



WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

ACN 001 062 620 ABN 54 001 062 620

2019/2020

ANNUAL REPORT

For year ending 30th June 2020

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

2019/2020 ANNUAL REPORT

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Woolgoolga Returned Services Club Limited will be held at the Woolgoolga Returned Services Club Limited, 17 Beach St. Woolgoolga at 10.30 am, Sunday 27th September 2020.

AGENDA

1. To confirm the minutes of the Annual General Meeting held Sunday 29 September 2019.
2. To receive and consider the Annual Report for the 12 month period ended 30th June 2020.
3. Any other business of which proper notice has been given.
(Any questions relating to the Annual Report should be put in writing to the Secretary Manager at least five clear days prior the meeting. Copies of the annual report are available at the Registered Club Premises or on the Club Website.)
4. To receive recommendations to the incoming Board.

By order of the Board of Directors.

Glenn Buckley.

Secretary Manager.

31 August 2020.

PRESIDENTS REPORT 2020

It is with pleasure on behalf of the Board of Directors to present my Annual Report for the financial year ending 30 June 2020

Secretary Manager Glenn Buckley, with the assistance of Assistant Manager Daphne Parker has done an exceptional job in a very trying time. It has been a very difficult year what with having to close the doors for 3 months then trying to re - open whilst maintaining Covid - 19 restrictions while attempting to have the Club open and operating in a safe and friendly manner.

I will make special mention to Julie White who controls the front desk and is the first line of defense for everyone coming in. Seeing for myself how difficult it is to have members to swipe their card on entering. You would think this would come naturally as something to always do.

I would also like to thank the members of the staff who came in over the period we were closed, to give the club a deep clean, carry out repairs and move the Gaming Machines.

Some of our staff also helped the Golf Club grounds staff in getting jobs done that the regular staff hadn't been able to get to, their efforts have been much appreciated.

A big thank you to you, our members who have stuck by us in these very trying times in supporting the restrictions that have been put upon us, so that we can provide a safe environment.

I would also like to thank the Board Members that have given their time to act as "Covid 19 Cops" when we didn't have a staff members available to carry out this important job.

I would like to specially thank all staff in all areas the bar, gaming, restaurant, cleaning/security, golf club and motel. You have all done a terrific job in a difficult year.

The bar, bistro and gaming staff continue to serve our customers in the friendly and courteous manner that the club is renowned for.

I would like to personally thank all management and staff for their diligence and the courteous manner in which they conduct themselves. Thank you.

Thank you to Don & his Golf club committee for their running the game of golf and funding for the cart paths.

The Ladies Golf Committee for their input into the improvements to amenities from funds they collect from raffles and special thanks for their donation of \$900.00 towards the "farmer's drought relief fund".

Most of all I thank our loyal members & visitors who use their club as their regular venue. We value your patronage and try to give back to the members, in prizes as much as we can. Thank you for your support.

I thank Graeme Geyson and his committee from the Sub - Branch for working in harmony with the Board of Directors, management & staff.

To all members who are sick; I wish them a speedy recovery & my sincere condolences to all who have lost a loved one

LEST WE FORGET

T.W.GOLDTHORPE, President

WOOLGOOLGA RSL SUB BRANCH

PRESIDENT'S REPORT 2020

It is with pleasure that I present my report for 2020. It has been another tumultuous year with the Covid 19 pandemic severely restricting the normal operation of the sub-Branch.

ANZAC Day was a quiet affair with Trevor Goldthorpe, Allan Crouch, Reverend David Hangar, Geoff Morrow and myself conducting a simple wreath laying ceremony with the reciting of the Ode. Remembrance Day will also be restricted. We held our Annual General meeting and election of the Executive Committee in February. With so many nominations it was difficult to disappoint those who missed out. But as usual the committee remained unchanged with Greg Jackson and Rob Wake as Vice Presidents, Cherrill Powell as Treasurer, Allan Crouch as Secretary, Ros Mackenzie as Assistant Secretary, Geoff Morrow as Publicity and myself as President (for the 10th year).

My job as President is made that much easier with the support of our Committee and it is without a doubt that the sub-Branch would not exist without these members volunteering for these positions and I sincerely thank them for their time and effort. I would also mention our Affiliate members who continue to support our functions. Thank you, ladies.

Our monthly meetings were curtailed by the Virus but we did start up again in July and will continue, with restrictions. I thank the Club Ltd CEO Glen Buckley, his assistant CEO Daphne Parker, the receptionist Julie White and all the bar and kitchen staff for their assistance throughout the past year. In addition, I would like to thank Club President Trevor Goldthorpe and the Board of Directors for their continued support. The support given is an intrinsic part of our commemorative services and I sincerely thank them all.

Finally, our sub-Branch offers our condolences to the families and friends of all of those who have passed on in the last year. To all our members and friends who are in hospitals and nursing homes, you are always in our thoughts.

LEST WE FORGET.

GRAEME GEYSON, President

WOOLGOOLGA RETURNED SERVICES MENS GOLF CLUB

PRESIDENTS REPORT 2020

This year has been a challenging year with Covid 19 basically turning normal activities into non events, but I'm happy to report that we have so far come through this quite well.

Many adjustments have taken place and we have adapted thanks mainly to club captain Gary Rankin, who has been all over this from the start, his leadership in our golf program and rules as been outstanding and I thank him immensely. Also I would like to thank Terry Perfrement our Pro who has been at the coal face, his input has been really impressive and as I've said in previous reports, we as a club are lucky to have him as our professional. Finally I would like to give a special mention to Secretary Manager Glenn Buckley who has steered the club through these trying times.

The golf club is very fortunate that we have great people on our committee who do a crucial job in running the day to day golf matters. Mick Hodge as Vice Captain is a solid back up for Club Captain Gary Rankin, Mick is there every week doing mid-week comp results and weekend results where needed. I would also like to thank John McNeice for his efforts in controlling the Pizza Place comp with assistance from Neil Wells, Col Cafferky's work as Secretary is second to none, he is so efficient especially when it comes to government assistance, which he is constantly probing, It's pleasing that Col has committed for another year. Treasurer Graeme Geyson has been very thorough with his accounts and keeps a tight rein on spending, his reports leave no one wondering what position the golf club is in. Media man Russell Richardson never misses a beat with his results in the paper. I'd like to thank Vice President Tony Bellamy for his advice throughout the year, Tony is a great back up to myself and finally to Gary Kennedy who's words of wisdom and assistance is most appreciated.

This year our committee on behalf of the members contributed well over the \$50,000 mark, in fact our committee contributed a total of \$70,272. This was made up of on course expenses \$38,606, clubhouse \$6,466, including new computers and a TV. Currently a new cart shed is being constructed where a further 20 (petrol) carts will be housed. We are listening to members wishes that more cart space be available. We are also continuing with the cart paths which are expect to be completed by the end of September. I would like to thank Matt from Boral and Ben from Woolgoolga quarry for their support with this, also I would like to thank the ladies for their contribution to both the cart paths and cart shed expenses.

This year may see the retirement of Steve Geyson who has been on long service leave and during this time his son Jack has taken over as head greenkeeper. We, the committee agree that young Jack Geyson be strongly considered for the role if Steve does decide to call it a day.

Finally thanks to the bar staff who look after us, Josh and Karen are the managers who really deserve special mention, Luke and Shane do not let the standard down by any means when they are on, a big thankyou to them.

DON PENSON.

President Woolgoolga Returned Services Golf Club.

WOOLGOOLGA RETURNED SERVICES LADIES GOLF CLUB PRESIDENTS REPORT 2019

Since taking over the presidency this year, 2020 has presented many challenges.

The year began with choking smoke from the nearby bushfires which made playing difficult. This was followed by torrential rain which saw the course closed for a time. Just as the weather conditions settled, the world was subjected to the COVID 19 pandemic.

Woolgoolga was fortunate that we were still able to play, albeit with vastly changed playing conditions. Unfortunately, this caused the postponement of the CNC Seniors Tournament that we were to host in May and our Open Day which was to be held in March. During the initial stages of COVID restrictions our pro, Terry Perfrement, took over the running of our competitions so that we could comply with all the health precautions necessary. I would like to give a huge vote of thanks to Terry for taking on that role for us. The support provided by Terry and his staff is greatly appreciated.

During this time, we also saw the wonderful efforts of the grounds staff, led by Jack Geyson, preparing and altering the course to keep us safe and compliant with COVID regulations. We have also seen steady improvement of the course, particularly the greens, under Jack's leadership. Many thanks to the grounds staff for their tireless efforts.

I would like to thank our committee for their support during all the changes to conditions and competitions, in particular our secretary Marian Brading, who kept us all well informed of the ever changing and evolving conditions stipulated by Golf Australia.

We have resumed the running of the competitions and are returning to 'normalcy'. At this point, we have less than the average numbers in the competitions than at this stage last year, but are confident that as more conditions are eased, we will see the return of members who were unable to play during the pandemic. Despite reduced numbers we have earmarked a funding contribution to the further development of the cart paths and are looking forward to their completion.

We have a great group of women at the club who are all enjoying the easing of restrictions and the wonderful environment and resource of the Woolgoolga Golf Club.

LINDA MACDONALD

President Woolgoolga Returned Services Ladies Golf Club.

WOOLGOOLGA RETURNED SERVICES CLUB LTD.

CERTIFICATE OF REGISTRATION No.237656

IMPORTANT INFORMATION FOR CLUB MEMBERS

The following information is in a form approved by the Director of Liquor & Gaming .

Club members may inspect the original of the disclosures and declarations covered by sections 41C,41D,41E &41F of The Registered Clubs Amendment Act by making a written application to the Secretary of the Club.

The reporting period for this information is the last financial year ending 30 June 2019

- In the reporting period there were no occasions when Directors reported a material personal or financial interest in a contract or company that related to the affairs of the Club.
- No Director or Top Executive had a financial interest in a hotel located with 40 km of the club during the reporting period.
- No Directors, Top Executives or Employees reported receiving gifts from affiliated bodies or contractors which had a value in excess of \$1,000.00
- During the reporting period the Club had one Top Executive whose total remuneration was between \$135,000.00 and \$145,000.00.
- During the reporting period no Directors or Employees travelled overseas at the Club's expense.
- During the reporting period no Employees were loaned money from the Club.
- During the reporting period the Board of Directors approved Registered and Licensed Club Award wage increases which affected the Top Executives.
- During the reporting period the Club employed the following persons who were a close relative of a Top Executive or Director
 - Josh Buckley Permanent Bar Person
- During the reporting period the Club has not engaged any consultants individually or collectively in excess of the \$30,000.00 threshold.
- During the reporting period the Club has not made a settlement in a legal dispute with any Director or employee. The Club has not paid any legal fees on behalf of a Director during the reporting period.
- The total profits from Gaming Machines for the 12 months ending 31 August 2018 was \$2,171,933.12 During that period the Club donated \$70,815.00 to Community Development and Support as is required under part 4 of the Gaming Machine Act 2001.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Financial Statements

For the Year Ended 30 June 2020

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Contents

For the Year Ended 30 June 2020

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	31
Independent Audit Report	32
Detailed trading accounts	34

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Directors' Report 30 June 2020

The directors present their report on Woolgoolga Returned Services Club Ltd for the financial year ended 30 June 2020.

General information

Information on directors

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

T. Goldthorpe Experience	Appointed 15 March 1983 Retired Refrigeration Engineer
M. Hussey Experience	Appointed 30 September 2003 Retail Storeperson
G. Jackson Experience	Appointed 26 September 2000 Retired Logistics Operator
G. King Qualifications Experience	Appointed 29 November 2007 Resigned 29 September 2019 Bachelor of Education Retired School Principal
P. Clark Qualifications Experience	Appointed 29 September 2013 Bachelor of Education School Principal
K. Mavin Experience	Appointed 21 September 2017 Resigned 29 September 2019 Security Officer
G. Kennedy Experience	Appointed 29 September 2019 Retired Royal Australian Navy Captain
M. Hodge Experience	Appointed 29 September 2019 Retired Fire Brigade Station Commander
R. Sward Experience	Appointed 29 September 2019 Semi-Retired Software and Electrical Engineer

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

Principal activities

The principal activities of Woolgoolga Returned Services Club Ltd during the financial year were to promote and conduct the game of golf and such other sports, games, amusements, entertainments and entertainers, pastimes and recreation (indoor and outdoor) as the Club may deem expedient.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Directors' Report

30 June 2020

General information

Principal activities

The principal activities of the Club have provided the funding to achieve the goals that have been reached and that funding will continue to provide the means by which the Club will meet its future goals.

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

Short term objectives

The Club's short term objectives are to:

- Continue to provide the activities that make up the principal activities of the Club
- Provide entertainment, food and beverages for the community at reasonable prices
- Encourage new membership
- Improve profitability and efficiency of Club operations
- Derive income to support local sporting groups and charitable organisations

Long term objectives

The Club's long term objectives are to:

- Ensure facilities continue to cater for members' needs
- Maintain financial stability for the Club
- Develop the assets of the Club to provide viable and alternative streams of income for the betterment of the Club
- Continue to seek alternative sources of income away from the core business of the Club

Strategy for achieving the objectives

The strategy to achieve the short and long term objectives of the Club is through the provision of effective corporate governance including:

- Making decisions that are consistent with the Club's role/purpose and the interests of the members
- Ensuring the Club's business is conducted ethically and transparently
- Compliance with any relevant legislative industrial and administrative requirements
- Through support of the community
- Measuring / monitoring the profitability and efficiency of core trading activities

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Directors' Report

30 June 2020

General information

- Obtaining value for club money spent by avoiding waste and extravagance in the use of club resources
- Providing value for money to members and guests
- Providing a safe, healthy and discrimination free club environment.

Performance measures

The following measures are used within the Club to monitor performance.

As per Clubs NSW code of practice guidelines for assessing club performance and benchmarking, including but not limited to:

- Assessing profitability through EBITDA
- Membership numbers
- Revenue centre profit benchmarking such as GP%
- Wages as a percentage of sales
- Assessing return on investment with regards to all expenditure.

Members' guarantee

Woolgoolga Returned Services Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members that are corporations and \$2 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$ 2,410 (2019: \$ 2,570).

Membership Class	Number of Members	Individual Members' Contribution on winding up of the Club	Total Members' Contribution on winding up of the Club
Ordinary	46	\$2	\$92
Associate	1,000	\$2	\$2,000
Life	1	\$2	\$2
Golf - Male	123	\$2	\$246
Golf - Female	30	\$2	\$60
Golf - Junior	5	\$2	\$10
Total	1,205	\$2	\$2,410

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Directors' Report

30 June 2020

Core Property

Core property is defined as any real property owned by the Club that comprises the defined premises of the Club or any facilities provided by the Club for the use of members and their guests. Core property of the Club consists of the land occupied by the clubhouse and carparks at 17 Beach Street, Woolgoolga, NSW.

Meetings of directors

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

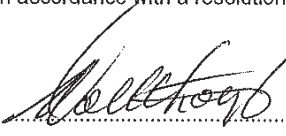
Attendances by each director during the year were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
T. Goldthorpe	12	12
M. Hussey	12	11
G. Jackson	12	12
G. King	3	2
P. Clark	12	11
K. Mavin	3	3
G. Kennedy	9	8
M. Hodge	9	9
R. Sward	9	8

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Dated this 25th day of AUGUST 2020



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Coffs Harbour NSW 2450

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Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Woolgoolga Returned Services Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'James Davis', written over a light blue horizontal line.

James Davis

13-15 Park Avenue, Coffs Harbour

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Sales revenue	4	1,579,530	1,892,551
Cost of sales	6	(636,131)	(764,690)
Gross profit		943,399	1,127,861
Finance income	5	6,067	18,474
Other income	4	2,868,260	3,987,844
Marketing expenses		(53,400)	(72,638)
Occupancy costs		(475,072)	(504,869)
Employee benefits expense		(2,014,146)	(2,330,912)
Depreciation expense	6	(170,844)	(258,082)
Other expenses		(1,177,676)	(1,431,638)
Finance expenses	5	(31,537)	(20,422)
(Loss)/Profit before income tax		(104,949)	515,618
Income tax expense		-	-
(Loss)/Profit from continuing operations		(104,949)	515,618
(Loss)/Profit for the year		(104,949)	515,618
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(104,949)	515,618

The Club has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	227,587	320,042
Trade and other receivables	9	123,591	34,346
Inventories	10	34,433	32,270
Other financial assets	11	800,000	800,000
Other assets	12	91,614	112,574
TOTAL CURRENT ASSETS		<u>1,277,225</u>	<u>1,299,232</u>
NON-CURRENT ASSETS			
Other financial assets	11	2,254	2,254
Property, plant and equipment	13	2,473,488	2,618,031
Intangible assets	14	924,600	924,600
TOTAL NON-CURRENT ASSETS		<u>3,400,342</u>	<u>3,544,885</u>
TOTAL ASSETS		<u>4,677,567</u>	<u>4,844,117</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	551,076	439,931
Borrowings	16	88,593	36,506
Short-term provisions	17	501,456	562,492
Other liabilities	18	172,577	332,772
TOTAL CURRENT LIABILITIES		<u>1,313,702</u>	<u>1,371,701</u>
NON-CURRENT LIABILITIES			
Borrowings	16	48,777	68,644
Long-term provisions	17	50,864	34,599
TOTAL NON-CURRENT LIABILITIES		<u>99,641</u>	<u>103,243</u>
TOTAL LIABILITIES		<u>1,413,343</u>	<u>1,474,944</u>
NET ASSETS		<u>3,264,224</u>	<u>3,369,173</u>
EQUITY			
Retained earnings		<u>3,264,224</u>	<u>3,369,173</u>
TOTAL EQUITY		<u>3,264,224</u>	<u>3,369,173</u>

The Club has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	3,369,173	3,369,173
Loss after income tax expense	(104,949)	(104,949)
Balance at 30 June 2020	3,264,224	3,264,224

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	2,853,555	2,853,555
Profit after income tax expense	515,618	515,618
Balance at 30 June 2019	3,369,173	3,369,173

The Club has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,561,077	5,446,658
Payments to suppliers and employees	(4,639,057)	(5,530,095)
Interest received	5 5,873	18,099
Interest paid	5 (31,537)	(20,422)
Dividends received	5 194	375
Net cash provided by/(used in) operating activities	26 <u>(103,450)</u>	<u>(85,385)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	11,519	1,810,076
Purchase of property, plant and equipment	13 (32,550)	(172,267)
Purchase of financial assets	-	(800,000)
Net cash provided by/(used in) investing activities	<u>(21,031)</u>	<u>837,809</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings	59,859	47,159
Repayments of Borrowings	(27,833)	(328,456)
Net cash provided by/(used in) financing activities	<u>32,026</u>	<u>(281,297)</u>
Net increase/(decrease) in cash and cash equivalents held	(92,455)	471,127
Cash and cash equivalents at beginning of year	<u>320,042</u>	<u>(151,085)</u>
Cash and cash equivalents at end of financial year	8 <u><u>227,587</u></u>	<u><u>320,042</u></u>

The Club has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Woolgoolga Returned Services Club Ltd as an individual entity. Woolgoolga Returned Services Club Ltd is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Woolgoolga Returned Services Club Ltd is Australian dollars. Comparatives are consistent with prior years, unless otherwise stated.

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

1 Basis of Preparation

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

2 Summary of Significant Accounting Policies

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Gain on disposal of non-current assets

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

Other income

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

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

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

(e) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(g) Property, plant and equipment

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

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(g) Property, plant and equipment

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

Depreciation

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

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings and Improvements	2.5 - 7.5%
Plant and Equipment	11 - 65%
Motor Vehicles	15 - 25%
Poker Machine Equipment	26%

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

(h) Financial instruments

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Club becomes party to the contractual provisions of the instrument.

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

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(h) Financial instruments

Impairment of Financial Assets

At the end of the reporting period the Club assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment. In this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

For current year

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

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

Financial assets

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

Classification

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

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

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms giving rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Fair value through other comprehensive income

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at FVTPL.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Impairment of financial assets

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

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment and includes forward looking information.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

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

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

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

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

(i) Impairment of non-financial assets

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

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

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

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

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

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

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(j) Intangible Assets

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the Club. If the Club were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

(k) Cash and cash equivalents

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

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

(l) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(m) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

(n) Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

As discussed in note 2 (m), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Critical Accounting Estimates and Judgments

Key estimates - useful lives of assets

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

4 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Sale of goods		
- Bar trading - main club	605,558	737,218
- Bar trading - golf club	573,365	638,797
- Restaurant trading	400,607	516,536
Total Revenue	1,579,530	1,892,551

	2020	2019
	\$	\$
Other Income		
- Poker machines trading	1,422,074	1,957,292
- TAB and Keno commissions	68,623	88,700
- Health club	59,497	71,096
- Golf club operations	463,944	470,757
- Motel operations	44,724	181,490
- Membership subscriptions	23,556	23,836
- Sub clubs	99,698	116,120
- Sundry income	247,873	291,988
- Insurance reimbursement	-	96,775
- Government stimulus	433,000	-
- net gain on disposal of property, plant and equipment	5,271	689,790
	2,868,260	3,987,844

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Finance Income and Expenses

Finance income

	2020	2019
	\$	\$
Interest received	5,873	18,099
Dividends received	194	375
Total finance income	6,067	18,474

Finance expenses

	2020	2019
	\$	\$
Interest expense	31,514	20,261
Other finance expenses	23	161
Total finance expenses	31,537	20,422

6 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Cost of sales	636,131	764,690
Other expenses:		
Employee benefit expenses	1,851,197	2,157,267
Superannuation contributions	162,949	173,645
Depreciation expense	170,844	258,082

7 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2020	2019
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	(28,861)	141,795
Less:	(28,861)	141,795
Tax effect of:		
Recoupment of prior year tax losses not previously brought to account	(28,861)	141,795

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	63,389	64,538
Bank balances	114,625	180,802
Sub club accounts	49,573	74,702
	<u>227,587</u>	<u>320,042</u>

9 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	1,006	10,180
GST receivable	-	136
Other receivables	122,585	24,029
	<u>123,591</u>	<u>34,345</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

10 Inventories

	2020	2019
	\$	\$
CURRENT		
At cost:		
Bar	24,704	23,975
Restaurant	9,729	8,294
	<u>34,433</u>	<u>32,269</u>

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Other Financial Assets

(a) Financial assets at fair value through profit or loss

	2020	2019
	\$	\$
CURRENT		
Long-term deposits	800,000	800,000
	<u>800,000</u>	<u>800,000</u>
NON-CURRENT		
Listed shares	2,254	2,254
	<u>2,254</u>	<u>2,254</u>
Total	<u>802,254</u>	<u>802,254</u>

Financial assets at FVTPL include investment in listed equity securities. The Club accounts for the investment at FVTPL and did not make the irrevocable election to account for it at FVOCI.

12 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	88,633	96,166
Accrued income	2,981	16,409
	<u>91,614</u>	<u>112,575</u>

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	650,082	650,082
Total Land	<u>650,082</u>	<u>650,082</u>
Buildings		
At cost	3,271,181	3,258,677
Accumulated depreciation	(1,753,181)	(1,666,426)
Total buildings	<u>1,518,000</u>	<u>1,592,251</u>
Total land and buildings	<u>2,168,082</u>	<u>2,242,333</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,141,928	1,132,428
Accumulated depreciation	(864,312)	(799,180)
Total plant and equipment	<u>277,616</u>	<u>333,248</u>
Motor vehicles		
At cost	38,360	53,359
Accumulated depreciation	(10,570)	(10,909)
Total motor vehicles	<u>27,790</u>	<u>42,450</u>
Total plant and equipment	<u>305,406</u>	<u>375,698</u>
Total property, plant and equipment	<u>2,473,488</u>	<u>2,618,031</u>

(a) Movements in carrying amounts of property, plant and equipment

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

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2020					
Balance at the beginning of the year	650,082	1,592,251	333,249	42,449	2,618,031
Additions	-	23,050	9,500	-	32,550
Disposals	-	-	-	(6,249)	(6,249)
Depreciation expense	-	(97,301)	(65,133)	(8,410)	(170,844)
Balance at the end of the year	<u>650,082</u>	<u>1,518,000</u>	<u>277,616</u>	<u>27,790</u>	<u>2,473,488</u>

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2019					
Balance at the beginning of the year	-	1,685,530	357,101	18,806	2,061,437
Additions	-	-	133,908	38,359	172,267
Disposals	-	-	-	(7,673)	(7,673)
Transfers from held for sale	650,082	-	-	-	650,082
Depreciation expense	-	(93,279)	(157,760)	(7,043)	(258,082)
Balance at the end of the year	650,082	1,592,251	333,249	42,449	2,618,031

There is a registered mortgage over 2 properties owned by the Club.

No impairment has been recognised in respect of plant and equipment.

14 Intangible Assets

Poker machine entitlements		
Cost	924,600	924,600
Accumulated amortisation and impairment	-	-
	924,600	924,600

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 2 (h) to the financial statements.

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not certain as at 30 June 2020.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

15 Trade and Other Payables

	2020	2019
Note	\$	\$
Current		
Trade payables	167,330	173,143
Sundry payables and accrued expenses	383,746	266,787
	<u>551,076</u>	<u>439,930</u>

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

16 Borrowings

	2020	2019
	\$	\$
CURRENT		
Premium loan funding	59,859	-
Lease liability	23,827	27,294
Loan - CBA	-	4,813
Solar panel loan	4,907	4,594
	<u>88,593</u>	<u>36,701</u>
	<u>2020</u>	<u>2019</u>
	\$	\$
NON-CURRENT		
Lease liability	9,568	26,925
Solar panel loan	39,209	41,719
	<u>48,777</u>	<u>68,644</u>
Total borrowings	<u>137,370</u>	<u>105,345</u>

(a) Guarantees

The Commonwealth Bank of Australia have provided a guarantee of \$5,000 (2019: \$5,000) to TAB Limited for the Club's TAB operations.

(b) Leased Liabilities

Leased liabilities are secured by the underlying leased assets.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

17 Provisions

	2020	2019
	\$	\$
CURRENT		
Annual leave	242,295	227,817
Long service leave	259,161	334,674
	<u>501,456</u>	<u>562,491</u>
	2020	2019
	\$	\$
NON-CURRENT		
Long service leave	50,864	34,599
	<u>50,864</u>	<u>34,599</u>

	Annual leave	Long service leave	Total
	\$	\$	\$
Current			
Opening balance at 1 July 2019	227,817	369,273	597,090
Net amounts accrued	14,478	(59,248)	(44,770)
Balance at 30 June 2020	<u>242,295</u>	<u>310,025</u>	<u>552,320</u>

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in note 2 (m) to this report.

18 Other Liabilities

	2020	2019
	\$	\$
CURRENT		
Income in advance	112,800	282,000
Subscriptions received in advance	59,777	50,772
	<u>172,577</u>	<u>332,772</u>

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

19 Capital and Leasing Commitments

(a) Finance Leases

	2020	2019
	\$	\$
Minimum lease payments:		
- not later than one year	24,501	36,523
- between one year and five years	9,686	87,016
Minimum lease payments	34,187	123,539
Less: finance charges	(792)	(23,007)
Present value of minimum lease payments	33,395	100,532

(b) Operating Leases

	2020	2019
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	64,766	53,188
- between one year and five years	39,210	82,113
	103,976	135,301

20 Financial Risk Management

The Club is exposed to a variety of financial risks through its use of financial instruments.

The Club's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Club is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk

Financial instruments used

The principal categories of financial instrument used by the Club are:

- Trade receivables
- Cash at bank
- Bank overdraft

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

20 Financial Risk Management

- Trade and other payables
- Floating rate bank loans

	2020	2019
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	227,587	320,042
Trade and other receivables	123,591	34,346
Fair value through profit or loss (FVTPL)		
	<u>351,178</u>	<u>1,156,642</u>
Financial liabilities		
Financial liabilities at amortised cost	<u>801,164</u>	<u>877,852</u>
	<u>801,164</u>	<u>877,852</u>
Total	<u>(449,986)</u>	<u>278,790</u>

The Club has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Objectives, policies and processes

The Board of Directors has overall responsibility for the establishment of Woolgoolga Returned Services Club Ltd's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Woolgoolga Returned Services Club Ltd's activities.

The day-to-day risk management is carried out by Woolgoolga Returned Services Club Ltd's finance function under policies and objectives which have been approved by the Board of Directors.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Club's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Club will encounter difficulty in meeting its financial obligations as they fall due.

The Club's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Club maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

20 Financial Risk Management

Liquidity risk

The Club manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Club expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Club.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Club has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

The Club is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Club to fair value interest rate risk.

The Club's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Club is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

21 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the Club. At 30 June 2020 the number of members was 1,205 (2019: 1,285).

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

22 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Woolgoolga Returned Services Club Ltd during the year are as follows:

	2020	2019
	\$	\$
Short-term employee benefits	560,351	617,696

23 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor for:		
- Professional fees - auditors' remuneration	17,570	17,100
- Professional fees - accounting fees	6,380	3,850
Total	23,950	20,950

24 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2020 (30 June 2019:None).

25 Related Parties

(a) **The Club's main related parties are as follows:**

Key management personnel - refer to Note 22.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **Transactions with related parties**

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

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Notes to the Financial Statements

For the Year Ended 30 June 2020

26 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

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

	2020	2019
	\$	\$
(Loss)/Profit for the year	(104,949)	515,618
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	170,844	258,082
- net gain on disposal of property, plant and equipment	(5,271)	(689,790)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(89,382)	(1,928)
- (increase)/decrease in other assets	13,564	(10,795)
- (increase)/decrease in prepayments	7,533	(28,130)
- (increase)/decrease in inventories	(2,164)	4,292
- increase/(decrease) in income in advance	(169,200)	(169,200)
- increase/(decrease) in trade and other payables	111,341	8,473
- increase/(decrease) in other liabilities	9,005	(36,079)
- increase/(decrease) in employee benefits	(44,771)	64,072
Cashflows from operations	<u>(103,450)</u>	<u>(85,385)</u>

27 Events after the end of the Reporting Period

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

28 Statutory Information

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

Woolgoolga Returned Services Club Ltd
17 Beach Street
Woolgoolga NSW 2456

Woolgoolga Returned Services Club Ltd

ABN: 64 001 062 620


Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 30, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director 

Director 

Dated 25th August 2020



Tel: (02) 6652 2333

13 - 15 Park Avenue
(PO Box 919)
Coffs Harbour NSW 2450

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report of Woolgoolga Returned Services Club Limited ('the Company'), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

Intangible assets, being poker machine entitlements (licences) are carried in the statement of financial position at \$924,600. Due to the impacts of COVID-19, there does not appear to presently be an active market for these licences, and therefore there is significant uncertainty regarding the amount that could be realised if these assets were to be sold. The directors are presently unsure as to the market value of these assets.

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as management determines is necessary to enable 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

We 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.

HQB Accountants Auditors Advisors



James Davis – Partner in HQB Accountants Auditors Advisors

13-15 Park Avenue
Coffs Harbour

Dated: 25 August 2020