



Annual Report
Year Ended 31st December 2021

Laurie Baldwin - President



MENTONE RSL ANNUAL GENERAL MEETING

THURSDAY 17TH MARCH 2022
at 7:00 pm.

TO ALL LIFE, SERVICE, AFFILIATE and SOCIAL MEMBERS
(Registrations will commence 6:30 PM)

AGENDA

- 1. MEETING OPENING / WELCOME.**
- 2. VALES**
- 3. APOLOGIES**
- 4. MINUTES OF AGM – 18TH MARCH 2021** **Receive, / Accept.**
- 5. PRESIDENTS REPORT** **Receive, / Accept.**
- 6. SECRETARYS REPORT** **Receive, / Accept.**
- 7. TREASURERS REPORT** **Receive, / Accept.**
- 8. HONORARIUMS for 2022**
President, Vice President, Secretary, Treasurer.
- 9. DECLARATION OF POLL. INSTALL NEW COMMITTEE FOR 2022/23**
- 10. APPOINT AUDITOR FOR YEAR 2022**
- 11. OTHER BUSINESS FOR WHICH DUE NOTICE HAS BEEN GIVEN**
- 12. CLOSURE OF MEETING**

Members are reminded that only Financial Service, Life, and Affiliate Members have the right to vote and speak on any matters discussed at the AGM. Social Members are invited so that they may keep in touch with Sub-Branch matters.



VALES

In 2021-22 we sadly saw the passing of the following members and we offer our deepest condolences to their families.

George Hope

John Campbell

John Lukey

Allan Booth

John Proctor

Kevin Moloney

~ Lest We Forget ~

COMMITTEE DECLARATION

As nominations did not exceed positions it is with pleasure we can announce the Mentone RSL Committee for 2022/23 is:

PRESIDENT – Laurie Baldwin

VICE PRESIDENT – Will Dusek

TREASURER – John Lewthwaite

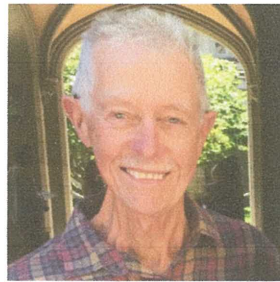
SECRETARY – Claire Falkingham

COMMITTEE – Judie O'Dwyer

COMMITTEE – Paul Bray

COMMITTEE – Peter Grant

PRESIDENTS REPORT
MENTONE RSL SUB BRANCH
YEAR ENDED 31/12/2021



Another frustrating year of interruptions to Club operations due to COVID. Again in 2021 as it was in 2020 the Club management have had to deal with many changes by government to regulations surrounding COVID.

Congratulations to Club Manager Claire Falkingham as well as all members of her staff for providing excellent service in the club under very trying circumstances. Claire's diligence in ensuring COVID safe arrangements were in place at all times kept the Club free of potential problems as a result of COVID infections.

COMMEMORATIVE

Anzac Day fortunately fell during a period relatively of little to no COVID restrictions. A crowd of about 3500 comprising dignitaries, veterans, Club members and the general public were able to attend a dawn service at 6am followed by a full service at 9am. Thank you CAPT Ian Young AM for hosting both our Services and taking on the role with enthusiasm and confidence. His presence was inspiring and his leadership on the day contributed to its success. A big thankyou also to Vice President William Dusek (Afghanistan veteran) and also Jack Williams (Timor and Solomon veteran) who both delivered wonderful and enlightening talks about their experiences while on overseas deployment.

Our Remembrance Day ceremony was limited to 150 persons due to our COVID safe plan at a time of restricted numbers at public gatherings. We thank all the local schools who sent representation and guest readers to assist and participate in the service.

APPEALS

Thanks to Judy O' Dwyer and Roberta Lowe for organising boxes of ANZAC badges and poppies for sale. Sales were very successful with \$17626.86 received for Poppy sales alone. These monies ensure continuing benefits to be provided to veterans in need. Thanks very much to all the volunteers who contributed their time to make these appeals successful.

AROUND THE CLUB

The new outdoor dining area behind the garage was completed and opened in time for people to enjoy refreshments comfortably in a lovely leafy environment.

After a successful application to the Saluting Their Service Commemorative Grants Program – 2020-2021, our Memorial driveway has undergone a makeover, including a full restoration of the great gun, rejuvenation of the roses and ground coverings. Volunteers led by John Lee and supported by Barry Meyer assisted in this project. A new mural to be erected within the

area will complete the Memorial Drive, and we thank The Department of Veterans Affairs for their assistance in providing funding for the works.

Thanks also to Marg Lewthwaite, Cathy Bowyer and others on the garden team who continue to do tasks around the surrounds to make the Club more presentable.



In 2022, we hope to obtain some funding through the Veterans Capital Works Grant Program to carry out much needed works at the Club. This is to improve amenities for members and to brighten surroundings for all. We will keep you updated on the progress on this application.

Throughout Covid lockdowns our bus underwent extensive repairs and maintenance; however due to restrictions and guidelines has been underutilised and unable to operate for its intended purpose. We will be seeking member's feedback as to the future of the bus within our Club as retaining the bus currently incurs the Club an expense of \$3000 per year in registration and insurance.

Our Angling Club has existed for many years however with fewer volunteers able to step into the official roles and organising events to meet the purpose of the Club falling less and less due to other commitments, it was decided to wind up and to continue simply as a social club where mates could meet for annual trips upon their own organising or adhoc meetings out on the Bay when the snapper are biting. We thank those who contributed to its operation and those that took official roles within the Angling Club and appreciate the donation made to the Mentone RSL.

VETERAN WELFARE

Veterans and their families were again supported during the year as follows:

- Veterans Mates Day lunches conducted each month COVID restrictions allowed.
- Regular communication of information about Club events by email and social media.
- Food deliveries (particularly during COVID and financial help to those in need).
- Care Packages to stay engaged and provide entertainment

Best wishes to all for a safe, healthy and enjoyable year in 2022.

Laurie Baldwin

SECRETARY/MANAGER REPORT
MENTONE RSL SUB BRANCH
YEAR ENDED 31/12/2021



Where to begin..... As 2022 begins with an ever changing landscape with floods, war, and surging fuel prices.

Looking back 2021 was another year interrupted by Covid lockdowns and restrictions

But we got through and the Club is finally beginning to see an increase in trade and normalcy returning with no face masks and dance floors back in use. Our final hurdle to overcome is QR check in and remaining a vaccinated economy and I want to thank everyone for continuing to keep us safe and following all the directives in place by the government. I understand the challenges that surround all these particularly with neighbouring clubs and hotels not enforcing these rules, but we aim to keep all our Veterans, Members and Staff safe. So I thank you.

My continued thanks go to our staff and those assisting on the front line, without them we would not be in the position we are. Staff shortages are one of the many challenges faces the industry and we hope in time it bounces back and we can get back to pre covid times, but in the interim we thank you for understanding we are working within limitations and doing our best to ensure the Club is open daily.

We congratulate JAL Catering for their ongoing efforts; James has continued to maintain high standards and consistency within the kitchen. We continue to offer speciality nights, seniors meal choices with a regularly updated specials board. Thank you James, in conjunction with your team for providing great meals at affordable prices. For those who haven't tried his meals our kitchen operates Wednesday to Saturday Lunch (1-230pm) and Dinner (530-8pm).

During another extended lock down in 2021 the club delivered meals and care packages to Service Members and kept up an active communication and fun competitions through emails, facebook, Instagram and phone. To those who run our Mates Program I thank you for tirelessly checking in with your mates to ensure they were ok.

To those unaware each year we report as part of our Community Benefit our volunteer hours and the 2020/21 period saw our volunteers give 1014 hours of their time to assist our Veterans, Members and Club. Thank you to all those who gave so generously of their time.

It was a sad time as we lost our Member 100 year old John Campbell, Rat of Tobruk who led our Anzac March and unfortunately due to Covid restrictions were unable to attend funerals or pay our respects in the traditional format. But to the loved ones of those that passed during this time, our condolences and thoughts remain with you. They will be remembered.

After the positivity surrounding AFL tipping competition we again will host one in 2022 and can't wait to see who comes out Victorious, our prize pool will be over \$500. Happy Tipping to those that enter. Thank you to Lee-Ann Girdwood for volunteering her time to oversee the competition once again.

The annual thank you list grows each year so this year without singling anyone out, I express my gratitude and appreciation to all those that provided support, guidance, contribution and went over and above for the Mentone RSL. It has been overwhelming at times just how much the comradery and support within this club is.

With all the changes in the world the one thing that's remained constant is the fantastic ways members embrace our club and adapt to changes.

Thank you

Claire Falkingham

TREASURER'S REPORT
MENTONE RSL SUB BRANCH
12 MONTHS TO 31/12/2021



Good evening members and guests,

Like many other business's Mentone RSL again suffered a severe downturn in 2021 due to COVID 19; however, cash reserves declined by only \$8,480 to \$295,163 at December 2021, once again relying on receipt of Government Grants of \$114,500, and Gaming costs of \$123,634 being suspended ("forgiven"); otherwise the 2021 downturn would have been more severe.

In summary the 2021 results (compared with 2020) are:		2021	2020
Mentone RSL Sub Branch	(Loss)	-\$58,057	-138,951
“ “ “ “ - Cash reserves declined to		\$295,163	\$303,643
Mentone RSL Patriotic Fund	(Loss)	-\$50,378	-46,832
“ “ “ “ - Cash reserves		\$11,232	\$6,708

A reconciliation of the minor cash movements are included later in this report.

The attached accounts show details of income and expenditure, however I would like to comment on the major items and, for simplicity, most figures are rounded to the nearest \$,000 (other than the Agency report).

AGENCY

The Agency for General Appeals Patriotic Fund B86:

income from **Anzac Day** Appeal \$24,824.97 (vs. last year \$271.45)
and the **Poppy Day** Appeal \$17,626.86 (vs. last year \$349.45).

I also endorse the Presidents thanks to Judie O'Dwyer and her team of volunteers in raising these funds to support our Veteran welfare programs and services.

Expenses such as subsidized meals, bereavement notices and other sundry welfare costs are funded out of the Agency account.

Unused funds of \$9,499.31 will be transferred to Anzac House in 2022.

MENTONE RSL SUB- BRANCH Inc.

The Club virtually ceased trading for four months (previous year eight months), hence a loss was incurred of \$58,057 (approximately \$81,000 more than the previous year) and is explained as follows (using figures rounded to the nearest \$'000).

	<u>\$'000</u>
The Bar gross profit was higher by	64
Gaming gross profit was also higher	107
Expenses (excluding Rent) less sundry income were higher	(34)
Rental was reduced from \$10,282 pa to \$5,131 saving	<u>5</u>
Net decrease in loss vs. 2020 before receiving Government Grants	142
JobKeeper received (\$28,800) lower by	(68)
Cash Flow Boost and other (\$85,700) slightly higher by	<u>7</u>
Net decrease in loss vs. 2020 AFTER receiving Government Grants	81

Further analysis of the above figures are detailed in the attached Statement of Profit or Loss and the graphic presentations show the comparative trends over the past 10 years.

The net increase in expenses of \$34,000 reflected more activity in 2021 vs. the prior year.

Membership Subscriptions were waived in 2021 (and also for the coming 2022 year), the cost of \$18,640 being offset as Members Promotions.

LIQUIDITY

An over-view of the **Sub Branch** cash decrease of \$8,480 is reconciled as follows:

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Opening Cash – 1st January 2021	304	395
(less) (loss) for the year	(58)	(139)
Add back Amortisation of Gaming Entitlements (non-cash expense)	72	72
Add back Amortisation of Leasing Rights (non-cash expense)	243	243
(Less) Payment of annual Lease Rights “forgiven” (non-cash income)	(124)	(172)
(Less) Payment of annual Lease Rights instalments	(130)	(66)

(Less) / Add

Jackpot paid net of deferred income	(22)	5
Employee net increase in annual entitlements	6	(17)
Decreases / (Increases) in working capital and sundry items	4	(17)
Closing Cash at 31st December 2021	\$295,163 (decrease of \$8,480)	<u>295</u> <u>304</u>

PATRIOTIC FUND

The fund is regulated by the Australian Charities and Not-for-Profits Commission Act 2012 and is used for Welfare, building extensions, renovations and major maintenance, and with the approval of State Branch has the capacity to borrow funds, but only for non-commercial purposes.

The Loss of \$50,378 compares with a loss in 2020 of \$46,832 an **increased loss of \$3,546** mainly due to lower rental income from Telstra and the Sub-Branch.

Loan Outstanding

\$70,000 Owing to the ANZ BANK

During 2021 the Patriotic Fund paid \$4,070 in interest payments and fees to the ANZ Bank, and \$9,000 off the principal debt.

VALUATION OF LAND AND BUILDINGS

An independent opinion was obtained in 2010 which indicates (subject to certain conditions and assumptions) that based on the highest and best use valuation, the value of the site is potentially \$7,600,000. The valuation excludes plant and equipment and furniture and fittings.

The City of Kingston's 1st July 2021 notice for rates, valuation & fire services property levy was based on a site value of \$9,425,000 and capital improved value of \$10,150,000; unchanged from the prior year.

LIQUIDITY

An over-view of the Patriotic Fund cash reconciliation is as follows:

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Opening Cash – 1st January	7	9
Add Profit (before depreciation charge)	14	19
Less Loan repayment to ANZ Bank	(9)	(20)
Less Capital expenditure (\$44,000)	-	(1)
Closing Cash at 31st December 2021	<u>11</u>	<u>7</u>
	(\$8,312 + \$2,910).	

Outlook

Covid 19 continued to prevent the resumption of normal trading activities in 2021, with the Club shut for four weeks. Your management and committee have prepared budgets / forecasts for 2022 which are again conservative due to the current environment and future uncertainty.

Once again Covid 19 / Delta / Omicron remain a serious constraint on future trading, however every effort will be made to increase revenue and contain costs.

The forecast has not factored in revenue windfalls such as were received in 2020 and 2021; (JobKeeper and Cash Flow Boosts etc. from the Federal Government) or any material relief ("forgiveness") of gaming costs.

As these windfalls are unlikely to be repeated in 2022 a further decline in cash is expected (from the current level of \$295,643); how much depends on the level of trading in this current year.

NEW COMMITMENTS

Gaming Entitlements will expire on 15th August 2022 (Previous Entitlement period was 2012-2022 at a cost of \$720,171.26) and be replaced by renewed 10 year Entitlements costing \$350,648; repayable by instalments of \$23,794 in 2022 and \$47,588 for the following 5.5 years. Interest at the Commonwealth Government Bond rate will also be payable.

CAPITAL EXPENDITURE

At the expiry of the Gaming Entitlements in August 2022 so also will be the "Right to Use" the existing 25 gaming machines.

The Club plans to purchase the existing machines at an estimated cost of \$210,000, to be financed by an ANZ loan of the same amount repayable over 7 years at an estimated monthly instalment \$2,875 (\$34,500 per annum), plus interest.

Despite the outlay seeming to be excessive, under this new gaming regime the club will save approximately \$28,000 pa versus the current fixed Gaming Services Agreement costs.

My thanks to our manager and staff who have Covid safe responsibilities added to their normal daily duties, and to our patrons who have supported the Club and Bistro by complying with Government and Management restrictions.

Your continuing support is vital to the survival of the nature of the club as we know it.

I wish you well for the coming year and welcome any question members may have on the financial results.

John Lewthwaite

Honorary Treasurer.

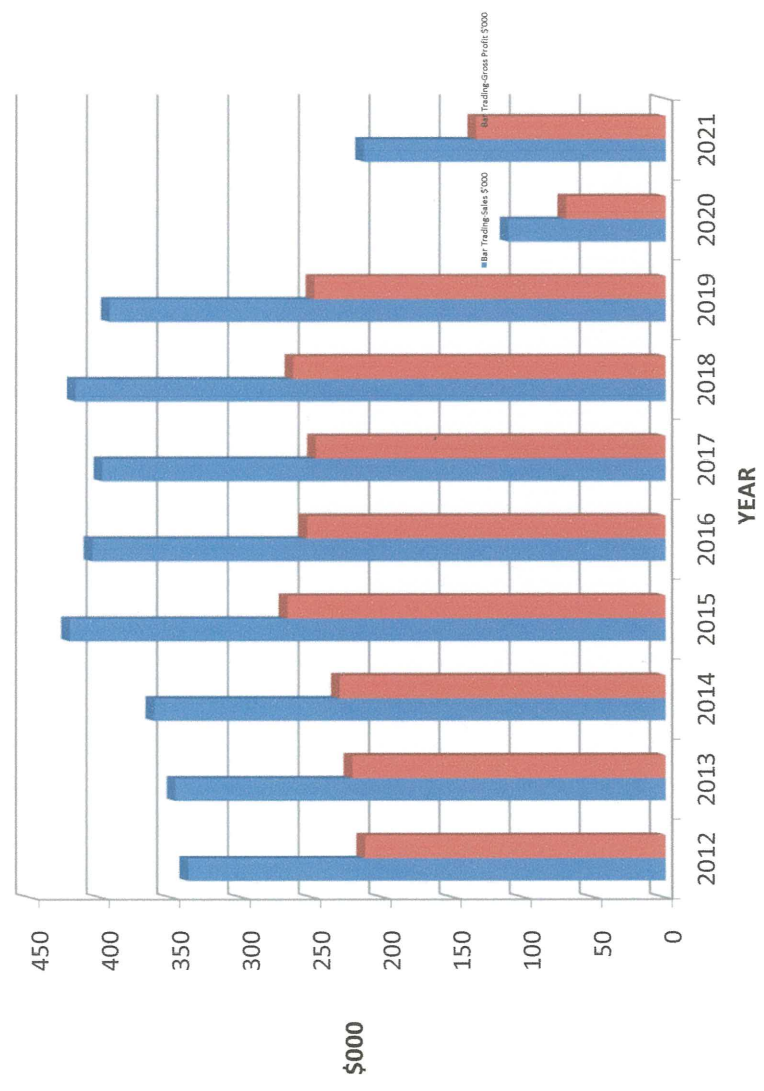
17 March, 2022

Attachment: Sub-Branch Profit & Loss 10 Year Comparative Summary and Graphs.

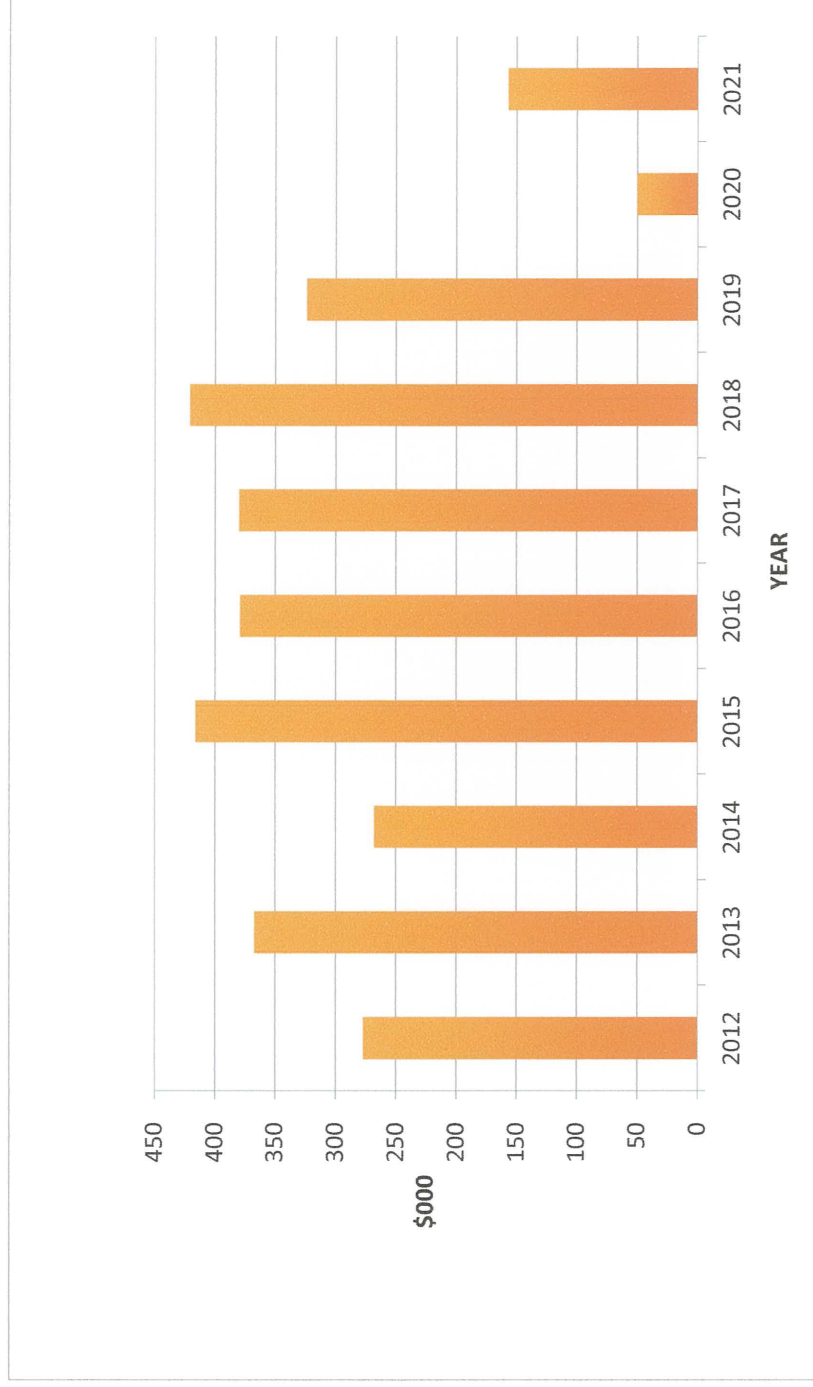
Mentone RSL Sub- Branch
Profit & Loss Comparative Summary -

	BEST YEAR					WORST YEAR				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	COVID 19 COVID 19
Bar Trading - Sales	339	348	363	423	407	400	419	395	112	215
Bar Trading - Gross Profit	214	223	232	269	255	249	265	250	71	135
Bistro - Gross Profit from April 2013		74	125	129	126	18	0	0	0	0
Gaming Gross Profit	277	367	268	416	379	380	421	324	50	157
	increased	increased	(decreased)	increased	(decreased)	increased	increased	(decreased)	(decreased)	increased
Government Grants re COVID 19 (JobKeeper & Cash Flow Boosts etc)									176	115
Subscriptions	16	26	22	23	20	20	16	19	15	21
Total Gross profit	507	690	647	837	780	667	702	593	312	428
Expenses (net of sundry income)	472	519	550	571	624	559	536	546	369	409
Net Profit (before Rent & Amortisation)	35	171	97	266	156	108	166	47	(57)	19
Rent	65	9	9	9	9	9	62	62	10	5
							increased			
Amortisation of Gaming Entitlements	27	72	72	72	72	72	72	72	72	72
Net Profit	(57)	90	16	185	75	27	32	(87)	(139)	(58)

YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bar Trading-Sales \$'000	339	348	363	423	407	400	419	395	112	215
Bar Trading-Gross Profit \$'000	214	223	232	269	255	249	265	250	71	135
										COVID 19



YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gaming Gross Surplus \$'000	277	367	268	416	379	380	421	324	50	157
excluding amortisation of Electronic Gaming Entitlements										
										COVID 19



YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	458	493	528	549	605	539	523	527	355	388
COVID 19										
	EXCLUDING RENT COST \$5K; GOVERNMENT GRANTS \$86K and JOBKEEPER INCOME \$29K									

Expenses \$'000 (net of sundry income)



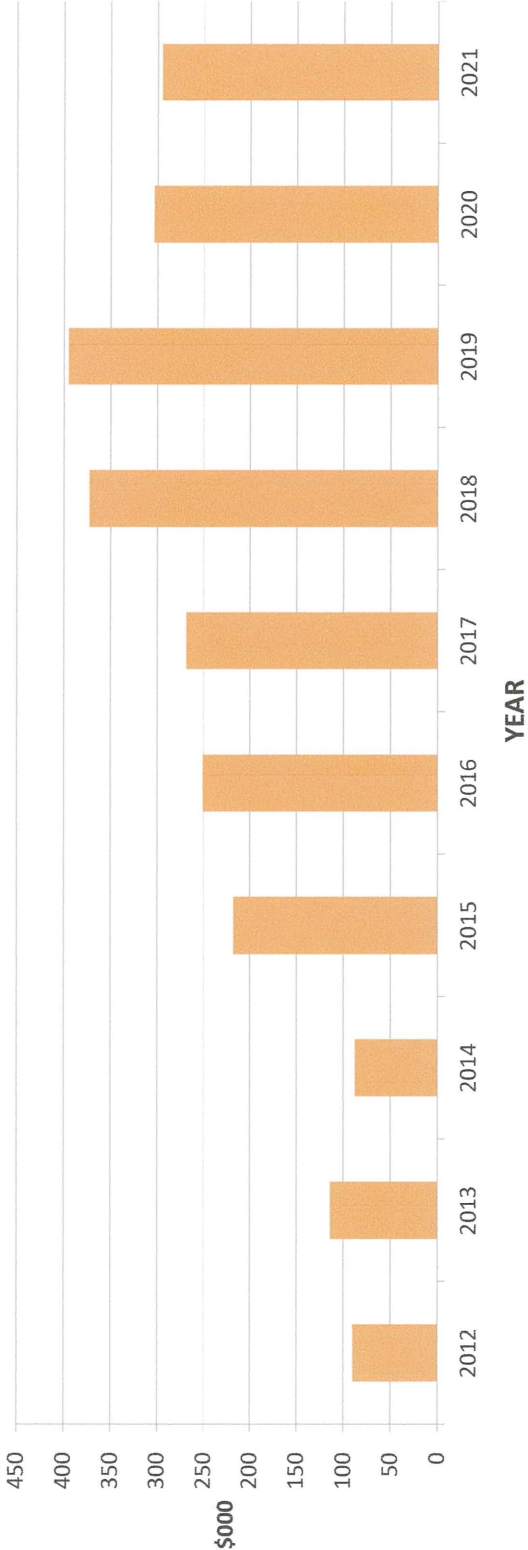
YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	34	171	97	266	156	108	166	47	(56)	19
	COVID 19									

Net Profit \$'000 (before Rent and EGM Amortisation)



YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cash at year end (\$'000)	90	114	88	218	251	269	373	395	304	295
										COVID 19

Total Cash \$'000 (including floats)





Statutory Accounts
Year Ended 31st December 2021

Patriotic Fund
Sub Branch

MENTONE R.S.L. SUB-BRANCH PATRIOTIC FUND**AUTHORITY NO. B214****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	2021	2020
	\$	\$
<u>Members Accumulated Funds</u>	<u>72,956</u>	<u>123,334</u>
Represented By;		
Current Assets		
Cash at Bank-Patriotic Fund	8,312	1,589
Cash at Bank-Welfare	2,910	5,119
Goods and Services Tax receivable	852	354
Total Current Assets	<u>12,074</u>	<u>7,062</u>
Fixed Assets	Note 3	
At cost	1,393,573	1,393,573
Less Provision for depreciation	<u>1,262,691</u>	<u>1,198,301</u>
Net written down value	130,882	<u>195,272</u>
TOTAL ASSETS	<u>142,956</u>	<u>202,334</u>
Current Liabilities		
Total Current Liabilities	<u>0</u>	<u>0</u>
Non-Current Liabilities		
Interest-bearing loans - secured	Note 4	
Total Non-Current Liabilities	<u>70,000</u>	<u>79,000</u>
TOTAL LIABILITIES	<u>70,000</u>	<u>79,000</u>
NET ASSETS	<u>72,956</u>	<u>123,334</u>

The balance sheet is to be read in conjunction with the notes to and forming part of the accounts.

**STATEMENT OF CHANGES TO EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
Balance at 1 January 2021	123,334	170,166
Less: (Loss) for the year	(50,378)	(46,832)
Balance at 31 December 2021	<u>72,956</u>	<u>123,334</u>

MENTONE R.S.L. SUB-BRANCH PATRIOTIC FUND

AUTHORITY NO. B214

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
INCOME	\$	\$	\$
Rent ex Sub-Branch	5,131		10,282
Rent ex Telstra	26,302		31,913
Interest received	1		1
Total income		31,434	42,196
EXPENDITURE			
Repairs and maintenance	10,333		8,179
BBQ area maintenance	0		7,551
Audit fee	909		909
Welfare and Charitable	2,110		1,293
Total expenditure before interest and depreciation		13,352	17,932
Surplus before interest and depreciation		18,082	24,264
Less Interest & fees on ANZ loan		4,070	5,238
Surplus before depreciation		14,012	19,026
Less Provision for depreciation		64,390	65,858
(Loss) for the year		(50,378)	(46,832)

The income and expenditure account is to be read in conjunction with the notes to and forming part of the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Summary of accounting policies.

The financial statements of the Sub-Branch represent a Special Purpose Financial Report prepared for the benefit of Members of the Sub-Branch.

The financial statements have been prepared using the historical cost convention and do not apply all Australian Accounting Standards, Accounting Interpretations or other authoritative pronouncements.

2. Income Tax

The fund is not liable for income tax. The ongoing Income Exempt Charity status is subject to the Building Patriotic Fund meeting the terms of the Deed of Settlement with the Commissioner of Taxation of the Commonwealth of Australia dated 24 September 2002.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

3. Fixed Assets

Fixed assets are recorded at cost and are depreciated over their estimated useful lives.

The Patriotic Fund carries property , plant and sundry equipment as follows:

	2021 \$	2020 \$
Land & Buildings, Renovations & Gaming Room		
At cost	951,104	951,104
Accumulated depreciation @ 5% per annum	854,870	807,314
	<u>96,234</u>	<u>143,790</u>
Air-conditioning		
At cost	28,550	28,550
Accumulated depreciation @ 15% per annum	28,550	28,550
	<u>0</u>	<u>0</u>
Gaming Equipment		
At cost	9,722	9,722
Accumulated depreciation @ 26% per annum	9,722	9,722
	<u>0</u>	<u>0</u>
Furniture & Fittings		
At cost	92,533	92,533
Accumulated depreciation @ 15% per annum	79,422	73,611
	<u>13,111</u>	<u>18,922</u>
Carpets		
At cost	74,588	74,588
Accumulated depreciation @ 20% per annum	74,588	74,588
	<u>0</u>	<u>0</u>
Plant & Equipment		
At cost	235,825	235,825
Accumulated depreciation @ 20% / 33% per annum	215,539	204,516
	<u>20,286</u>	<u>31,309</u>
Bar equipment (glasses etc)		
At cost	1,251	1,251
TOTAL		
At cost	1,393,573	1,393,573
Accumulated depreciation	1,262,691	1,198,301
	<u>130,882</u>	<u>195,272</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

VALUATION OF LAND AND BUILDINGS

An independent valuation of land and buildings was carried out as at 31 May 2010 by Robert Webster (Fellow Australian Property Institute, and Fellow Royal Institute of Chartered Surveyors) on the basis of the market value for the existing use , and that it is a continuing business within its current activity as at the date of the valuation. The valuation is apportioned as : Land \$2,400,000 and Buildings \$1,400,000. The above valuation does not include the realisable value of the property concerned if it were sold on a stand alone basis.

Based on a highest and best use valuation, to reflect the highest potential use of the land,the value of the site potentially is \$7,600,000.

The valuations exclude plant and equipment and furniture and fittings.

The City of Kingston's 1st July 2021 notice for rates, valuation & fire services property levy was based on a site value of \$9,425,000 (2020: \$9,425,000) and capital improved value of \$10,150,000 (2020: \$10,150,000).

Land & Buildings are carried at historical cost in the Statement of Financial Position.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

	2021	2020
	\$	\$
4.Interest-bearing loans - secured		
Loan- ANZ Bank Variable Rate Facility - secured		
	<u>\$70,000</u>	<u>\$79,000</u>

The loan is secured over all the assets and undertakings of Mentone RSL Sub-Branch Building Patriotic Fund Inc., including a first registered mortgage over the property situated at 9 Palermo Street Mentone, Victoria.

Interest is payable monthly in arrears and payments of principal are discretionary.

\$9,000 was repaid in 2021 (\$20,000 in 2020).

**Independent Audit Report
To The Members of Mentone RSL Sub-Branch (Patriotic Fund)**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Mentone RSL Sub-Branch (Patriotic Fund) ("the Fund"), which comprises the statement of financial position as at 31 December 2021, the statement of surplus or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

In our opinion the financial report of the Fund is properly drawn up, including:

- a. giving a true and fair view of the Fund's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and with the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility 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 Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other 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 audit opinion.

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

Committee's Responsibility for the Financial Report

The Committee of the Fund is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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



**Independent Audit Report
To The Members of Mentone RSL Sub-Branch (Patriotic Fund) (cont'd)**

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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads "Stannards Accountants & Advisors".

Stannards Accountants and Advisors

A handwritten signature in blue ink, appearing to be "Michael Shulman".

Michael Shulman

Partner

Date: 10 February 2022

MENTONE R.S.L. SUB-BRANCH INC.
ABN 79 788 303 326

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		As at 31-Dec 2021 \$	As at 31-Dec 2020 \$
Members Accumulated Funds		269,666	327,723
Represented by;			
Current Assets			
Cash at bank	Note 3	295,163	303,643
Debtors		32	-
Inventories - finished goods at cost	Note 1 (c)	6,751	5,107
Prepaid expenses		17,325	19,000
Total Current Assets		319,271	327,750
Non Current Assets			
Security deposits		4,961	4,961
Intangible Assets			
Electronic Gaming Machine Entitlements - at cost	Note 2	350,648	350,648
Electronic Gaming Machine Entitlements - at cost	Note 2	720,172	720,172
Less Provision for amortisation		675,382	603,365
Net written down value		44,790	467,455
Right to use Leased Asset	Note 2 (a)	871,223	871,223
Less Provision for amortisation		729,396	486,264
Net written down value		141,827	384,959
TOTAL ASSETS		861,497	1,185,125
Less Current Liabilities			
Victorian Commission for Gambling	Note 2	23,794	-
Gaming Services Agreement.	Note 2 (a)	156,081	253,723
Sporting & Social sections	Note 4	2,655	2,835
Sundry creditors	Note 5	1,231	0
Employee provisions	Note 6	73,428	67,136
Other provisions and sundry accruals	Note 7	20,985	43,874
Subscriptions received in advance		0	0
Goods and services tax	Note 8	4,335	637
Total Current Liabilities		282,509	368,205
Less Non - Current Liabilities			
Victorian Commission for Gambling	Note 2	309,322	333,116
Gaming Services Agreement.	Note 2 (a)	0	156,081
Employee provisions	Note 6	0	0
Total Non-Current Liabilities		309,322	489,197
TOTAL LIABILITIES		591,831	857,402
NET ASSETS		269,666	327,723

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements.

STATEMENT OF CHANGES TO EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
Balance at 1 January 2020	327,723	466,674
(Loss) for the year	(58,057)	(138,951)
Balance at 31 December 2021	269,666	327,723

MENTONE R.S.L. SUB-BRANCH INC.
ABN 79 788 303 326

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2021

	2021	2020
	\$	\$
Cash flows from operating activities		
Receipts in the course of operations	715,505	461,700
Payments in the course of operations	(585,166)	(480,847)
Interest received	177	476
Interest paid	(8,907)	(6,250)
Net cash (used) / provided by operating activities	<u>121,609</u>	<u>(24,921)</u>
Cash flows to investing activities		
Payments for Electronic Gaming Entitlements	-	-
Cash flows from financing activities		
Payments of Lease liability	(130,089)	(66,232)
Net increase/ (decrease) in cash held	<u>(8,480)</u>	<u>(91,153)</u>
Cash at beginning of reporting period	<u>303,643</u>	<u>394,796</u>
Cash at end of reporting period	<u><u>295,163</u></u>	<u><u>303,643</u></u>

a) Reconciliation of net cash provided by operating activities to net profit.

Net profit / (loss)	(58,057)	(138,951)
Add back non-cash expenses in arriving at net profit / (loss)		
-Amortisation of Gaming Entitlements	72,017	72,016
-Amortisation of Leasing Rights	243,132	243,132
(Less) non-cash income in arriving at net profit / (loss)		
-Gaming Services Agreement payments suspended	(123,634)	(171,894)
(Less)/Add Change in assets and liabilities		
(Increase)/decrease in inventories	(1,644)	4,802
(Increase)/decrease in prepaid expenses	1,675	4,027
(Decrease)/increase in sundry creditors and provisions	(21,838)	(8,106)
(Decrease)/increase in provision for employee benefits	6,292	(17,330)
(Decrease)/increase in other creditors	3,698	(12,617)
Net cash (used) / provided by operating activities	<u><u>121,609</u></u>	<u><u>(24,921)</u></u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.

MENTONE R.S.L. SUB-BRANCH INC.
ABN 79 788 303 326

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
Bar sales	215,306	112,132
Less Cost of sales	<u>(79,671)</u>	<u>(40,614)</u>
Gross profit on trading	63% 135,635	71,518
Gross profit on gaming		
Gaming revenue	325,343	149,482
Gaming Services Agreement payments suspended	123,634	171,894
Jackpot contribution (refer Note 7)	<u>-</u>	<u>-</u>
	448,977	321,376
Less Cost of gaming (excluding amortisation of Gaming Entitlements)		
State Gaming Tax	-	-
Amortisation of Leasing Rights	243,132	243,132
Interest on Gaming Services Agreement	8,907	6,250
State Branch Operational Support Fee	20,988	11,151
Jackpot contribution	-	-
Loyalty fee	3,855	1,284
Monitor fees	14,956	9,153
Cost of sales	<u>291,838</u>	<u>270,970</u>
Gross profit / (loss) on gaming machines	157,139	50,406
Government Grants (incl Cash Flow Boost)	85,700	78,841
Government Grants (JobKeeper)	28,800	97,200
Sundry Income (refer note 9)	48,105	31,364
Total gross profit and sundry income	455,379	329,329
Less expenses classified as :		
Bar & Gaming	124,570	158,842
Management and Administration	81,411	75,008
Occupancy	67,469	59,380
Advertising ; Promotions ; Bands & Artists	32,836	6,237
Cleaning	20,022	12,462
Communications	4,749	4,677
Legal and professional	11,544	8,899
Finance	3,631	1,952
Travel & Courtesy Bus	3,839	2,240
Other sundry expenses	11,962	7,930
Welfare & Charitable	74,255	48,354
Operating expenses (refer note 9) before Rent & EGM Amortisation expenses	436,288	385,981
Net Profit before Rent & EGM Amortisation expenses	19,091	(56,652)
Less Rent paid to Building Fund	5,131	10,282
Net profit / (loss) before EGM Amortisation expense	13,960	(66,934)
Less Amortisation of gaming entitlements (EGM)	72,017	72,017
Net profit / (loss)	(58,057)	(138,951)

The trading profit and loss statement is to be read in conjunction with the notes to and forming part of the financial statements.

MENTONE R.S.L. SUB-BRANCH INC.
ABN 79 788 303 326

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This special purpose financial report has been prepared for distribution to the members of the Sub-Branch to fulfil the Association's financial reporting requirements under the Associations Incorporation Reform Act 2012 and the Australian Charity Not For Profit Charities Act 2012. The accounting policies used in the preparation of this report , as described below , are consistent with the financial reporting requirements of the Acts, and are , in the opinion of the committee, appropriate to meet the needs of members.

(a) The financial report has been prepared on the accrual basis of accounting including the historical cost convention and the going concern assumption. Future plans of the Sub-Branch and expected revenue growth have been considered when assessing that the entity is a going concern.

(b) The requirements of Australian Accounting Standards, Accounting Interpretations and other professional reporting requirements , do not have mandatory applicability to the Sub-Branch, except to the extent required by the Acts, because it is not a "reporting entity".

(c) Inventories

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

(d) Employee entitlements

Liabilities for employees' entitlements to wages and salaries, annual leave, long service leave and other employee entitlements are accrued at nominal amounts calculated on the basis of current wage and salary rates.

(e) For the purposes of the cash flow statement, cash includes cash at bank and on hand net of any bank overdrafts.

(f) Income tax

The Sub-Branch is not liable for income tax. The ongoing Income Exempt Charity status is subject to the Sub-Branch meeting the terms of the Deed of Settlement with the Commissioner of Taxation of the Commonwealth of Australia dated 24 September 2002.

(g) Comparative figures for 2021

Where necessary comparative figures for 2020 have been adjusted to conform with changes in presentation in 2021.

MENTONE R.S.L. SUB-BRANCH INC.
ABN 79 788 303 326

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Gaming Entitlements

2021

2020

A total amount of \$720,172 has been paid to Victorian Commission for Gambling in full payment of Mentone RSL Sub-Branch Inc.'s acquisition in August 2012 of 25 Electronic Gaming Machine Entitlements, which expire on 15th August 2022.

The cost of the Entitlements is amortised over a 10 year period.
 The carrying value of the Gaming Entitlements is included in:

Non Current Assets	at cost	\$720,172	\$720,172
	accumulated amortisation	-\$675,382	-\$603,365
	Net written down value	\$44,790	\$116,807

In January 2018 the Sub-Branch renewed an agreement to secure 25 Gaming Entitlements at a cost of \$350,648 requiring a 2.5% deposit (\$17,532) with a residual liability of \$333,116 (excluding interest).

2021

2020

The liability is carried as:

Current -	Not later than one year	23,794	0
Non current:			
	- Later than one year but not later than two years	47,588	71,382
	- Later than two years	261,734	261,734
		\$333,116	\$333,116

Interest at the Commonwealth Bond rate will also be payable.

The renewed Gaming Entitlements operate from 15th August 2022 and expire in 2032.

The carrying value of the renewed Gaming Entitlements is included in:

Non Current Assets	at cost	\$350,648	\$350,648
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Amortised over the remaining life of the lease (10.0 years)

2 (a). Lease Commitments

Gaming Services Agreement with TGS to provide and service 25 EGM's which expires 15th August 2022.

Lease commitments relating to the period 1 January to 30 November 2021 were partly suspended due to circumstances relating to COVID-19, and the payments foregone of \$123,634 have been recorded as non-cash income in the Statement of Profit or Loss for the year ended 31 December 2021 (2020: \$171,894).

		2021	2020
Current liability	Not later than one year	156,081	253,723
Non current liability	Later than one year but not later than two years	0	156,081
		\$156,081	\$409,804

Non Current Assets

2 (b) Right to use Leased Asset

Cost adopted at 1 January 2019.

Less Accumulated Provision for amortisation

Net written down value

\$871,223	\$871,223
(\$729,396)	(\$486,264)
\$141,827	\$384,959

Amortised over the remaining life of the lease (0.58 years)

MENTONE R.S.L. SUB-BRANCH INC.
ABN 79 788 303 326

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

	As at 31-Dec 2021 \$	As at 31-Dec 2020 \$
3. Cash at bank	295,163	303,643
4.Sporting & Social sections		
Sporting Section – Angling and sundry	<u>2,655</u>	<u>2,835</u>
	2,655	2,835
5.Sundry creditors		
Other sundry creditors	<u>1,231</u>	<u>0</u>
	1,231	0
6. Employee provisions		
Current liability - Holiday pay	43,041	39,749
Current liability - Long service leave	<u>30,387</u>	<u>27,387</u>
	73,428	67,136
7.Other provisions and sundry accruals		
Audit fees accrued	3,409	3,409
Sundry expenses accrued	3,000	0
Deferred Jackpot Contribution	10,294	30,465
Deferred income -Grant received	1,882	5,000
Vic. Commission for Gambling licence fees accrued	<u>2,400</u>	<u>5,000</u>
	20,985	43,874
8.Net Goods and Services Tax Payable		
GST Payable	4,335	637
Net GST Payable	<u>4,335</u>	<u>637</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Note 9.Detailed sundry income & expenditure by classification function

	2021	2020
Sundry Income		
EFTPOS rebate	2,699	1,540
Donations received	4,033	-
Interest received	177	476
Kitchen rental	-	1,800
Raffles	4,688	1,028
Room, Premises & Car Park Hire	4,592	2,983
Members Subscriptions	21,065	14,712
TAB Commission	7,837	6,988
Other sundry income (including suppliers rebates)	3,014	1,837
Sundry Income total	48,105	31,364
Operating expenses		
Bar & Gaming		
Salaries & wages	103,413	137,127
Superannuation and Workcover	12,142	11,078
Bar Sundry (mainly beer gas)	3,422	2,280
Security cash collection	2,172	3,759
VCGLR Supervision charge	2,069	3,070
Gaming Sundry	1,352	1,528
	124,570	158,842
Management and Administration		
Salaries, holiday & sick leave	70,538	61,190
Long service leave, superannuation and workcover	10,782	13,688
Staff amenities ,advertising and training	91	130
	81,411	75,008
Occupancy		
Electricity	25,309	22,962
Gas	2,123	1,829
Insurance - Public Liability & Industrial Special Risks	20,131	22,642
Water rates and Fire Services levy	3,636	2,017
Repairs and maintenance	15,348	9,008
Security patrols	922	922
	67,469	59,380
Advertising ; Promotions ; Bands & Artists		
Advertising	1,087	532
Promotions- Discount sales	-	1,650
Foxtel	7,381	2,285
Promotions- (including waiving of membership subscription \$15,440)	16,969	338
Rewards points & Membership charges	4,049	(918)
Bands & Artists	3,350	2,350
	32,836	6,237

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Note 9.Detailed sundry income & expenditure by classification function (continued)	2021	2020
Cleaning		
Cleaning materials	1,007	1,044
Contract cleaning	14,470	8,388
Rubbish removal	4,545	3,030
	20,022	12,462
Communications		
Printing , stationery & postage	1,043	895
Telephones & internet	3,706	3,782
	4,749	4,677
Legal and professional		
Audit fees	3,091	3,000
Insurance - Directors & Officers	3,676	2,607
Registration and licence fees	3,877	2,392
Professional	900	900
	11,544	8,899
Finance		
Bank charges	230	197
EFTPOS fees	3,401	1,755
	3,631	1,952
Travel & Courtesy Bus		
Registration and insurance fees	2,277	2,220
Fuel, maintenance & sundry	1,562	20
	3,839	2,240
Other sundry expenses		
TAB & Pay TV costs	12,304	6,845
Sponsorship and other sundry expenses	(342)	1,085
	11,962	7,930
Welfare & Charitable		
Salaries, holiday & sick leave	60,504	41,861
Long service leave, superannuation and workcover	6,986	2,809
Honorariums	3,000	3,000
Committee & Volunteer expenses	565	644
Newsletters & Members correspondence	-	40
Promotions- waiving of Veterans membership subscription	3,200	-
	74,255	48,354
Operating expenses total	436,288	385,981

**Independent Audit Report
To The Members of Mentone RSL Sub-Branch Inc**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Mentone RSL Sub-Branch Inc ("the Sub Branch"), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of the Sub Branch is properly drawn up, including:

- a. giving a true and fair view of the Sub Branch's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and with the Associations Incorporation Reform Act 2012 and Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility 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 Sub Branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other 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 audit opinion.

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting responsibilities under the Associations Incorporation Reform Act 2012 and the ACNC Act. As a result, the financial report may not be suitable for another purpose.

Committee's Responsibility for the Financial Report

The Committee of the Sub Branch is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 and the ACNC Act. The Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

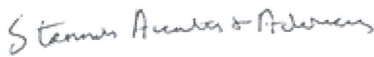
Those charged with governance are responsible for overseeing the Sub Branch's financial reporting process.

**Independent Audit Report
To The Members of MentoneRSL Sub-Branch Inc (cont'd)**

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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



Stannards Accountants and Advisors



Michael Shulman

Partner

Date: 10 February 2022