including:

- giving a true and fair view of the Club's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards to the extent described in Notes 1 to 3 and the Associations Incorporation Act 1981.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2021;
- Statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Club in accordance with 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 Statements* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(e), "Going Concern" in the Financial Report. The conditions disclosed in Note 2(e) indicate the existence of a material uncertainty which may cast significant doubt on the Club's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the Club's Financial Report. Our opinion is not modified in relation to this matter.

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Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Notes 1 to 3 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the Directors of the Club in meeting the requirements of the Associations Incorporation Act 1981.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of Southport RSL Memorial Club Incorporated and its members and should not be used by or distributed to parties other than the Directors of Southport RSL Memorial Club Incorporated and its members. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Directors of Southport RSL Memorial Club Incorporated and its members or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Southport RSL Memorial Club Incorporated's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of The Directors for the Financial Report

The Directors are responsible for:

- the preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in Notes 1 to 3 to the Financial Report is appropriate to meet the requirements of the Associations Incorporation Act 1981 and the needs of the members;
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error; and
- assessing the Club's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Adam Twemlow

Partner

Gold Coast

23 March 2022

Presidents report.



1. By any considered measure, 2021 was one of the most significant years in the history of our great Club.
2. Despite the continuing drastic interference by COVID19 with business as usual and life in general, including significant illness amongst our Management and staff and some Board members, we can be proud of what the Board and our very professional Management Team and staff have achieved in this once in 100 years disruption to life.
3. The Board have found, that in order to properly direct and discharge our duties under the ACT and the Constitution, it was necessary late last year to introduce an additional meeting of the Board which is generally known as the "Strategic Planning Meeting". I think that this was one of the more noteworthy decisions we have made in relation to our own processes and professional duties.
4. This meeting held once a month on a Tuesday morning, allows us to support our General Manager Paul Burton and the management team with decisions made quickly and later ratified formally at the next Board meeting, as well as to address with Paul matters which the Board see as requiring early action. This process together with the occasional emailed "Flying Minute" has ensured a smooth progression of our Strategic Plan and the need for immediate action on unforeseen day to day issues.

Achievements And High Points

5. A non-exhaustive list of some of the more notable achievements during the past year include:
 - In January our landlord Evan Ryan commenced discussions with us with the view to our Club managing Surfers Diggers and Sports Club for him. While we were contemplating the wisdom and problems concerned with such a concept, in February, he then asked us to purchase the Club business from him.
 - After protracted negotiations this proceeded on terms beneficial to both parties. Evan had spent over \$3million repairing and refurbishing and generally upgrading the Club, so those types of expenses were not something which we had to address. However, the Club had not been operating to a proficient and profitable level, nor within the values and objectives established and existing in the Memorial Club. We have a long way to go but we have achieved a lot already.
 - After a 3 years vacancy of the position, Lisa Traynor was appointed as the Group Operations and Events Manager in January. Lisa's impact on culture and operations generally has been remarkable.
 - Similarly, the appointment of Donna Baxter in March to Group Human Resources Manager role, has been a very beneficial decision from which the Club is profiting greatly. For example, Donna and Lisa have conducted the first ever staff appraisals commencing with the Duty Managers where they reviewed performance without fear or favour.
 - Luke Hobbs a very experienced marketing manager has been appointed as Group Marketing Manager. Luke has previously led the Marketing Division of a global automotive apparel company and has considerable experience in studio and lifestyle photography, graphic design, EDM's and social media marketing.
 - The Adoption of the Master Plan and Stage One of our refurbishment of The Memorial Club which commenced and concluded essentially on time. The end result is fabulous with some fine tuning still to occur with the screening of the Bistro area. I must recognize Paul's outstanding commitment during this intense period governed by contractual time constraints, and the very long hours he spent on site handling decisions as they arose. Thank you for your commitment, Paul.

Presidents report. (cont)

- The Board involved itself directly in the selection of furniture for the Palm Lounge and what has been delivered meets the vision anticipated. With the recent laying of the new carpet, the Palm Lounge has been truly transformed into a new mood to the benefit of the members and I am pleased to say that there have been very many great comments.
- I have continued to work hard with Evan Ryan, our very accommodating landlord, to have the Pulse Lounge balcony extended to the border of the property. During meetings with engineers, a town planner and architects etc two options were discussed. Firstly, the proposed balcony be a solid concrete construction, but because of the weight a cantilevered concept cannot be used. Additionally, footings etc need considerable planning given the underground carpark which extends right to the border. The other alternative is a cantilevered steel frame with Compressed Fibro Concrete (CFC) floor which is a greatly reduced weight whilst still achieving the same result for the Club.
- We are awaiting the engineers report for the recommended way forward and Evan's final decision.
- Our legal issues with the Sub Branch continued throughout 2021, with an initial hearing of the lease case being conducted and adjourned. Subsequently the Court ordered mediation which Trevor Bock in his capacity as Secretary attended with me. No agreement could be reached despite yet another generous offer by our Board and the matter was set for trial on 17 January 2022. The Judge found in the Sub Branch's favour at the trial, however our legal team's opinion, augmented with Queens Counsel advice, is that the Judge erred significantly in several aspects and we have lodged an appeal.
- The Supreme Court Case with the Sub Branch over the non-existent loan will hopefully go to trial during 2022.
- Introduction of the ME&U ordering system. Every few decades something is developed which revolutionises an industry and ME&U is one of those. It provides enhanced customer service whilst encouraging Club profitability.
- At long last we obtained an approved plan to upgrade the Administration Offices on Level 1 Carpark area. This well overdue upgrade is presently underway and is being paid for by the Landlord, Evan, as part of the building amenities and will provide our long-suffering Managers with a pleasant and professional work environment.
- You will have noticed the new much larger TVs around the Palm Lounge and Bistro perimeters.
- New crockery for the Bistro with a new rich colour replacing the cafeteria style white plates.
- At the November 2021 meeting of the Board, Robbo (Mark) Robertson was appointed to fill the existing vacancy. At this AGM, Robbo is standing for formal election.

Rebranding

6. As many of you may have become aware or guessed, we have taken the very serious decision to rebrand the Memorial Club. In the first instance the impetus to rebrand came from RSL Qld, that is the State Headquarters of the RSL. To assist those who do not fully understand the corporate structure, may I explain that the Sub Branch and the Memorial Club are completely separate stand-alone entities, both registered under the Qld Associations Incorporation Act 1981. Until 2019 therefore, the status which existed was the Sub Branch owned the building in which we The Southport RSL Memorial Club Inc, operated the business.

Presidents report. (cont)

7. When the Sub Branch sold our building in 2019, this situation obviously changed. You will see from a PowerPoint I will show at the meeting, that RSL Qld has been issuing demands to Clubs in our position, that is where the building is not owned by the Sub Branch or the Club is not run by the Sub Branch, to cease using the name RSL in their day-to-day trading under threat of extreme legal action.
8. As you can observe one of the biggest RSL Clubs in South East Qld, namely Greenbank RSL, which given its location close to the Greenbank Army Barracks has many serving soldiers as members, has already received a very threatening letter and Maroochy and Gympie RSL Clubs have received similar letters. Greenbank RSL has restructured to form a company limited by guarantee and dropped the RSL name, and a number of other Clubs including Caloundra have been attempting to restructure but are receiving significant interference from both RSL State and their respective local Sub Branches.
9. For some time prior to the RSL State starting this action, the Memorial Club Board had been very aware of the need to expand our age demographic if we are to survive in 10 to 15 years' time. Our present average member's age is 61. And we do mean expand not change. We wish to continue to serve our present loyal members but with much better facilities and to utilise the present Pulse Bar area and the proposed balcony/roof top bar to attract the younger age group which now abounds in Southport.
10. Southport is going through a Gold Coast City Council driven revitalisation, with plans for an extended "Special Entertainment Precinct" and we are in an excellent position to take advantage of this initiative. We are the biggest venue in Southport with amazing facilities, many of which are underutilised.
11. However, as is well known the younger people all think that an RSL Club is for old people especially old soldiers and not some place where they, the younger crowd, would be comfortable, enjoy or even be welcome. By Younger we mean under 60s and they want a trendier and more fashionable environment with an assortment of cocktails, mocktails and spirits with the ability to also purchase share plates, contemporary food including desserts, canapes and snacks.
12. Places like Surfers Pavilion and The Island Roof Top Bar are already catering to this group who are paying \$15 to \$20 per cocktail and \$18 for a small snack plate of calamari. This is the market that we must target especially as a Southport Special Entertainment Precinct is being created and driven by the Gold Coast City Council. However, to obtain a market share of this younger demographic, we need to negate the adverse thinking surrounding an RSL Club and provide the environment already being offered by competitors.
13. In anticipation of future action being taken against us by RSL Qld and in order to expand our age demographic and be the leading entertainment centre in Southport, we decided that now is the time to rebrand as the first stage of our refurbishment concludes. But rebranding is a very complex process and to ensure that our process is both professional and successful we have retained the services of Michelle Fragar and her team of specialists at BrandiT Marketing to guide and assist.
Michelle has produced an extensive timed project plan which has been totally accepted by the Board and we are working systematically through this plan.
14. Before I show you a couple of "concept slides" of upstairs and downstairs I would like to explain one point very clearly. We are changing our TRADING NAME. not the registered name with the Office of Fair Trading. So, behind the scenes for the foreseeable future, we will remain registered as present that is Southport RSL Memorial Club Inc, but TRADE under a different name. Among other matters,

Presidents report. (cont)

that will mean that we will continue with what we see as our community obligations and heritage by commemorating ANZAC Day, Kapyong and Vietnam Veterans and Remembrance Days. And obviously we will continue to support the War Widows Association. SEAKS, Legacy etc as our trading name will have no bearing on these activities. We are very aware of the tradition from which we have come and the responsibility that we have to the Southport community.

15. So, as I hope you can see and appreciate, the Board and Management of your Club have been planning, strategizing and working very hard to give you better facilities and build the Club for future generations. A number of issues such as the RSL attitude to use of the name, the drive by the Gold Coast City Council to revitalise Southport with the emphasis on the younger age group and our own need to refurbish, have created a synergy which suits our present plans and we intend to capitalise on this capsule in time as much as is possible.

May I thank all my Board colleagues and management for the support you have given me and I am looking forward to continuing to work with you all during the next 12 months to build our Club into the vision we have designed.



Lawrie Pollard

President

General Managers report.

Good morning and Welcome.

The 2021 year was one of mixed results, achievements, and emotions. The first 5 months, to 31 May 2021, produced favourable trading results, both in revenue and bottom-line results.

Following months of planning, June 2021 witnessed the commencement of the Stage 1 of the Master Plan refurbishments. The works took approximately seven weeks to complete, and I am pleased to advise that the total cost came in under budget.

I truly believe we have not yet witnessed the all the fruits of the refurbishments due to a number of interrupting factors.

For the remainder of the year, "COVID", together with Government Directives dampened any momentum in trade, due to the constant interruptions, ie. Lockdowns, health directives and panic created by the so-called experts.

The other major event of 2021 was the purchase of Diggers & Sports Club in Surfers Paradise. As each month progresses trade and profitability are slowly increasing. It is an entirely different market in Surfers Paradise and in fact there are markets within markets. There will be further news to come regarding possible dual membership benefits by the middle of 2022.

Further strategic decisions will come to fruition in 2022, so watch this space!

I take this opportunity to thank the President and the Board of Directors for their support and look forward to this enduring for many years to come.

Thank you to the Senior Management Team and our tremendous staff for all of your efforts, both behind the scenes and also making our members and guests welcome.

Thank you for your continued support and we look forward to exciting times ahead for this venue and its members and guests in 2022 and beyond.

Regards



Paul Burton

General Manager



Sub Club Report

Southport RSL MC Fishing Club.

Hi Members

Due to Covid once again our 2021 competition schedule was interrupted, however we still enjoyed a few competitions and did catch some fish to weigh in. Our competition with SAFC was canceled and we look forward to one with them real soon.

We continue to attract new members and as things stand it is quite the Girls Club as we have more females than males. And they know how to catch fish too!

Our Friday night raffle has been a wonderful success all year. Many thanks to Craig Jordan who looks after our Raffle religiously every Friday night. On behalf of our fishing club members thank you to the Memorial Club and their members for supporting us.

We had a Rock'n Roll theme for our Annual dinner and the members and guests rocked up in their 50's & 60's gear and thoroughly enjoyed the night. The food was delicious and as always Teresa and the catering staff looked after us down to the finest detail. Many thanks.

During the year some of our members enjoyed a calm water Charter and others an outside charter. This year we look forward to hiring a Pontoon boat to enjoy a trip on the Broadwater or up one of the local rivers.

Our club will be donating \$1,500 to the Flood Disaster Appeal - a very worthy cause.

Here's hoping you all have a great year ahead in 2022.

Stay Safe! Tight Lines! Stay well.

Brian Baker

President

Southport RSL Fishing Club

Sub Club Report

Southport Euchre Club.

It is with great regret, I report the passing of Alan Lovelock. Alan was a long standing member of the Euchre Club, and held many official positions within our club over many years.

This year has been a difficult year for some of our club members because of not having the immunization against Covid-19. They were not allowed into the RSL Club, therefore, were not able to play Euchre with us.

At the time of this report, there are 26 active members, with 6 regulars, who due to medical requirements or conditions, have not rejoined.

Many thanks go to the RSL Club and staff, for holding raffles for our club each Thursday night, from which our club receives funding. As a result of this money, prize money on Monday nights has been increased along with additional prize money, regardless of the number of players who participate.

Betty and Jeannine have been the driving force at ticket selling, along with the RSL staff.

This past year, we have been able to run 7 Sunday competitions along with good prize money and free lunch. We have been able to hold 1 Wednesday night free dinner, mid year and no cost to the members.

In conclusion, I wish everyone a safe and happy new year, free from any virus or health problems.

Bob Gribble

President

Sub Club Report

Southport RSL Darts Club.

TUESDAY NIGHT MIXED DARTS REPORT

Due to Covid we have been unable to have any visiting teams from Sherwood and Seagulls but hopefully this year Seagulls will be able to come. Unfortunately, Sherwood Rsl Darts have been disbanded.

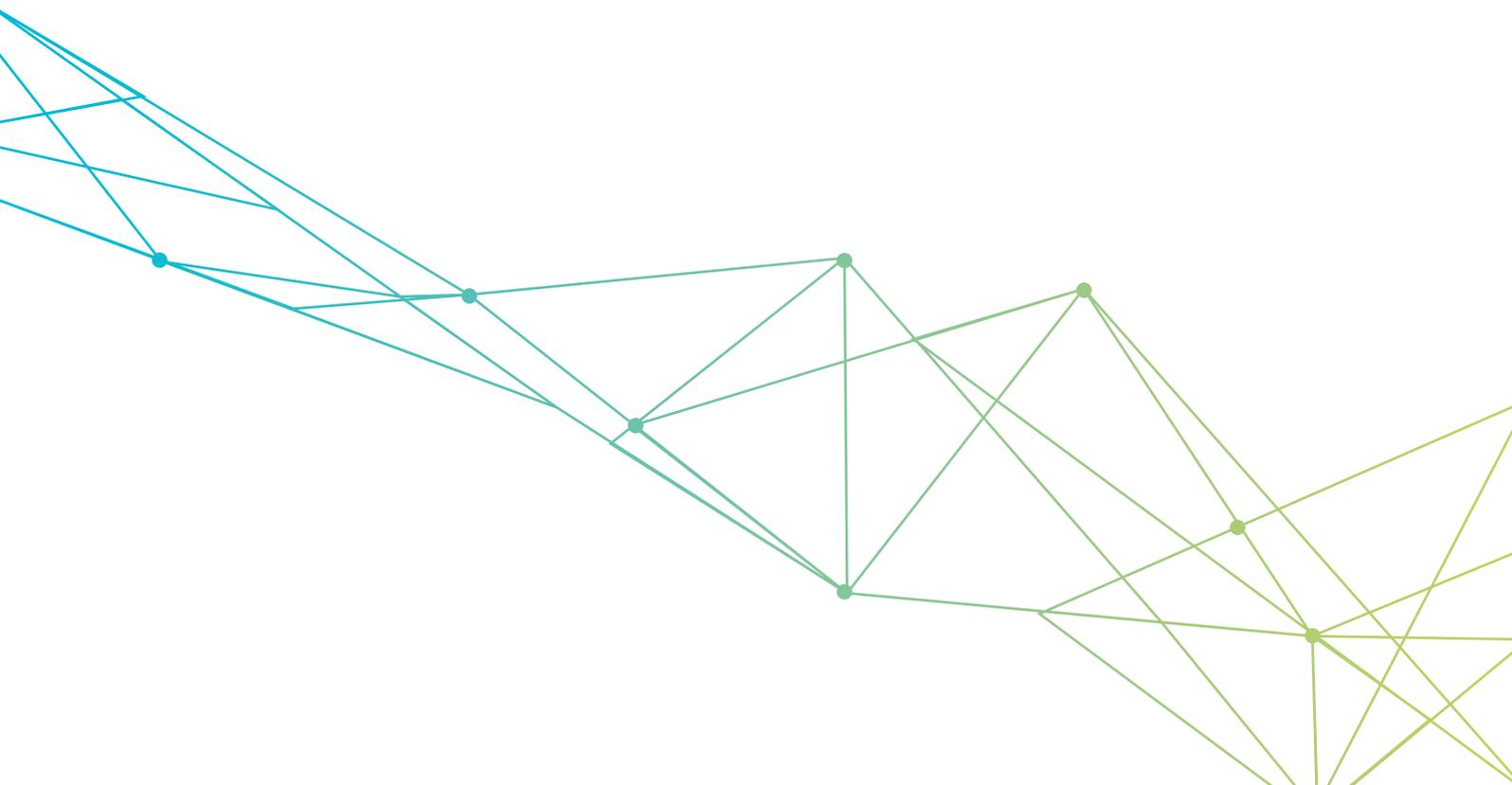
Our Tuesday Raffle continues to be popular with all patrons.

I would particularly like to thank Margot for her hampers every month, also grumpy Bill, Steve, and Dave for their support every week

Remember if you wish to play darts, just come to the Pulse Lounge Tuesday evening 7pm. New members welcome.

Mal Mclean

President



Sub Club Report

S.E.A.K's.

South East Asia, Korea, Peacekeeping and Veterans Association Incorporated

Presidents Report 2022

2021 has been a very hard year for SEAK with Covid-19 and what it brings to all of us.

We are a very close resolute group and NO problem seems to be too much for us to overcome. We have had our adversities but we have had much joy as well.

During the year we have lost a number of our mates, starting with Rod Armstrong who was one of our few members who served in Vietnam and was a Veteran of The Battle of Long Tan.

Rod was followed later in the year by Mary Crawford, Mary was an Honorary Member of SEAK being the wife of Fred Crawford who was a founding member of SEAK .

Later in 2021 we lost our dear friend John Gorski. John was a proud Vietnam Veteran and one man that we all loved.

It has not stopped there with our eldest statesman David Matisse passing in early 2022. David was a WW2 Veteran on board the HMAS Shropshire. David was SEAK Patron that will always be missed and in our hearts forever.

A Further passing was with Alan Durston who passed in February 2022. Alan was a Navy Veteran who was a good friend to many of us at SEAK

It is prudent to mention a previous SEAK member who recently passed and that was Maurice Cole. Maurice was from New Zealand and was 89 years old.

Apart from all above SEAK has had a good year with the 50th Anniversary of SEAK's Foundation in 1971. An Anniversary dinner was held on July 6th at The Marriott hotel to celebrate this occasion. This was a wonderful night with entertainment provided by Normie Rowe (Vietnam Vet), Col Elliot (Vietnam Vet) and well known entertainer Stewie Durston who is the son of Alan Durston.

The year started with an overnight trip to Couran Cove for 15 of us and a great time was had by all.

2021 brought in a new Commemoration with 'Merdeka Day' held at RSL Club Southport. This was held in conjunction with the 'National Malaya and Borneo Association' . This will become an Annual event with the National Malaya and Borneo Association and will be held every 2nd year at Southport.

As we go into 2022 there is a new Itinerary for this year and I hope everyone will take advantage of the trips, Barbeques morning Teas and get togethers. SEAK has a great future and having good members helping out makes for a good year ahead

Derek Holyoake

President-SEAK

Community support.

\$73,558

Donated in 2021/22

28%

Increase from 2020/21

\$24,000

Donated directly to Gold Coast Legacy

The Southport Memorial Club is very conscious of its position as a community leader and seeks to maintain this position by assisting eligible community organisations where possible.

To this end, for some years now, the Club has established a Community Benefits Grant to provide support to the local community in which we operate.

The Grants are available to provide funding for community, service, sporting and welfare eligible organisations to help our local community.

We are pleased to advise that in the 2021/22 year, the Club provided \$73,558 in community grants. This is an increase of 28% from the previous year.

One of the organisations that we are proud to be associated with is Gold Coast Legacy, which directly supports 308 families on the Gold Coast of servicemen and women who either died in combat or have since passed away upon returning home (Sadly, many from suicide).

We provide a constant amount of \$2,000 per month to assist Legacy with their support of these families.

We look forward to continuing to provide assistance to our community in the coming year.