



2022 - 2023

# ANNUAL REPORT

GENERAL PURPOSE (SDS) FINANCIAL REPORT

**FOR THE YEAR  
ENDED 30 JUNE  
2023**

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AND NOTICE OF ANNUAL GENERAL MEETING  
ACN 000 797 437

# 2022/2023 CHATSWOOD RSL CLUB LIMITED BOARD OF DIRECTORS AND SECRETARY MANAGER



**CRAIG MURRAY**  
PRESIDENT/FINANCE DIRECTOR



**GARRY C. BRIGDEN**  
DEPUTY PRESIDENT/  
HOUSE DIRECTOR



**M. E. (PEGGY) WILTON**  
PROMOTIONS DIRECTOR



**ROBERT L. MCLEOD**  
MEMBERSHIP DIRECTOR



**MALCOLM J. DIMMOCK**  
DIRECTOR



**WILLIAM L. COOMBES**  
DIRECTOR



**ANDREW HOSCHKE**  
CHIEF EXECUTIVE OFFICER/  
SECRETARY MANAGER

**BOARD OF DIRECTORS**

<b>President:</b>	Craig Murray
<b>Deputy President:</b>	Garry Brigden
<b>Directors:</b>	Margaret Wilton, Robert McLeod, Malcolm Dimmock, William Coombes

Notice is hereby given that the Annual General Meeting of the Chatswood RSL Club Limited will be held on Tuesday 28 November 2023 at 7pm in the Multi-Purpose Room at the Company premises, 1 Thomas Street, Chatswood. In accordance with article 47 of the Articles, Notice is hereby formally given.

**BUSINESS**

1. Apologies
2. To approve Minutes of the October 2022 AGM.
3. To receive and consider the Annual Financial Report
4. To receive the Directors' Report and Director's Declaration
5. To receive the Auditor's Report
6. Notice of Resolutions – refer Annexure 'A' – see overleaf for Notices of Ordinary Resolutions regarding, Proposed payment of Honorariums to Directors, Professional Development and Communication Expenses
7. To consider and vote upon a Special Resolution (see Notice attached) to adopt a new Constitution for the Club.
8. General Business (including Members' Recommendations to the Board)

Any member who wishes to raise questions at the Annual General Meeting regarding the Reports referred to above please, in all fairness to the Finance Director, put the same in writing in a sealed envelope and present this to the Club's Duty Manager no later than one week before the Annual General Meeting. This will allow for a more accurate answer to be presented to you at the Annual General Meeting.

## **ANNEXURE A ORDINARY RESOLUTIONS**

### **PROCEDURAL MATTERS**

1. To be passed, an Ordinary Resolution must receive votes from not less than a majority of those members who, being eligible to do so, vote in person on the Ordinary Resolution at the meeting.
2. The Registered Clubs Act provides that:
  - a. members who are employees of the Club are not entitled to vote; and
  - b. proxy voting is prohibited

### **FIRST ORDINARY RESOLUTION**

That the members hereby approve:

- a. The payment of the following honorariums to directors of the Club (plus the superannuation contributions payable by the Club under the Superannuation Guarantee (Administration) Act 1992) for services as directors of the Club from the Annual General Meeting held in 2023 until the Annual General Meeting held in 2024:
  - i. President - \$13,500 (plus superannuation at 11% until 30 June 2024 and then 11.5% from July 2024)
  - ii. Deputy President - \$12,500 (plus superannuation at 11% until 30 June 2024 and then 11.5% from July 2024)
  - iii. Finance Director - \$12,500 (plus superannuation at 11% until 30 June 2024 and then 11.5% from July 2024)
  - iv. House Director - \$12,500 (plus superannuation at 11% until 30 June 2024 and then 11.5% from July 2024)
  - v. Promotions Director - \$11,500 (plus superannuation at 11% until 30 June 2024 and then 11.5% from July 2024)
  - vi. Membership Director - \$11,500 (plus superannuation at 11% until 30 June 2024 and then 11.5% from July 2024)
  - vii. Ordinary Directors - \$11,500 (plus superannuation at 11% until 30 June 2024 and then 11.5% from July 2024)
- b. Such honorariums to be paid on a pro-rata basis if a director only holds office for part of the term.

## Notes to Members on First Ordinary Resolution

1. The First Ordinary Resolution is to have members approve honorariums to be paid to directors (plus the superannuation contributions payable by the Club under the Superannuation Guarantee (Administration) Act 1992) in respect of duties performed by them from the Annual General Meeting to be held in 2023 until the Annual General Meeting to be held in 2024.
2. If a director only holds office for part of the term, the honorarium paid to that director will be paid on a pro-rata basis (which means that the director will only receive part of the honorarium).
3. The honorariums are to enable directors to pay for their travelling expenses and other out of pocket expenses incurred by them in relation to their duties as directors of the Club.
4. The Board believes that, provided each honorarium is sufficient, this is the simplest way of providing for the out-of-pocket expenses of directors and avoids the complexity of the Registered Clubs Act in relation to the procedures for reimbursing directors for their out-of-pocket expenses.
5. A director shall only be entitled to one honorarium. Therefore, if a director performs the duties of multiple directors that director will not receive multiple honorariums.

## **SECOND ORDINARY RESOLUTION**

That the members hereby:

- (a) Approve expenditure by the Club of an amount not exceeding \$50,000 until the next Annual General Meeting for the following:
  - i. The reasonable cost of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
  - ii. The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW and the Club Managers Association and of attending seminars, lectures, trade displays , organised study tours, fact finding tours some of which may involve overseas travel and other similar events as determined by the Board from time to time.
  - iii. The reasonable cost of directors attending any other venue for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
  - iv. The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
  - v. The reasonable cost of Club apparel being provided to directors as required.
  - vi. The reasonable cost of meals after Board meetings being provided to directors as required.
- (b) Acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors of the Club.

## Notes to Members on Second Ordinary Resolution

1. The Second Ordinary Resolution is to have members approve an amount no greater than \$50,000 for expenditure by the Club on directors attending seminars, lectures, trade displays and other similar events (including the ClubsNSW Annual Conference and Annual General Meeting) some of which may include overseas travel and to visit other venues to enable the Board to be kept abreast of current trends and developments which may have a significant bearing on the nature of the Club's business and the way it conducts that business.
2. Although the Second Ordinary Resolution sets an upper limit of \$50,000, there will still be an obligation on the Board of the Club to ensure that all costs of professional development and education and other matters mentioned are reasonable and are properly incurred and documented. It may well be the case that the upper limit will not be reached.

## THIRD ORDINARY RESOLUTION

That the members hereby approve expenditure by the Club until the next Annual General Meeting for the following:

- a. The reasonable cost of a mobile phone and phone calls for the President, Deputy President and Directors in respect of their duties as President, Deputy President and Directors of the Club;
- b. The reasonable cost of an electronic device (for example a laptop computer, iPad, tablet or other similar device) and an electronic storage device (for example a flash drive or portable hard drive) being made available to directors in respect of their duties as directors of the Club;
- c. The reasonable cost of internet access being provided to the directors in respect of their duties as the directors of the Club.

## **Notes to Members on Third Ordinary Resolution**

1. The Third Ordinary Resolution is to have members approve expenditure by the Club on electronic equipment for directors to use in respect of their duties as directors of the Club
2. Included in the Third Ordinary Resolution is the reasonable cost of:
  - a. A mobile phone (and phone calls) for the President, Deputy President and Directors in respect of their duties;
  - b. An electronic device (laptop, iPad or similar device) and an electronic storage device (flash drive or portable hard drive) being made available to directors in respect of their duties as directors;
  - c. The reasonable cost of internet access being made available to the directors in respect of their duties as directors.
3. The electronic devices will reduce the Club's environmental impact. They significantly reduce the paper used by the Club and enhance communications between Club management and directors.

### **BY ORDER OF THE BOARD**

**Andrew Hoschke**

**Chief Executive Officer**

Chatswood RSL Club Ltd

17th August 2023

## **NOTICE OF SPECIAL RESOLUTION FOR ANNUAL GENERAL MEETING**

### **PROCEDURAL MATTERS FOR SPECIAL RESOLUTIONS**

1. To be passed, the Special Resolution must receive votes in its favour from not less than three quarters (75%) of those members who being eligible to do so in person vote on the Special Resolution at the meeting.
2. The Special Resolution should be read in conjunction with the notes that follow the Special Resolution.
3. Under the Registered Clubs Act, members who are employees of the Club are not entitled to vote and proxy voting is prohibited.
4. The Board recommends the Special Resolution and proposed new Constitution to members.

### **SPECIAL RESOLUTION**

That the Constitution of Chatswood RSL Club Limited (the Club) in the form presented to the meeting (and having previously been made available to members) be adopted as the Constitution of the Club in substitution for and to the exclusion of the existing Constitution of the Club (“existing Constitution”).

## **Notes to Members on the Special Resolution**

1. The Special Resolution proposes to adopt a new Constitution of the Club to replace the existing Constitution.
2. Please refer to the Explanatory Memorandum which accompanies this notice as it sets out a summary of the proposed new Constitution and the reasons why it is proposed by the Board.
3. If members want copies of the proposed new Constitution or the existing Constitution, they can be obtained from the general office.
4. A copy of the proposed new Constitution and the existing Constitution are also on display on the Club's website.

### **BY DIRECTION OF THE BOARD**

**Andrew Hoschke**  
**Chief Executive Officer**  
Chatswood RSL Club Ltd  
17th August 2023

## EXPLANATORY MEMORANDUM FOR PROPOSED NEW CONSTITUTION

At the Annual General Meeting of the Club to be held at 7pm on 28th November 2023, members will be asked to consider a Special Resolution to adopt a new Constitution to replace the existing Constitution of the Club (**existing Constitution**).

This Explanatory Memorandum is to assist members to understand the proposed new Constitution and why it is appropriate to adopt it.

Members who wish to review the proposed new Constitution can inspect it at the Club's noticeboard and it is also prominently on display on the Club's website together with a copy of the existing Constitution. Members may also obtain a copy of the proposed new Constitution and the existing Constitution upon request at the Club's office.

The Club's lawyers have advised that the Club should adopt a new Constitution to replace the existing Constitution in order to be updated to reflect and comply with the requirements of the Corporations Act, Registered Clubs Act, Liquor Act, Gaming Machines Act, and their respective Regulations.

A summary of the proposed new Constitution and its principal features is set out below. **Significant variations from the existing Constitution are set out in bold.** However, there are many additional new provisions which reflect the requirements of various pieces of legislation which impact on the Club. These have not been set out in bold.

### **NAME**

- (1) Rule 1 states that the name of the company is Chatswood R.S.L. Club Limited.

### **PRELIMINARY**

- (2) Rule 2.1 states that the Club is a company limited by guarantee and a non-proprietary company.
- (3) Rule 2.2 provides that the company is established for the purposes set out in the Constitution.
- (4) Rule 2.3 provides that the replaceable rules referred to in the Corporations Act are displaced or modified as provided in the Constitution.
- (5) Rule 2.4 provides that every member must comply with the Constitution and any By-laws of the Club.
- (6) Rule 2.5 provides that the Constitution has the effect of a contract between the Club and each member; and between the Club and each Director; and each member and each other member.
- (7) Rule 2.6 provides that the Club must supply a member with a copy of the Club's Constitution if a copy is requested by a member as prescribed by the Corporations Act.

### **PRELIMINARY**

- (8) Rule 3 sets out definitions and terms used in the proposed new Constitution.

### **OBJECTS AND ORIGINAL SUBSCRIBERS**

- (9) Rule 4 sets out the objects for which the Club was established.
- (10) The objects reflect those in the existing Constitution. However, slight alterations have been made to bring the objects into line with the Liquor Act and Registered Clubs Act.

### **WINDING UP AND MEMBER'S LIABILITY**

- (11) Rule 5 states that the liability of the members is limited. That limit is two dollars (\$2.00) as set out in Rule 6.
- (12) Rule 6 provides that each member of the Club undertakes to contribute an amount not exceeding two dollars (\$2.00) if the Club is wound up and the assets of the Club are insufficient to discharge the liabilities. This undertaking continues for a period of twelve (12) months after the person ceases to be a member.

- (13) Rule 7.1 provides that on the winding up of the Club, if there remains any assets (after the satisfaction of all debts and liabilities), those assets shall not be distributed among the members but shall be given or transferred to an institution which has similar objects to the Club which is approved by members.

### **PROPERTY AND INCOME**

- (14) Rule 8.1 provides that the property and income of the Club must be applied solely towards the promotion of the objects of the Club.
- (15) Rules 8.2 and 8.3 set out specific requirements of the Registered Clubs Act in relation to benefits available to members.
- (16) Rule 8.4 provides that a director of the Club cannot be appointed or elected to any office of the Club paid by salary or wages or any similar basis of remuneration.
- (17) Rule 8.5 provides that the payment in good faith of reasonable and proper remuneration to any officer, employee or to any member of the Club for services actually rendered, or for interest on money lent by the director to the Club or rent on property leased to the Club by the director, is not prohibited.
- (18) Rule 8.6 specifies that a director shall not receive from the Club remuneration or any other benefit in money or monies worth except by way of an honorarium and for any reasonable out of pocket expenses.

### **LIQUOR AND GAMING**

- (19) Rules 9.1 and 9.2 provide that liquor shall not be sold, supplied or disposed of on the premises of the Club to any person under the age of 18 years in accordance with the Registered Clubs Act and the Liquor Act.
- (20) Rule 9.3 states that a person under the age of 18 years shall not use or operate the Club's gaming facilities.
- (21) Rules 9.4 to 9.6 inclusive prohibit a person associated with the Club from receiving any bonuses or remuneration related to the Club's sale or supply of liquor to patrons, or from the operation of the Club's gaming machines.

### **MEMBERSHIP**

- (22) Rule 10.1 states that no person under the age of 18 years is to be admitted as a member of the Club.

- (23) Rule 10.2 sets out the categories of Full membership of the Club. The categories of Full membership of the Club are Club members and Life members. Pearl Club members will be absorbed into the Club membership category.
- (24) Rule 10.3 provides that persons who are not Full members may be admitted to the Club as Provisional members, Honorary members, or Temporary members.
- (25) Rule 10.4 provides that the number of Full members having the right to vote in the election of the Board shall not be less than the minimum number of Full members required by the Registered Clubs Act.
- (26) Rule 10.5 provides that the rights of a class of membership may be varied or cancelled by way of eligible members passing a special resolution (without the need for a separate special resolution to be passed by members of that class of membership).
- (27) Rules 10.6 to 10.16 set out the eligibility requirements for membership of the Club (including Life membership) and the rights and entitlements of members. These remain unchanged.
- (28) Rule 10.7 provides that, subject to any restrictions contained in the Constitution, Club members are entitled to:
  - (a) playing and social privileges and advantages of the Club; and
  - (b) attend and vote at general meetings (including Annual General Meetings) of the Club;
  - (c) nominate for and be elected to hold office on the Board;
  - (d) vote in the election of the Board;
  - (e) vote on any Special Resolution (including a Special Resolution to amend the Constitution);
  - (f) propose, second, or nominate any eligible member for any office of the Club;
  - (g) propose, second or nominate any eligible member for Life membership; and
  - (h) introduce guests to the Club.
- (29) Rules 10.8 to 10.16 provide that Life members have the same rights as Club members but are not required to pay any annual subscription. No more than two (2) persons shall be elected as a Life member in any one financial year.

**TRANSFER BETWEEN CLASSES OF MEMBERSHIP**

- (30) Rule 11 deals with the transfer of members between classes of membership.

**PROVISIONAL MEMBERS**

- (31) Rule 12 deals with Provisional membership in accordance with the requirements of the Registered Clubs Act. Any person may apply for Provisional membership upon completing and submitting the appropriate membership form and paying the membership subscription in advance (if any is applicable). The eligibility requirements and entitlements of Provisional members reflect the existing practice of the Club.

**HONORARY MEMBERS**

- (32) Rule 13 deals with Honorary membership in a way that is consistent with the Registered Clubs Act.

**TEMPORARY MEMBERS**

- (33) Rule 14 deals with Temporary membership in a way that is consistent with the requirements of the Registered Clubs Act and the existing Constitution.

**ELECTION OF MEMBERS**

- (34) Rule 15 deals with the process of the election of persons to membership of the Club and is consistent with the existing Constitution and the requirements of the Registered Clubs Act.

**JOINING FEES, SUBSCRIPTIONS AND LEVIES**

- (35) Rule 16 deals with joining fees, subscriptions, and levies.
- (36) Subscriptions shall be due and payable on a date or dates determined by the Board from time to time. Renewal notices must be provided to all members.
- (37) Any person who has not paid his or her subscription by the due date shall cease to be entitled to the privileges of membership of the Club and may by resolution of the Board be removed from membership of the Club.

**NON-FINANCIAL MEMBERS**

- (38) Rule 17 clarifies that Non-Financial members cease to be entitled to all of the rights and privileges of membership, which include the right to attend at the premises of the Club, the

right to participate in the social and sporting activities of the Club, the right to vote, the right to attend meetings of the Club and the right to be elected to the Board.

### **REGISTERS OF MEMBERS AND GUESTS**

- (39) Rule 18 sets out the registers the Club is required to maintain in respect of members and guests. This is consistent with the Registered Clubs Act.

### **ADDRESSES OF MEMBERS**

- (40) Rule 19 requires members to advise the Club of any change in their address and details within seven (7) days to ensure compliance with the Registered Clubs Act and to keep records up to date.

### **DISCIPLINARY PROCEEDINGS**

- (41) Rule 20 deals with powers of the Board to discipline members. The principles of the existing disciplinary proceedings process have been retained.
- (42) **The disciplinary proceedings process has been updated to allow for the outcome of disciplinary proceedings to be dealt with by the Board either in person or via letter sent to the member's address.**
- (43) Rules 20.5 to 20.9 reflect the changes approved by members last year which gave the secretary the power to suspend or expel a member from membership if the Secretary is of the view that a member has engaged in conduct unbecoming of a member etc however the member concerned has the right to request that the matter be referred to the Board to be dealt with in the usual way at a disciplinary hearing.
- (44) Rule 21 provides that the Board may delegate its disciplinary powers to a **disciplinary committee comprising of not less than two (2) directors (currently a committee consists of three (3) directors)**. The Board retains the power to review a decision of a disciplinary committee provided the Board follows the procedure set out in Rule 20.
- (45) Rule 22 clarifies that any member suspended from membership of the Club shall, during the period of suspension, cease to be entitled to all of the rights and privileges of membership. This includes the right to attend at the premises of the Club, the right to participate in

the social and sporting activities of the Club, the right to vote, the right to attend meetings of the Club and the right to be elected to the Board.

- (46) Rule 23 deals with the power given to the Secretary and employees of the Club under the Liquor Act to remove persons from the Club's premises and to prevent that person from returning to the Club. These powers given to the Secretary and employees are no wider than those given under the Liquor Act. Rule 23 reflects the existing Constitution, but it is more comprehensive than the existing Constitution to accord with the Liquor Act.
- (47) Rule 24 deals with the procedure for a member to resign from the Club.

### **GUESTS**

- (48) Rule 25 deals with guests of members and reflects the provisions of the Registered Clubs Act.

### **PATRONS**

- (49) Rule 26 deals with the appointment of Patrons.

### **BOARD OF DIRECTORS**

- (50) Rule 27.1 provides that the Board will continue to consist of seven (7) Directors comprising of a President, a Deputy President and five (5) other Directors.
- (51) Rule 27.2 clarifies that Board has the power to appoint up to two (2) directors to the Board (Board Appointed Directors) in accordance with the Registered Clubs Act and Registered Clubs Regulations. In this regard:
  - (a) The Registered Clubs Act and Registered Clubs Regulations enable boards of registered clubs which have seven (7) or fewer directors to appoint up to two (2) Board Appointed Directors.
  - (b) The power to appoint Board Appointed Directors is intended to allow boards to identify persons with particular skills, expertise and experience which may be beneficial to the registered club and allow the Board to appoint those persons to the Board.
  - (c) The provisions of the Registered Clubs Act and Registered Clubs Regulations (being the power referred to appoint Board Appointed Directors) will

apply irrespective of whether or not the Constitution contains provisions expressly stating the Board can appoint Board Appointed Directors.

- (d) Although it is not legally required to do so, the Board believes that it is prudent for the power to appoint Board Appointed Directors to be incorporated into the Constitution, so members are aware of the provisions and their operation.
- (e) The provisions to be inserted into the Constitution reflect the Registered Clubs Act and Registered Clubs Regulations and do not provide the Board with any powers over and above those contained in the Registered Clubs Act and Registered Clubs Regulations.
- (f) propose, second, or nominate any eligible member for any office of the Club;
  - (i) (The Board Appointed Directors are in addition to the seven (7) directors elected by members or appointed by the Board to fill casual vacancies; and
  - (ii) The Board is not required to appoint any Board Appointed Directors, but it may do so if it wishes.
  - (iii) Any person appointed by the Board as a Board Appointed Directors only has to satisfy the requirements of the Registered Clubs Act and Registered Clubs Regulations to be appointed and does not have to satisfy any requirement in the Constitution.
  - (iv) If a person is appointed to the Board, the Club must, within twenty-one (21) days of the appointment, display a notice on the Club's noticeboard and website stating the reasons for the person's appointment, the person's relevant skills and qualifications and any payments to be made to the person in connection with his or her appointment.

- (52) Rule 27.3 provides that the Board shall continue to be elected every two (2) years
- (53) Rule 27.4 provides that only Life members, and Club members who are financial members and who have been financial members of the Club for a period of at least five (5) consecutive years immediately preceding their election or appointment; shall be eligible to nominate for and be elected or appointed to the Board of directors of the Club. This is consistent with the existing Constitution. This remains the same.
- (54) Rule 27.5 provides that no person shall be eligible to hold the office of President or Deputy President unless he or she has been a member of the Board for at least three (3) consecutive years including the twelve (12) months immediately preceding his election or appointment to that office. This remains the same.
- (55) Rule 27.6 provides the criteria for a member's eligibility to stand for the Board. Rule 27.6 reflects the existing Constitution, but includes additional eligibility criteria including in item (o) below which will provide that a person who has not attended at the Club's premises at Chatswood and swiped his or her membership card through the Club's terminal on at least fifteen (15) separate occasions on fifteen (15) separate days during the twelve (12)-month period before nominating for election to the Board shall not be eligible for election to the Board;
- (56) Rule 27.7 provides that any person who is elected or appointed to the Board must complete the mandatory training for directors, as required by the Registered Clubs Act.
- (57) Rule 27.8 provides that a member is not entitled to be elected or appointed to the Board if he or she does not have a Director Identification Number (unless exempted from doing so) on the proposed date of his or her election or appointment to the Board, as is required by the Corporations Act.

## **ELECTION OF BOARD**

- (58) Rule 28 retains the principles for the procedure for the election of the Board but updates the Rules to allow for greater flexibility and to accord with the requirements of the Corporations Act and the Registered Clubs Act.

## **POWERS OF THE BOARD**

- (59) Rule 29 deals with the Board's powers. The provisions reflect the existing Constitution and the established practices of the Club.

## **PROCEEDINGS OF THE BOARD**

- (60) Rule 30 deals with proceedings of the Board. The provisions reflect the existing Constitution and there is no broadening of the Board's powers, other than to allow for the powers contained in the Corporations Act and the Registered Clubs Act relating to the use of technology for Board meetings and requiring the Board to meet at least once per quarter, rather than once per month.
- (61) Rule 30.3 provides that the quorum for a meeting of the Board shall be four (4) directors in office at the time of the meeting. This is consistent with the existing Constitution.
- (62) Rule 30.4 allows the President at any time and the Secretary upon the request of not less than two (2) directors to convene a meeting of the Board.
- (63) Rule 30.5 provides that all decisions of the Board are determined by a majority vote. In the case of an equality of votes the chairperson of the meeting has a second or casting vote.
- (64) **Rule 30.7 allows a meeting of the Board to be called or held using technology consented to by all directors. This is consistent with the Corporations Act and the Registered Clubs Act.**

## **MATERIAL PERSONAL INTERESTS AND REGISTERED CLUBS ACCOUNTABILITY CODE**

- (65) Rule 31 and 32 introduce new provisions in relation to corporate governance and accountability for the Club which are consistent with the Corporations Act and the Registered Clubs Act.

## **REMOVAL FROM OFFICE OF DIRECTORS**

- (66) Rule 33 provides that the members in a general meeting may by ordinary resolution remove any director, or the whole Board, before the expiration of his, her or their period of office and appoint another person or persons in his, her or their place. This Rule reflects the Corporations Act and the existing practice of the Club.

**VACANCIES ON THE BOARD**

- (67) Rule 34.1 clarifies how a casual vacancy on the Board arises. Rule 34.3 states that the Board has the power to fill a casual vacancy. Any person appointed to fill a casual vacancy will hold office only until the next Annual General Meeting.

**GENERAL MEETINGS**

- (68) Rules 35.1 to 35.53 inclusive relate to the calling and holding of general meetings (and Annual General Meetings) of the Club. The Rules are consistent with the existing Constitution, however, they are more comprehensive than the existing Constitution.
- (69) The Rules in relation to general meetings reflect the requirements of the Corporations Act.

**ATTENDANCE AND VOTING AT GENERAL MEETINGS**

- (70) Rules 35.16 to 35.37 inclusive relate to attendance and voting at general meetings.
- (71) Only Life members and financial Club members can attend and vote at a general meeting and Annual General Meeting of the Club.
- (72) Proxy voting is not permitted. This is a requirement of the Registered Clubs Act.
- (73) Every member eligible to vote, either by show of hands or a poll, is entitled to one vote.
- (74) A member, who is also an employee of the Club, is not permitted to vote. This is a requirement of the Registered Clubs Act.
- (75) All questions and resolutions (other than Special Resolutions) shall be decided by a simple majority of votes.
- (76) Voting shall be on a show of hands unless a poll is demanded.

**QUORUM AT GENERAL MEETINGS**

- (77) Rules 35.45 to 35.49 inclusive detail the quorum required for general meetings.
- (78) Rule 35.45 provides that no business may be transacted at a general meeting unless a quorum of members is present.
- (79) Rule 35.46 provides that, at any general meeting (including an Annual General Meeting) convened by the Board, thirty (30) members present and eligible to vote will constitute a quorum. This is consistent with the existing Constitution.

- (80) Rules 36.48 and 36.49 set out the procedure to be followed if a quorum is not present.

### **MEMBERS' RESOLUTIONS AND STATEMENTS**

- (81) Rule 36 provides for members' resolutions and statements by members.
- (82) Rule 36 also sets out the procedure for members to require the Board to include an item of business or notice of motion in the business of an Annual General Meeting.

### **MINUTES**

- (83) Rule 37 provides that minutes of all resolutions and proceedings at general meetings must be entered in the Minute Book within one month of the meeting and signed by the chairperson of that meeting or the chairperson of the next succeeding meeting.

### **ACCOUNTS**

- (84) Rule 38 deals with the accounts and reporting to members and is consistent with the Corporations Act and Registered Clubs Act.

### **FINANCIAL YEAR**

- (85) Rule 39 provides that the financial year of the Club shall commence on the first day of July in each year and will end on the last day of June in the following year. This is consistent with the existing Constitution.

### **AUDITOR**

- (86) Rule 40 requires the Club to appoint an auditor. The auditor holds office until removed by the members in general meeting or resigns from office or dies. This is a requirement of the Corporations Act.

### **SECRETARY**

- (87) Rule 41 requires the Board to appoint one Secretary who will be the Chief Executive Officer of the Club for the purposes of the Registered Clubs Act.

### **EXECUTION OF DOCUMENTS**

- (88) Rule 42 deals with execution of documents and the common seal of the Club.

**NOTICES**

(89) Rule 43 deals with the requirements of giving notice to members, including by electronic means in accordance with the Corporations Act and the Registered Clubs Act. Where a notice of a meeting is sent by post it shall be deemed to have been effectively served on the member on the day following the posting.

**INDEMNIFICATION OF OFFICERS**

(90) Rule 44 deals with the insurance and indemnification of the officers and auditors of the Club in accordance with the Corporations Act.

**INTERPRETATION**

(91) Rule 45 deals with the interpretation of the Club's Constitution and it reflects the existing Constitution of the Club.

**AMENDMENTS TO CONSTITUTION**

(92) Rule 46 provides for amendments to the Constitution. The Constitution can only be amended by way of Special Resolution passed at a general meeting of members. Only Life members and financial Club members can vote on any Special Resolution to amend the Constitution. This is consistent with the existing Constitution and the existing practice of the Club.

**MEETINGS AND VOTING**

(93) Rule 47 reflects the new requirements of the Registered Clubs Act, which allows the Club to utilise electronic means to distribute documents and hold meetings if the Board determines this to be in the best interests of the Club.

It is hoped that this summary will provide members with sufficient background and information to enable them to make an informed decision in relation to the proposed special resolution to adopt the new Constitution. However, there may be matters about which members may have questions not covered by this Memorandum. In those circumstances, they are invited to raise their questions with the Secretary Manager who, if necessary, will obtain advice from the Club's lawyers to pass back to the member. The Board considers the proposed new Constitution as being a significant improvement on

the existing Constitution and it recommends that members vote in favour of the Special Resolution. To be passed, the Special Resolution will need votes from not less than three-quarters (75%) of those members who being eligible to do so vote in person at the meeting.

**BY DIRECTION OF THE BOARD**

**Andrew Hoschke**  
**Chief Executive Officer**  
Chatswood RSL Club Ltd  
17th August 2023

Directors' Report

Your directors submit their report for the year ended 30 June 2023.

DIRECTORS

The names of the Directors of Chatswood RSL Club Limited (the “Club”) in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

DIRECTOR	Position
Garry J. Owen J.P.	President (until passed on 10th May 2023)
Craig D. Murray	Deputy President (until appointed President on 20th June 2023)
Margaret E. Wilton	Marketing & Promotions Director
Robert McLeod	Membership Director
Garry C. Brigden	House Director (until appointed Deputy President on 20th June 2023)
Malcolm Dimmock	Director
William Coombes	Director

COMPANY SECRETARY

Andrew Hoschke, J.P. BA. BBus in Club Mngt. DipTeach. CCM.

Company Secretary, Secretary Manager and CEO since July 2022.

DIVIDENDS

The Club is a not-for-profit organisation and is prevented by its constitution and statute from paying dividends.

**CLUB INFORMATION**

Chatswood RSL Club Limited is a club limited by guarantee and without a share capital that is incorporated and domiciled in Australia.

The Club occupies the building, which extends through the block, at 446 Victoria Ave to 1 Thomas Street, Chatswood.

The registered office of the Club is at 5/8 Thomas Street, Chatswood NSW 2067.

The entity employed 124 employees on 30 June 2023 (2022: 123 employees).

**MEMBERSHIP**

The number of members as of 30 June 2023 and the comparison with last year is as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Ordinary Members	21,408	19,032	20,497
Honorary/ Life Members	5	5	5
RSL Club Members	81	77	68
	21,494	19,114	20,570

**PRINCIPAL ACTIVITIES**

The principal activities of the entity were those of a registered club and included the provision and promotion of social activities for members and their guests as well as supporting any of the objects of the Returned and Services League and all other objectives in accordance with the Constitution of Chatswood RSL Club Limited. There was no significant change in the nature of these activities during the current period.

**SHORT AND LONG-TERM OBJECTIVES**

The short and long-term objectives of the entity are to continue to provide and promote social activities for members and to support the objectives of the Returned and Services League where in accordance with our Constitution. These objectives are achieved by continuing to renovate, upgrade and improve facilities for Club members.

Short & long-term objectives are primarily met by the Board’s continuous review and management of business processes & operations to ensure the Club remains financially viable. This is achieved

by identifying & implementing strategies over the longer term that identifies traditional and non-traditional business opportunities.

### **MEASUREMENT OF SUCCESS**

Chatswood RSL Club Limited focuses on two key areas – renovating and upgrading existing Club facilities and where possible providing additional amenities or social activities.

Board meetings are held by the Company to review results, current strategies, and strategies for future periods.

### **MEMBERS' LIABILITY**

In accordance with the Constitution of the Club, each member undertakes to contribute an amount of \$2.00 in the event of the winding up of the club during the time that person is a member or within one year thereafter.

### **REVIEW AND RESULTS OF OPERATIONS**

The profit after tax of the Club for the year ended 30 June 2023 was \$8,482,397 (2022: \$1,272,377).

This resulted after an expense of \$2,957,131 (2022: \$4,249,500) for depreciation/amortisation and after an expense of \$129,187 (2022: benefit of \$17,430) for income tax. A decrease in the estimated useful lives of poker machines was enacted in the previous period, contributing to the higher depreciation expense in that period.

In the previous year, there was a Federal Government directive for the mandatory shutdown of the Club between the 27th of June 2021 until the 10th of October 2021 in response to managing the COVID-19 pandemic. The increase in Club profitability for the year ended 30 June 2023 was due to the lifting of government mandates and the Club being permitted to operate for the full period.

An analysis of the club's performance is as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Profit from ordinary activities			
Before income tax	8,663,279	1,254,947	5,000,551
Income from poker machines	35,109,830	22,669,771	27,264,693
Bar sales	1,787,233	1,186,069	1,581,935
Catering sales	1,503,822	1,551,618	1,817,515

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the Club other than the removal of statutory trading restrictions implemented during the prior period to reduce the spread of the COVID-19 virus.

### **SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

A construction contract was entered into subsequent to the balance sheet date committing an estimated \$4.5 million toward refurbishment and fit-out of the Club.

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

The Board is always assessing business opportunities which may benefit the Club and its members; however, there have been no significant commitments entered into up to the date of this report.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

Following the decision not to proceed with the proposed club development, the focus will now be on renovating the existing facilities and where possible providing additional amenities.

### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Club's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Directors are not aware of any significant breaches during the period covered by this report.

**DIRECTORS' PARTICULARS**

- |       |                      |   |
|-------|----------------------|---|
| 1.    | Garry J. Owen J.P.   | <p>Board Member 26 years.<br/>(passed on 10th May 2023)</p> <p>President 2006 and again from August 2020.</p> <p>Deputy President 2005, 2007 – 2020.</p> <p>Membership Director 1997-2004.</p> <p>Director of Club Properties Pty Ltd 2005 and 2006.</p> <p>Life Member of the Club.</p> <p>Retired Bank Manager.</p> |
| <hr/> |                      |   |
| 2.    | Craig D. Murray J.P. | <p>Board Member Oct 2012 to 2023.</p> <p>President from 20th June 2023.</p> <p>Deputy President from August 2020.</p> <p>NSW Police 16 years – left as Acting State Licensing Co-ordinator, Legal Services.</p> <p>Practising Lawyer – NSW and High Court of Australia.</p>   |
| <hr/> |                      |   |
| 3.    | Garry C. Brigden     | <p>Board Member 2008 – 2023.</p> <p>Deputy President from 20th June 2023.</p> <p>House Director 2008 – 2023.</p> <p>Retired Department of Defence (Navy) Administrator.</p> <p>Life Member of the Club.</p> <p>President Chatswood RSL Social &amp; Recreational Club.</p>  |
| <hr/> |                      |   |
| 4.    | Margaret E. Wilton.  | <p>Board Member since January 1994.</p> <p>Assistant Promotions Director 1994-1995.</p> <p>Previously a Director of Chatswood RSL Club 1991-1992.</p> <p>Promotions Director 1995-2023.</p> <p>Life Member of the Club.</p> <p>Retired Administrative Assistant.</p>  |
| <hr/> |                      |   |

5.	Robert McLeod	Board Member 2006 – 2023. Assistant Membership Director 2007-2013. Storeman. Membership Director 2014 – 2023.
6.	Malcolm Dimmock	Board Member Aug 2013 to 2023. Retired Club Manager.
7.	William Coombes	Appointed to the Board in August 2020. Elected to the Board in October 2020 – to date. Club member 13 years. Retired Department of Defence (Navy) Administrator.

### **DIRECTORS' MEETINGS**

The numbers of meetings of Directors (excluding meetings of committees of directors) held during the year and the numbers of meetings attended by each director were as follows:

<b>Name</b>	<b>Number of Ordinary Meetings (11) Attended</b>	<b>Number of Special Meetings (2) Attended</b>
Garry OWEN	9	2
Craig MURRAY	11	2
Peggy WILTON	10	2
Robert MCLEOD	10	2
Garry BRIGDEN	9	2
Malcolm DIMMOCK	11	2
William COOMBES	9	1

**CORE PROPERTY**

In terms of the Registered Clubs Act, the Club owns the property upon which it is situated in Chatswood. The property comprises 3,320 square meters with street frontages at 1 Thomas Street and 446 Victoria Avenue Chatswood. The site has been accumulated by the Club with purchases of adjoining properties since 1980. The core property is known as 1 Thomas Street Chatswood. The defined premises of the Club occupy this land.

**NON-CORE PROPERTY**

The non-core properties of the club are the following properties which do not constitute the defined premises, or any facility provided by the Club for the use of its members and their guests:

- 5/8 Thomas Street, Chatswood
- 5/9 Railway Street, Chatswood
- 2-4 Thomas Street, Chatswood
- Suits 201, 202, 203 & 204, 8 Thomas Street, Chatswood

**DIRECTORS' AND OFFICERS' INDEMNITIES AND INSURANCE****INSURANCE PREMIUMS**

The Club has provided for and paid several premiums during the year for and including, current Directors' and Officers' liability insurance. The insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omission or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as directors or officers of the Club. In accordance with common practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

**INDEMNIFICATION**

The Board has agreed to indemnify current and former Directors against all liabilities to another person (other than the Club or a related body corporate) that may arise from their position as directors of the Club, except where the liability arises out of conduct involving a lack of good faith

### **INDEMNIFICATION OF AUDITORS**

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

### **AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES**

The Directors received an Independence Declaration from our auditors, Ernst & Young. A copy has been included on page 65 of the Annual Financial Report.

Signed in accordance with a resolution of the Directors.

**C. D. MURRAY**

Director

**M. E. WILTON**

Director

Chatswood RSL Club Limited

Date: 22 August 2023

## President's Report

I respectfully present my report for the fiscal year ending 30 June 2023.

It is with the deepest sadness to report that on 10 May 2023, our President Mr Garry Owen passed away.

Garry joined Chatswood RSL in 1993 and was a loyal club member for over 30 years. Garry served on the Board of Chatswood RSL for over 25 years. Garry has served the Club in various Board positions including Membership Director and Finance Director. He was appointed as Deputy President in 2005 and then again in 2007 until 2020. He held the position of President in 2006 and was again appointed President in August 2020, remaining in that position until his passing. Garry served on the committee of the Sub-Branch in the role as Treasurer. Over the years Garry held active roles in the Chatz Social Golf Club and more recently as treasurer for Chatswood RSL Social and Recreation Club. Garry was enthusiastic about the Club, its future and was always striving to ensure Chatswood RSL was a welcoming place for all members to enjoy.

Garry was an exceptionally good friend, as I know he was to many of our members. He is, and always will be sorely missed. Rest in peace Garry.

In the June board meeting my fellow Board members appointed me to the position of President and Garry Brigden to the position of Deputy President. We are both honoured to hold these positions and look forward to serving you, our members, in these new roles.

The Club is well advanced on an exciting refurbishment project aimed at revitalising the club and enhancing the experience of all our valued members and guests.

Our objective is to create a refurbished environment that fosters inclusivity and a sense of belonging within a vibrant community.

The vision is to provide a space where members can unwind, make lasting memories, and indulge in an atmosphere of utmost comfort and ambiance that surpasses their everyday experiences.

We thank you for your patience during this time.

The Club has again managed to trade successfully, and your directors are able to present an exceptionally good bottom-line result.

The net profit before income tax for the year ended 30 June 2023 was \$8,663,279 compared to a profit of \$1,254,947 in 2022.

We are proud to be able to assist numerous worthy community and charitable organisations through the ClubGRANTS program as well as assisting local community sporting groups and local schools with sponsorships throughout the year.

A reminder that the Club has several regulatory obligations to provide members with specific information throughout the year. We can also provide this information to members via email if the member requests this option. Unless you have requested otherwise, specific required information will be mailed to your home address.

If you would prefer to receive information via email, please contact the Membership Department at [membership@chatswoodrsl.com.au](mailto:membership@chatswoodrsl.com.au). Please also contact membership staff you have changed your address or feel you should be receiving some mail from us and have not. We have 21,000 plus members and keeping up to date with address changes is a regulatory requirement.

The Board is grateful to those members who assisted the club over the past year as volunteers. Our sincere thanks go to our annual election volunteers. We thank Returning Officer Mr B. (Steve) Grace and his deputy Mr Peter Kuskis, and their team of scrutineers who provided efficient control measures. We are all indeed grateful for your time so generously provided.

The Board is indebted to and grateful to the Committee of the Social and Golf Clubs for providing members with several well organised external activities.

Our club members and staff also assist the local community committee with the organisation of the ANZAC Dawn Service, VP Day and Remembrance Day commemorations.

The “Chatswood RSL Social and Recreation Club” maintains a solid membership base. This Club provides organised activities including tours and outings for members and has become immensely popular.

Once again, the Remembrance Day Commemoration Service will be held in the Garden of Remembrance on Saturday 11th of November commencing at 10.35 am. We cordially invite you to attend. Please also be reminded of the annual ANZAC Day Dawn Service held in the Garden of Remembrance at 4.50 am each ANZAC Day.

Thank you to my fellow directors for your advice and the courtesies that you have extended to me during the year, in both my role as Deputy President and now President. We have worked well together to do the best we can for the members of the club by whom we are elected.

On behalf of the board, I would like to thank our CEO, Andrew Hoschke, and his senior management team for their hard work and dedication throughout the year, resulting in the excellent results that we are able to present to members.

We the members, and our guests, are extremely lucky to have such an incredible group of staff. These employees allow us to enjoy the facilities of our Club to the utmost. On behalf of the board, I want to thank you all for your hard work and service to our members.

A reminder that the club complies with Responsible Service of Alcohol and Responsible Conduct of Gaming legislation. Staff will not serve drinks to persons who they assess to be nearing intoxication or who are intoxicated, quarrelsome or disorderly. Furthermore, a multi-venue self-exclusion program is offered to members and guests who seek help with refraining from gambling. Members may also opt to set a weekly account limit at any time. There is also the ability to exclude oneself from the Club should you wish to avoid alcohol or for any other reason. Please approach a duty manager or supervisor if you would like assistance.

Finally, on behalf of your Board of Directors I wish to thank every one of our members who attended and supported our club during the year. You have individually contributed to the ongoing success and viability of your Club.

**Craig Murray**  
**President**

Chatswood RSL Club Ltd

**Statement of Profit or Loss and Other  
Comprehensive Income  
For the year ended 30 June 2023**

<b>Revenue</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
Revenue from contracts with customers	3(a)	39,877,895	26,324,308
Other income	3(b)	636,257	810,318
Purchases, net of movement in inventories	7	(1,573,175)	(1,319,968)
Employee benefits expense		(8,067,007)	(6,614,566)
Finance cost	3(e)	(394,993)	(238,487)
Other expenses	3(c)	(18,858,567)	(13,457,158)
Depreciation and amortisation expense	3(d)	(2,957,131)	(4,249,500)
Profit from continuing operations before income tax		8,663,279	1,254,947
<b>Profit before income tax</b>		8,663,279	1,254,947
Income tax (expense)/benefit	4	(129,187)	17,430
<b>Net profit for the year</b>		8,534,092	1,272,377
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		8,534,092	1,272,377

# Statement of Financial Position

As at 30 June 2023

ASSETS	Notes	2023 \$	2022 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	21,222,391	11,645,151
Trade and other receivables	6	62,684	4,920
Inventories	7	149,620	80,220
Income tax receivable		63,251	53,960
Other current assets	8	505,602	457,959
<b>Total Current Assets</b>		22,003,548	12,242,210
<b>Non-Current Assets</b>			
Property, plant and equipment	9	27,896,680	27,495,713
Investment Properties	10	29,753,578	30,243,322
Intangibles	11	10,215,468	10,234,992
<b>Total Non-Current Assets</b>		67,865,726	67,974,027
<b>TOTAL ASSETS</b>		89,869,274	80,216,237
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	2,941,647	1,824,613
Provisions	13	982,732	1,048,642
<b>Total Current Liabilities</b>		3,924,379	2,873,255

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Non-Current Liabilities</b>		<b>\$</b>	<b>\$</b>
Trade and other payables	12	147,447	151,148
Interest bearing loan	14	8,490,000	8,490,000
Deferred tax liabilities	4	94,514	-
Provisions	13	111,440	134,432
<b>Total Non-Current Liabilities</b>		<b>8,843,401</b>	<b>8,775,580</b>
<b>TOTAL LIABILITIES</b>		<b>12,767,780</b>	<b>11,648,835</b>
<b>NET ASSETS</b>		<b>77,101,494</b>	<b>68,567,402</b>
<b>EQUITY FUNDS</b>			
Retained earnings		77,101,494	68,567,402
<b>TOTAL EQUITY FUNDS</b>		<b>77,101,494</b>	<b>68,567,402</b>

## Statement of Cash Flows

### For the year ended 30 June 2023

	Notes	2023	2022
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		39,980,575	27,116,793
Payments to suppliers and employees		(27,591,370)	(19,794,763)
Interest received		362,571	29,739
Income tax (paid)/refunded		(43,955)	90,971
<b>Net cash flows from operating activities</b>		12,707,821	7,442,740
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		127,027	65,867
Purchase of property, plant and equipment		(2,838,855)	(2,646,444)
Purchase of investment property		(19,510)	(3,842,939)
Purchase of intangible assets		(4,250)	(494)
<b>Net cash flows used in investing activities</b>		(2,735,588)	(6,424,010)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(394,993)	(238,487)
Repayment of loan		-	(6,500,000)
<b>Net cash flow used in financing activities</b>		(394,993)	(6,738,487)
Net (decrease)/increase in cash and cash equivalents		9,577,240	(5,719,757)
Cash and cash equivalents at beginning of year		11,645,151	17,364,908
Cash and cash equivalents at end of year	5	21,222,391	11,645,151

**Statement of Changes in Equity**  
**For the year ended 30 June 2023**

Retained earnings at 30 June 2021	67,295,025
Profit for the year	1,272,377
Retained earnings at 30 June 2022	68,567,402
Profit for the year	8,534,092
Retained earnings at 30 June 2023	77,101,494

## 30 June 2023

### Notes to the Financial Statements

#### 1. CLUB INFORMATION

The financial report of Chatswood RSL Club Limited (the “Club”) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 22 August 2023.

Chatswood RSL Club Limited is a club limited by guarantee without a share capital and incorporated in Australia. The Club is a not-for-profit entity.

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

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board, and the Gaming Machine Tax Act 2001.

The financial report has been prepared on a historical cost basis, except for land and buildings that have been measured at deemed cost.

Both the functional and presentation currency of Chatswood RSL Club Limited is Australian dollars (A\$).

##### (b) Significant accounting judgements, estimates and assumptions

###### (i) *Significant accounting judgements*

In the process of applying the Club’s accounting policies, management had made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

*Impairment of non-financial assets*

The Club assesses impairment of all assets at each reporting date by evaluating conditions specific to the Club and to the particular asset that may lead to impairment. These include technology, economic and political environments. If an impairment trigger exists, the recoverable amount of the asset is determined. Management does not consider that the triggers for impairment testing have been significant enough and as such these assets have not been tested for impairment in this financial period.

*Assets acquired at no cost or for a nominal amount*

The carrying value of property, plant and equipment and intangible assets, including poker machine entitlements, acquired at no cost or for a nominal amount has been determined based on historical cost.

(ii) ***Significant accounting estimates and assumptions***

*Impairment of intangibles with indefinite useful lives*

The Club determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the intangibles with indefinite useful lives are allocated.

*Estimation of useful lives of assets*

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

**(c) Property, plant and equipment**

Land and buildings are measured at cost less accumulated depreciation. Land is not depreciated.

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Plant and equipment acquired at no cost or for a nominal amount, is recognised at fair value as at the date of acquisition. Subsequent to initial recognition, such plant and equipment is measured at cost, being the fair value at acquisition.

All non-current assets have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives. Assets are depreciated or amortised from the date of acquisition. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation/amortisation rates used for each class of asset are as follows:

	2023	2022
Freehold land	Nil	Nil
Freehold Buildings:	40 years	40 years
Plant and equipment	1 to 20 years	1 to 20 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the item is derecognised.

### *Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use can in certain situations be calculated as the asset's depreciated replacement cost, which is the current replacement cost of the asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

### **(d) Investment properties**

Investment properties are property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses recognised at date of revaluation.

All investment properties have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives. Investment properties are depreciated or amortised from the date of acquisition. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments

are reflected prospectively in current and future periods only.

Investment properties are depreciated over an expected useful life of 40 years.

**(e) Intangible assets**

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

Intangible assets acquired at no cost or for a nominal amount, are recognised at fair value as at the date of acquisition. Subsequent to initial recognition, such intangible assets are measured at cost, being the fair value at acquisition.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each

reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised.

**(f) Impairment of assets**

The Club assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use ("VIU") and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or class of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit ("CGU") to which it belongs. When the carrying amount of an asset CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing VIU, 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.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(g) Inventories**

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

**(h) Trade and other receivables**

The Club applies a simplified approach in accounting for trade and other receivables and records a loss allowance equal to the expected lifetime credit losses based on its historical experience, external indicators, and forward-looking information. The Club assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

**(i) Cash and cash equivalents**

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(j) Trade and other payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

**(k) Provisions**

Provisions are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Club expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(l) Revenue from contracts with customers**

*Sale of goods*

Revenue from the sale of goods relates to sale of the Club's products (including food and beverage) and is recognised when the goods are provided to the customer.

*Rendering of services*

Revenue from rendering of services comprises revenue earned from the

provision of gaming facilities together with other services to patrons of the club. Revenue is recognised when the service is provided.

*Poker machines*

Revenue from poker machines is recognised as the clearance from all machines net of payouts.

*Membership*

Membership fee is recognised on a basis that reflects the timing, nature and value of the benefits provided.

*Interest*

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

**(m) Income tax**

The Income Tax Assessment Act 1997 (Amended) provides that under the concept of mutuality, clubs are only liable for income tax on income derived from non-members and from outside entities.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income.

**(n) Other taxes**

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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

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

**(o) Employee benefits**

*Wages, salaries, annual leave and sick leave*  
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

*Long service leave and annual leave*  
The club does not expect its long service leave or annual leave to be settled wholly within 12 months after each reporting date. The Club recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are

expensed as incurred and included in administrative expenses.

**(p) Business combinations and goodwill**

When the club acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the club re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Club's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**3. REVENUE AND EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Revenue from contracts with customers</b>		
<b>Type of goods and services</b>		
Revenue from sale of goods	3,694,325	2,715,755
Revenue from services	36,183,570	23,608,553
<b>Total revenue from contracts with customers</b>	<b>39,877,895</b>	<b>26,324,308</b>
<b>Geographical markets</b>		
Australia	39,877,895	26,324,308
<b>Total revenue from contracts with customers</b>	<b>39,877,895</b>	<b>26,324,308</b>
<b>Timing of revenue recognition</b>		
Goods and services at a point in time	39,636,514	25,639,789
Services transferred over time	241,381	684,519
<b>Total revenue from contracts with customers</b>	<b>39,877,895</b>	<b>26,324,308</b>
<b>(b) Other income</b>		
Interest income	362,571	29,739
Net gain on disposal of property, plant and equipment	113,251	-
Government grant income	-	780,579
Miscellaneous Income	160,435	-
<b>Total other income</b>	<b>636,257</b>	<b>810,318</b>
<b>(c) Other expenses</b>		
Net loss on disposal of property, plant and equipment	-	1,601,037
Entertainment and promotions	3,019,433	1,963,803

**3. REVENUE AND EXPENSES cont.**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Repairs and maintenance	672,811	475,793
Poker machine duty and CDSE/ Club Grants	10,249,788	6,420,659
Insurance	484,039	419,599
Printing and stationery	69,031	68,935
Security	483,195	338,391
Advertising	94,727	105,775
Electricity/ Gas	517,418	356,767
Other administrative, member services and facilities expenses	3,285,556	1,706,399
<b>Total other expenses</b>	<b>18,875,998</b>	<b>13,457,158</b>

**(d) Depreciation and  
amortisation expense**Depreciation of  
non-current assets

Plant and equipment (Note 9)	1,574,943	2,877,558
Buildings (Note 9)	849,160	871,854
Software (Note 11)	23,774	23,473
Investment property (Note 10)	509,254	476,615
<b>Total depreciation and amortisation expenses</b>	<b>2,957,131</b>	<b>4,249,500</b>

**(e) Finance cost**

Interest on loan	394,993	238,487
<b>Total finance cost</b>	<b>394,993</b>	<b>238,487</b>

#### 4. INCOME TAX

Major components of income tax expense for the years ended 30 June 2023 and 30 June 2022 are:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current Income Tax</i>		
Current income tax charge	76,080	-
Adjustments in respect of current income tax of previous years	(41,407)	(17,430)
Deferred income tax charge	94,514	-
Income tax expense reported in Statement of Profit or Loss and Other Comprehensive Income	129,187	(17,430)

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Club's effective income tax rate for the years ended 30 June 2023 and 30 June 2022 is as follows:

<i>Accounting profit before income tax</i>	8,663,279	1,254,947
At the statutory income tax rate of 25% (2020: 26%)	2,165,820	313,737
Adjustments in respect of current income tax of previous years	-	(17,430)
Member only and non-deductible expenses	439,520	404,772
Effect of mutuality	(1,911,284)	(605,799)
Income from members only	(272,395)	(16,008)
Deferred tax asset not recognised on losses	-	32,407
Utilisation of unrecognised prior year losses, including to received carry back tax offset	(76,502)	-
Other items	(215,972)	(129,109)
<b>Income Tax Expense</b>	<b>129,187</b>	<b>(17,430)</b>

**4. INCOME TAX cont.**

Effective income tax rate	1.50%	(1.39%)
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Income tax expense reported in Statement of Profit or Loss and Other Comprehensive Income	129,187	(17,430)
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**5. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	8,122,391	10,195,151
Short-term deposits	13,100,000	1,450,000
<b>Total cash and cash equivalents</b>	<b>21,222,391</b>	<b>11,645,151</b>

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

For the purpose of the statement of cash flows, cash and cash equivalents comprise the above.

**6. TRADE AND OTHER RECEIVABLES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	2,235	1,842
Other receivables	60,449	3,078
<b>Total trade and other receivables</b>	<b>62,684</b>	<b>4,920</b>

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

**7. INVENTORIES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b><i>Finished goods</i></b>		
Bar and catering at cost	149,620	80,220
<b>Total inventories at lower of cost or net realisable value</b>	<b>149,620</b>	<b>80,220</b>

During 2023, \$1,573,175 (2022: \$1,319,968) was recognised as an expense for inventories carried at net realisable value. This is recognised in the statement of profit or loss as purchases, net of movement in inventories.

**8. OTHER CURRENT ASSETS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Security deposit	5,000	5,000
Prepayments	500,602	452,959
<b>Total other current assets</b>	<b>505,602</b>	<b>457,959</b>

**9. PROPERTY, PLANT AND EQUIPMENT**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Movement in non-current assets</b>		
<b><i>Freehold land</i></b>		
Cost at beginning of the year	9,034,421	8,772,554
Additions	-	261,867
Cost at the end of the year	<b>9,034,421</b>	<b>9,034,421</b>
<b><i>Freehold Buildings</i></b>		
Net carrying amount at beginning of the year	14,912,185	15,356,424
Additions	535,878	1,623,953
Disposals		(1,196,328)

**9. PROPERTY, PLANT AND EQUIPMENT**

Depreciation charge for the year	(849,160)	(871,854)
Net carrying amount at the end of the year	14,598,903	14,912,195

Cost	28,095,396	27,559,518
Accumulated depreciation	(13,496,483)	(12,647,323)
Net carrying amount	14,598,903	14,912,195

*Plant equipment and furniture*

Net carrying amount at beginning of the year	3,549,098	6,126,576
Additions	2,302,977	770,655
Disposals	(13,776)	(470,576)
Depreciation charge for the year	(1,574,943)	(2,877,558)
Net carrying amount at the end of the year	4,263,356	3,549,097

Cost	18,382,888	16,093,687
Accumulated depreciation	(14,119,533)	(12,544,590)
Net carrying amount	4,263,356	3,549,097

**Total**

Net carrying amount at beginning of the year	27,495,704	30,255,554
Additions	2,838,855	2,656,475
Disposals	(13,776)	(1,666,904)
Depreciation charge for the year	(2,424,103)	(3,749,412)
Net carrying amount at the end of the year	27,896,680	27,495,714

**10. INVESTMENT PROPERTY**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Investment Property</i>		
At Cost	31,353,699	27,510,760
Additions	19,510	3,842,939
Accumulated depreciation	(1,619,631)	(1,110,377)
<b>Net carrying amount</b>	<b>29,753,578</b>	<b>30,243,322</b>

**(i) List of investment properties**

The investment properties of the Club are as follows:

Unit 5/9 Railway Street Chatswood NSW 2067  
 2-4 Thomas Street Chatswood NSW 2067  
 Suite 201/8 Thomas Street Chatswood NSW 2067  
 Suite 203 & 204/8 Thomas Street Chatswood NSW 2067

**(ii) Operating lease receivables**

Minimum lease payments receivable under the non-cancellable operating lease of the properties are:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Due within 1 year	342,442	157,929
Due between 1 year and 5 years	1,241,475	263,486
<b>Total future operating lease receivables</b>	<b>1,583,917</b>	<b>421,415</b>

The investment properties are currently under short-term operating leases with rent payable monthly. The investment properties have generated rental income of \$200,922 during year ended 30 June 2023 (2022: \$623,053).

**11. INTANGIBLES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Poker machine entitlements</i>		
At cost	7,697,240	7,697,240
<b>Net carrying amount</b>	<b>7,697,240</b>	<b>7,697,240</b>

**11. INTANGIBLES cont.**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Software</i>		
At Cost	171,136	171,136
Additions	4,250	494
Accumulated amortisation	(146,561)	(122,787)
Net carrying amount	28,825	48,843
<i>Goodwill</i>		
At cost	2,488,909	2,488,909
Net carrying amount	2,488,909	2,488,909
<i>Movement in intangible assets</i>		
Net carrying amount at beginning of the year	10,234,992	10,257,971
Additions	4,250	494
Amortisation charge for the year	(23,774)	(23,473)
Net carrying amount at the end of the year	10,215,468	10,234,992

**a) Transferable Poker Machine Entitlements**

Poker machine licenses are carried at cost less accumulated impairment losses and have been determined to have indefinite useful lives. These assets were tested for impairment as at 30 June 2023 (see section (b) of this note). There were 449 transferable poker machine entitlements at 30 June 2023 (2022: 449).

**b) Impairment testing of Poker Machine Entitlements**

Management and the board have assessed the cash generating unit and determined that no signs of impairment were present at balance date.

*(i) Description of the cash generating unit and other relevant information*

Poker machine entitlements have been considered as one cash generating unit.

The recoverable amount of the cash generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period.

*(ii) Carrying amount of poker machine entitlements allocated to the cash generating unit*

The carrying amount of poker machine entitlements with indefinite lives at 30 June 2023 for Club was \$7,697,240 (2022: \$7,697,240).

**12. TRADE AND OTHER PAYABLES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade creditors and accruals	2,914,484	1,804,650
Members fees in advance	27,163	19,963
<b>Total current trade and other payables</b>	<b>2,941,647</b>	<b>1,824,613</b>
<b>Non-Current</b>		
Members fees in advance	147,447	151,148
<b>Total non-current trade and other payables</b>	<b>147,447</b>	<b>151,148</b>

**(a) Trade payables**

Trade payables are non-interest bearing and are normally settled on 60-day terms. Other payables are non-interest bearing and are at call.

The net of GST payable and GST receivable is remitted to the appropriate tax body on a monthly basis.

**(b) Fair value**

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

**13. PROVISIONS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Employee entitlements	954,245	1,032,298
Member reward program	28,487	16,344
<b>Total current provisions</b>	<b>982,732</b>	<b>1,048,642</b>
<b>Non-Current</b>		
Employee entitlements	111,440	134,432
<b>Total non-current provisions</b>	<b>111,440</b>	<b>134,432</b>

**Nature and timing of provisions***(i) Employee entitlements*

Refer to note 2 respectively for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

**Movement in Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Employee entitlements</b>		
<b>Opening balance</b>	1,166,730	1,148,125
Created during the year	117,731	212,140
Amount paid or expired during the year	(218,776)	(193,535)
<b>Closing balance</b>	<b>1,065,685</b>	<b>1,166,730</b>
<b>Member reward program</b>		
<b>Opening balance</b>	16,344	115,915
Created during the year	127,038	73,373
Amount paid or expired during the year	(114,895)	(172,944)
<b>Closing balance</b>	<b>28,487</b>	<b>16,344</b>

**14. INTEREST BEARING LOANS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Secured:</b>		
Bank loan - Non-current	8,490,000	8,490,000
<b>Total interest-bearing loan</b>	<b>8,490,000</b>	<b>8,490,000</b>

A loan facility with ANZ Bank has been entered into on 29 November 2019 to finance the purchase of the property at 2-4 Thomas Street, Chatswood. The bank loan is secured by a first registered mortgage of the property at 2-4 Thomas Street, Chatswood and also the property at 446 Victoria Avenue, Chatswood. The loan is due to be paid on 2 February 2026. The facility incurs a line fee of 1.58% and a floating interest rate on amounts drawn down. An effective interest rate of 4.65% was incurred on the borrowings for the year ended 30 June 2023 (2022: 1.65%).

**15. CAPITAL MANAGEMENT**

When managing capital, management’s objective is to ensure the entity continues as a going concern as well as to maintain a capital structure that ensures the lowest cost of capital available to the entity. Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may sell assets to reduce debt.

**16. EVENTS AFTER BALANCE SHEET DATE**

A construction contract was entered into subsequent to the balance sheet date committing an estimated \$4.5 million toward refurbishment and fit-out of the Club.

There have been no other significant events occurring after balance date which may affect the Club’s operations or results of those operations or the Club’s state of affairs.

The Board is always assessing business opportunities which may benefit the Club and its members; however, there have been no significant commitments entered into up to the date of this report.

**17. AUDITORS’ REMUNERATION**

	2023	2022
	\$	\$
<hr/>		
Amounts received or due and receivable by Ernst & Young Australia for:		
• an audit or review of the financial report of the Club	57,267	51,272
• other services in relation to the Club	22,000	20,720
<b>Total Auditor’s Remuneration</b>	<hr/> 79,267	<hr/> 71,992

18. COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies as at 30 June 2023 (2022: none).

19. DIRECTORS AND EXECUTIVES DISCLOSURES

Compensation of Key Management Personnel

Key management personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Club, include the Directors, the Chief Executive Officer, and the Operations Manager.

Total compensation for the key management personnel during the financial year are set out below:

	2023	2022
	\$	\$
Short-term compensation	473,246	617,776
Post-employment benefits	46,968	61,750
<b>Total key management personnel remuneration</b>	<b>520,214</b>	<b>679,526</b>

The Director’s remuneration is of the nature of expense reimbursements and is capped at the amounts each year by the members at the Annual General Meeting. For the year ended 30 June 2023, the amounts approved were \$50,000 for reasonable expenses, as well as payment of honoraria of \$13,500 for the President; \$12,500 for the Deputy President, Finance Director and House Director; and \$11,500 per each other director. These costs were in addition to total remuneration for senior management disclosed above. The remuneration of directors is all of the nature of short-term compensation; the directors are not entitled to post retirement benefits or other long-term benefits.

20. RELATED PARTY DISCLOSURES

Details referring to key management personnel, including remuneration paid, are included in Note 19.

There are no other related party transactions during the financial year.

## **DIRECTORS DECLARATION**

In accordance with a resolution of the directors of Chatswood RSL Club Limited, we state that:

In the opinion of the Directors:

- (a). the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
  - (i). giving a true and fair view of the company's financial position as at 30 June 2023 and of their performance for the year ended on that date; and
  - (ii). complying with Accounting Standards and Corporations Regulations 2001; and
- (b). there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

**C. D. MURRAY**  
**DIRECTOR**

**M. E. WILTON**  
**DIRECTOR**

Chatswood RSL Club Limited  
Date: 22 August 2023



Building a better  
working world

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

As lead auditor for the audit of Chatswood RSL Club Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

**Ernst & Young**

**St Elmo Wilken**

Partner

22 August 2023



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## Independent Auditor's Report to the Members of Chatswood RSL Club Limited

### Opinion

We have audited the financial report of Chatswood RSL Club Limited (the "Club"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Club's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

complying with *Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have

also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Information other than the financial report and auditor's report thereon**

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

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

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

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

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

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

In preparing the financial report, the directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Club's ability to



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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 Club 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.

**Ernst & Young**

**St Elmo Wilken**

Partner  
Sydney  
22 August 2023



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## Disclaimer on Additional Financial Information

The additional financial information, being the attached Club Grants and Sponsorship and Donations, has been compiled by the management of Chatswood RSL Club Limited.

No audit or review has been performed by us and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Chatswood RSL Club Limited may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

**Ernst & Young**

**St Elmo Wilken**

Partner  
Sydney  
22 August 2023

## Duty and ClubGrants 2021 - 2022 and Sponsorship and Donations July 2022 - June 2023

Duty and ClubGrants	FY 21/22	FY 22/23
	\$	\$
Poker Machine Duty	5,483,357	9,359,341
CDSE - ClubGrants	445,606	701,390

### ClubGrants Recipients 2021/2022

Australian War Widows NSW Ltd.  
 Autism Community Network  
 Beating Time  
 Chatswood Girls Guides  
 Chatswood High School P&C Association  
 Chatswood Public School P&C Association  
 Chatswood Rangers Sports Club Pty Ltd.  
 Chatswood RSL Social & Recreation Club  
 Chatswood RSL Sub-Branch  
 Chatswood Youth Centre  
 Chatz Social Golf Club  
 Delta Therapy Doys  
 Dress for Success Sydney Inc.  
 Epilepsy Action Australia  
 Girls Guides Association NSW  
 Gordon District Cricket Club  
 Gordon District Cricket Club, Women's Division  
 Gordon Rugby Football Club Ltd.  
 Guide Dogs NSW/ACT  
 KYDS Youth Development Services  
 Learning Links  
 Learning Links  
 Legacy Chatswood Branch  
 Lifeline Harbour to Hawkesbury Ltd.  
 LifeSource Community Care  
 Lower North Shore Community Transport Inc.  
 Lower North Shore Multicultural Network  
 Mary's House Services Ltd  
 MG Motor Club  
 Miracle Babies Foundation  
 Northside CALD Carers Network  
 Probus Club of Chatswood Central  
 Raise Foundation  
 Royal Life Saving NSW  
 Royal Marines Association NSW  
 Solve-TAD Ltd  
 StreetWork Australia  
 Sydney Community Services

## **ClubGrants Recipients 2021/2022 cont.**

Taldumande Youth Services Inc.  
The Humour Foundation  
The Shepherd Centre – For Deaf Children  
Tresillian  
Vision Australia  
Wheelchair Sports  
Willoughby City Council  
Willoughby Community Men's Shed Inc.  
Willoughby District Junior Rugby League Football Club Inc.  
Willoughby Kids House Association Inc.  
Willoughby Public School P&C Association

### **Sponsorships**

**FY22/23**

Sponsorship	Chatswood Public School
Sponsorship	NOVA Employment
Sponsorship	Drug ARM
Sponsorship	OZTAG Tournaments Pty Ltd
Sponsorship	Lions Club of Bondi
Sponsorship	St Pius X College
Sponsorship	Retina Australia
Sponsorship	Chatswood RSL Social & Recreational Club

### **Other Donations**

St Vincent de Paul Society  
Australian Veterans' Children Assistance Trust  
The Movember Foundation  
Forbes Recreation Club  
Forbes Services Club  
Canowindra Services & Citizens Club  
Drug ARM  
Troy Sachs OAM

## IMPORTANT INFORMATION FOR CLUB MEMBERS

This club is by law required to make available to its members information that relates to the management and financial administration of the club including:

1. A register of disclosures made by the directors and employees of the club.
2. Details of the overseas travel made by the directors and employees of the club.
3. Details of loans given by the club to employees.
4. Details of contracts of employment of top executives.
5. Details of the payments made by the club for consultant services.
6. Details of legal settlements made by the club with a director or an employee of the club.

7. Details of legal fees paid by the club for a director or an employee of the club.
8. The club's annual gaming machine profit.
9. The amount applied by the club to community development and support.

AND

The club must provide quarterly financial statements to its board for adoption, and make them available to members, including:

1. The club's profit and loss accounts and trading accounts for the quarter, and
2. A balance sheet as at the end of the quarter.



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