

Ryde Ex-Services Memorial & Community Club Limited

ABN: 85001057585

Financial Statements

For the year ended 30 June 2022

Ryde Ex-Services Memorial & Community Club Limited

Table of contents

For the year ended 30 June 2022

Directors' report	2
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	28
Auditor's independence declaration	29
Independent audit report	30

Ryde Ex-Services Memorial & Community Club Limited

Directors' report
30 June 2022

The directors present their report on Ryde Ex-Services Memorial & Community Club Limited for the financial year ended 30 June 2022.

Information on directors

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

Peter Simmons

Qualifications	Retired
Experience	Appointed 31 July 2016
Special responsibilities	Chairman

Sarah Bishop

Qualifications	Legal Executive Assistant
Experience	Appointed 1 April 2021
Special responsibilities	Vice Chair

John Outridge

Qualifications	Maintenance Supervisor
Experience	Appointed 31 July 2016
Special responsibilities	Director

Edilia Ford

Qualifications	Retired
Experience	Appointed 11 June 2019
Special responsibilities	Director

Joanne Mitchell

Qualifications	Retired
Experience	Appointed 16 February 2020
Special responsibilities	Director

Matthew Prosser

Qualifications	Business Development Manager
Experience	Appointed 23 January 2022
Special responsibilities	Director

Lawrence Shepherd

Qualifications	Managing Director
Experience	Appointed 1 April 2021
Special responsibilities	Director

Ryde Ex-Services Memorial & Community Club Limited

Directors' report
30 June 2022

Jason Watts

Qualifications	Teacher
Experience	Resigned 23 January 2022
Special responsibilities	Director

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

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Peter Simmons	12	12
Sarah Bishop	12	12
John Outridge	12	10
Edilia Ford	12	11
Joanne Mitchell	12	12
Lawrence Shepherd	12	10
Matthew Prosser	5	4
Jason Watts	7	6

Principal activities

The principal activity of Ryde Ex-Services Memorial & Community Club Limited during the financial year was the conduct and promotion of a licensed social club for its members and guests.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The profit/(loss) of the Company after providing for income tax amounted to \$48,565 (2021: \$215,735).

Significant changes in state of affairs

The Club was forced to close due to NSW State Government mandate from the 26th of June 2021 to the 10th of October 2021 due to the Covid-19 Pandemic.

Ryde Ex-Services Memorial & Community Club Limited

Directors' report

30 June 2022

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely future developments of the club are in the research phase and have not been included in the financial report due to likely unreasonable prejudice and commercial confidence implications.

Environmental issues

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

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Ryde Ex-Services Memorial & Community Club Limited.

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 29 of the financial report.

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



Peter Simmons
Director



Sarah Bishop
Director

Dated: 14 September 2022

Ryde Ex-Services Memorial & Community Club Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	5	2,921,324	3,438,536
Finance income	6	3	9,082
Other income	5	224,968	257,422
Total income		3,146,295	3,705,040
Depreciation and amortisation		(557,227)	(590,853)
Employee benefit expenses		(806,616)	(901,707)
Finance expenses	6	(8,226)	(37,366)
Rental property expenses		-	(10,000)
Other expenses		(1,725,661)	(1,949,379)
Total expenses		(3,097,730)	(3,489,305)
Profit (loss) before income taxes		48,565	215,735
Income tax	7	-	-
Profit (loss) for the year		48,565	215,735
Other comprehensive income, net of income tax			
Items that will not be classified subsequently to profit or loss			
Revaluation changes for property, plant and equipment		4,105,000	-
Other comprehensive income for the year, net of tax		4,105,000	-
Total comprehensive income for the year		4,153,565	215,735

The accompanying notes form part of these financial statements.

Ryde Ex-Services Memorial & Community Club Limited

Statement of financial position

As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,368,062	1,371,768
Trade and other receivables	10	10,617	29,173
Inventories	11	43,502	49,447
Other assets	14	37,993	4,819
Total current assets		1,460,174	1,455,207
Non-current assets			
Property, plant and equipment	13	28,067,110	23,684,166
Right-of-use assets	15	-	589,959
Total non-current assets		28,067,110	24,274,125
Total assets		29,527,284	25,729,332
Liabilities			
Current liabilities			
Trade and other payables	16	276,964	389,059
Borrowings	17	55,507	250,821
Employee benefits	18	30,809	39,674
Contract liabilities	12	23,100	18,088
Total current liabilities		386,380	697,642
Non-current liabilities			
Borrowings	17	-	54,593
Employee benefits	18	23,914	13,672
Total non-current liabilities		23,914	68,265
Total liabilities		410,294	765,907
Net assets		29,116,990	24,963,425
Equity			
Retained earnings		11,084,190	11,035,625
Reserves	20	18,032,800	13,927,800
Total equity		29,116,990	24,963,425

The accompanying notes form part of these financial statements.

Ryde Ex-Services Memorial & Community Club Limited

Statement of changes in equity For the year ended 30 June 2022

2021	Retained earnings \$	Revaluation surplus \$	Total \$	Total equity \$
Opening balance	10,819,890	13,927,800	24,747,690	24,747,690
Profit for the year	215,735	-	215,735	215,735
Closing balance	11,035,625	13,927,800	24,963,425	24,963,425

2022	Retained earnings \$	Revaluation surplus \$	Total \$	Total equity \$
Opening balance	11,035,625	13,927,800	24,963,425	24,963,425
Profit for the year	48,565	-	48,565	48,565
Transfers to/(from)	-	4,105,000	4,105,000	4,105,000
Closing balance	11,084,190	18,032,800	29,116,990	29,116,990

The accompanying notes form part of these financial statements.

Ryde Ex-Services Memorial & Community Club Limited

Statement of cash flows

For the year ended 30 June 2022

	2022	2021
	\$	\$
Cash flows from operating activities:		
Receipts from customers	3,164,847	3,701,079
Payments to suppliers and employees	(2,577,609)	(2,698,285)
Interest received	3	9,082
Finance costs	(8,226)	(37,366)
Net cash flows from/(used in) operating activities	579,015	974,510
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	-	38,460
Purchase of property, plant and equipment	(249,671)	(817,902)
Net cash provided by/(used in) investing activities	(249,671)	(779,442)
Cash flows from financing activities:		
Payment of lease liabilities	-	(220,813)
Payment of borrowings	(333,050)	-
Net cash provided by/(used in) financing activities	(333,050)	(220,813)
Net increase/(decrease) in cash and cash equivalents	(3,706)	(25,745)
Cash and cash equivalents at beginning of year	1,371,768	1,397,513
Total Title	1,368,062	1,371,768

The accompanying notes form part of these financial statements.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

1. Introduction

The financial report covers Ryde Ex-Services Memorial & Community Club Limited as an individual entity. Ryde Ex-Services Memorial & Community Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2022 were the conduct and promotion of a licensed social club for its members and guests.

The functional and presentation currency of Ryde Ex-Services Memorial & Community Club Limited is Australian dollars.

The financial report was authorised for issue by those charged with governance on 14 September 2022.

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and accordingly amounts in the financial statements and have been rounded to the nearest dollar.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

3. Summary of significant accounting policies

a. Income tax

The Company subject to income tax on its investment income and on income derived from non-members, less all allowable deductions applicable to this assessable income. Income derived from members is not subject to income tax in accordance with the principle of mutuality. It is therefore inappropriate to compare income tax payable with net income disclosed in the Statement of Profit or Loss and other Comprehensive Income.

b. Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

c. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

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

d. Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

e. Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

i. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company 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 Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

ii. Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

f. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

4. Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Key estimates - impairment of property, plant and equipment

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

b. Key estimates - inventory

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

c. Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 01 July 2021. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located.

d. Key estimates - receivables

The fair value of investment properties was determined using a discounted cash flow model which used a number of unobservable inputs. Information about the inputs and assumptions used are included in the fair value and investment property notes.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

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

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

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Bar and function revenue

These revenue streams are recognised at point of sale as the goods or services are provided to the customer.

Gaming revenue

Gaming and poker machine revenue is recognised at the finalisation of each day on a cumulative basis.

iii. Rental income

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

iv. Other income

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

v. Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

b. Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
Sale of goods		
Bennelong Bar	607,945	757,326
Bounty Bar - Auditorium	3,211	516
Foyer Takeaways	12,219	8,639
Bar - Rebates	-	1,470
Coffee Sales	12,179	15,043
Bar Food Sales	10,906	5,009
Raffles Wednesday	30,768	37,923
Raffles Friday	27,027	32,045
Raffles Sunday	29,859	40,464
Raffles Thursday	1,545	927
Raffles- Toy Raffle Xmas	2,735	2,010
Christmas Raffle	-	1,246
Easter Raffle	925	1,115
Total Sale of goods	739,319	903,733
Provision of services		
Poker Machine Revenue	8,763,387	9,770,474
Gaming GST Rebate	17,180	17,180
Poker machine payouts	(6,734,338)	(7,422,611)
Total Provision of services	2,046,229	2,365,043
Grants		
Jobkeeper Subsidy Payments	-	72,000
Cash Flow Boost	-	53,000
Service NSW Stimulus	(54)	3,097
Jobsaver Subsidy	95,702	-
Emergency Relief Payment	15,000	-
Total Grants	110,648	128,097
Member subscriptions	7,927	9,464
Other revenue from contracts with customers	17,201	32,199
	2,921,324	3,438,536
	2,921,324	3,438,536

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

c. Other income

	2022	2021
	\$	\$
Commissions	77,920	124,219
Rental income	142,949	89,598
Net gain on disposal	-	38,460
Other income	4,099	5,145
	<u>224,968</u>	<u>257,422</u>

6. Finance income and expenses

Finance income	2022	2021
	\$	\$
Interest income		
Other interest income	3	9,082
	<u>3</u>	<u>9,082</u>

Finance expenses	2022	2021
	\$	\$
Interest expense	8,226	37,366

7. Income tax expense

a. Accounting policy

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

b. Reconciliation of income tax to accounting profit:

	2022	2021
	\$	\$
Profit for the year		
Profit for the year	48,565	215,735
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021: 26%)	12,141	56,091
Less tax effect of:		
Non-taxable member income arising from principle of mutuality	12,141	56,091
Income tax attributable to parent entity	-	-
Income tax expense	<u>-</u>	<u>-</u>

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

8. Auditor's remuneration

	2022	2021
	\$	\$
Remuneration of the auditor of the Company, Waldie & Co, for:		
Fees for assurance services required under legislation to be performed by the auditor	21,500	29,700

9. Cash and cash equivalents

a. Accounting policy

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.

b. Cash and cash equivalent details

	2022	2021
	\$	\$
Cash at bank	1,163,062	1,206,768
Cash on hand	200,000	160,000
Short-term deposits	5,000	5,000
	<u>1,368,062</u>	<u>1,371,768</u>

c. Reconciliation of cash

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

	2022	2021
	\$	\$
Cash and cash equivalents		
Cash at bank	1,163,062	1,206,768
Short-term deposits	5,000	5,000
Cash on hand	200,000	160,000
Total Cash and cash equivalents	<u>1,368,062</u>	<u>1,371,768</u>
	<u>1,368,062</u>	<u>1,371,768</u>

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

10. Trade and other receivables

Current	2022	2021
	\$	\$
Trade receivables	5,865	11,756
GST receivable	4,752	17,417
	<u>10,617</u>	<u>29,173</u>

11. Inventories

a. Inventory details

Current	2022	2021
	\$	\$
At cost		
Other inventories for sale	43,502	49,447

12. Contract balances

The Company has recognised the following contract assets and liabilities from contracts with customers:

Current contract liabilities	2022	2021
	\$	\$
Club grants liability	23,100	18,088

The nature of contract assets and liabilities are as follows:

Club grants was established in 1998 to ensure registered clubs in NSW with profits over \$1 million contribute financial or in-kind support to local community services, programs, and projects.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

13. Property, plant and equipment

a. Accounting policy

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

i. Land

Land is measured using the revaluation model.

ii. Buildings, plant and equipment

Buildings, plant and equipment are measured using the cost model.

iii. Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Land	0%
Buildings	2.5%
Capital works in progress	0%
Plant and equipment	15%
Motor vehicles	20%
Poker Machines	15%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

b. Property, plant and equipment details

Summary	2022	2021
	\$	\$
Land		
Land At Fair Value	23,000,000	18,895,000
Buildings		
Building At Cost	5,681,863	5,692,253
Accum. Depr. Building	(2,198,030)	(2,087,465)
Total Buildings	3,483,833	3,604,788
Capital works in progress		
Capital Development	79,039	53,533
Plant and equipment		
Plant & Equip At Cost	718,634	627,200
Accum. Depr. Plant	(232,992)	(216,169)
Total Plant and equipment	485,642	411,031
Motor vehicles		
Motor Vehicles At Cost	49,228	49,228
Accum. Depr. Motor Vehicles	(9,369)	(1,985)
Total Motor vehicles	39,859	47,243
Poker Machines		
Poker Machines At Cost	2,522,469	1,632,279
Accum. Depr. Poker Machines	(1,543,732)	(959,708)
Total Poker Machines	978,737	672,571
	28,067,110	23,684,166

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements
For the year ended 30 June 2022

2022	Land \$	Buildings \$	Capital works in progress \$	Plant and equipment \$	Motor vehicles \$	Poker Machines \$	Total \$
Opening balance							
Opening balance	18,895,000	3,604,788	53,533	411,031	47,243	672,571	23,684,166
Additions	-	-	25,506	134,451	-	85,255	245,212
Disposals	-	(10,390)	-	(43,017)	-	(136,100)	(189,507)
Revaluation changes	4,105,000	-	-	-	-	-	4,105,000
Depreciation	-	(110,565)	-	(16,823)	(7,384)	(422,455)	(557,227)
Prior year classification	-	-	-	-	-	779,466	779,466
Closing balance	23,000,000	3,483,833	79,039	485,642	39,859	978,737	28,067,110

Prior year reclassification

The prior year classification error relates to the incorrect application of AASB16 Leases. Several Right of Use Assets were reclassified from Poker Machines. These assets were not leased assets and have been reclassified appropriately back to the correct class of asset. There was no impact to the financial position or performance of the entity.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

c. Fair value measurement

The Company measures the following property, plant and equipment at fair value on a recurring basis:

Property, plant and equipment

Land

Basis for determining value

The freehold land was revalued by the directors

based on the notice of valuation from the NSW Valuer General dated 1 July 2021.

14. Other assets

Current	2022	2021
	\$	\$
Other assets		
Prepayments	-	2,259
Other assets	37,993	2,560
	<hr/>	<hr/>
	37,993	4,819

15. Leases

a. Accounting policy

At inception of a contract, the Company assesses whether a lease exists.

i. Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

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

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

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

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

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

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

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

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

16. Trade and other payables

Current	2022	2021
	\$	\$
Trade payables	177,281	273,554
Employee benefits		
PAYG Withholding Payable	4,643	14,644
Superannuation Payable	12,234	7,368
Salary Sacrifice Motor Vehicle	(11,202)	(2,282)
Total Employee benefits	5,675	19,730
Accrued expenses	94,008	95,775
	276,964	389,059

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

17. Borrowings

Current	2022	2021
	\$	\$
Secured		
Other borrowings	55,507	250,821
<hr/>		
Non-current	2022	2021
	\$	\$
Secured		
Other borrowings	-	54,593
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a. Summary of borrowings

Borrowings are made up of Chattel Mortgages used to purchase poker machines and poker machine systems.

b. Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

c. The carrying amounts of non-current assets pledged as collateral for liabilities are:

	2022	2021
	\$	\$
First mortgage		
Multi Gaming System	172,830	215,050
<hr/>		
	172,830	215,050
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18. Employee benefits

a. Accounting policy

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

i. Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

b. Employee benefit details

Current	2022	2021
	\$	\$
Annual leave	30,809	39,674
<hr/>		
Non-current	2022	2021
	\$	\$
Long service leave	23,914	13,672
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19. Financial risk management

Financial assets	2022	2021
	\$	\$
Held at amortised cost		
Cash and cash equivalents	1,368,062	1,371,768
Trade and other receivables	10,617	29,173
<hr/>		
	1,378,679	1,400,941
<hr/>		
Financial liabilities	2022	2021
	\$	\$
Financial liabilities measured at amortised cost	276,964	389,059
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20. Reserves

	2022	2021
	\$	\$
Revaluation surplus	18,032,800	13,927,800
<hr/>		

a. Revaluation surplus

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

21. Members' guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the number of members was 6,198 (2021: 4,100).

22. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 2022 (2021: None).

23. Related parties

a. The Company's main related parties are as follows:

The key management personnel include the directors as disclosed in the Directors' Report together with the CEO. The totals of remuneration, which includes director honorariums, paid to the key management personnel of Ryde Ex-Services Memorial & Community Club Limited during the year are as follows:

The remuneration paid to key management personnel of the Company is \$196,862 (2021: \$201,176).

b. Transactions with related parties

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

24. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Profit for the year	48,565	215,735
Add / (less) non-cash items:		
(Profit) / loss on sale of assets	-	(38,460)
Depreciation and amortisation	557,227	590,853
Changes in assets and liabilities:		
(increase) / decrease in receivables	18,556	38,957
(increase) / decrease in inventories	5,945	(18,491)
(increase) / decrease in other assets	(33,174)	29,663
increase / (decrease) in payables	(19,481)	130,415
increase / (decrease) in employee benefits	1,377	25,838
Cash flows from operations	579,015	974,510

Ryde Ex-Services Memorial & Community Club Limited

Notes to the financial statements

For the year ended 30 June 2022

25. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

26. Statutory information

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

Ryde Ex-Services Memorial & Community Club Limited

728 Victoria Road

Ryde NSW Australia

2112

Ryde Ex-Services Memorial & Community Club Limited

Directors' declaration

The directors of the Company declare that:

The financial statements and notes for the year ended 30 June 2022 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards - Simplified Disclosures; and
- give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.

In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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



Peter Simmons
Director



Sarah Bishop
Director

Dated: 14 September 2022

Auditor's independence declaration to the directors of Ryde Ex-Services Memorial & Community Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- no contraventions of the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Waldie & Co



14 September 2022

Leon Patterson

Partner

Independent audit report to the members of Ryde Ex-Services Memorial & Community Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a simplified disclosure financial report of Ryde Ex-Services Memorial & Community Club Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the Directors' declaration.

In our opinion, the accompanying financial report of the Company for the year ended 30 June 2022 is prepared, in all material respects, in accordance with the Australian Accounting Standards - Simplified Disclosures.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Waldie & Co



14 September 2022

Leon Patterson

Partner