



# **WOOLGOOLGA RETURNED SERVICES CLUB LIMITED**

ACN 001 062 620 ABN 54 001 062 620

2018/2019

## **ANNUAL REPORT**

For year ending 30<sup>th</sup> June 2019

WOOLGOOLGA RETURNED SERVICES CLUB LIMITED

# 2018/2019 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 29<sup>th</sup> September 2019.**

### AGENDA

1. To confirm the minutes of the Annual General Meeting held Sunday 30 September 2018.
2. To receive and consider the Annual Report for the 12 month period ended 30<sup>th</sup> June 2019.
3. For the returning officer to declare the results of the Board elections.
4. To consider and, if thought fit, to pass the following Ordinary Resolutions of which proper notice has been given.

### 1 Ordinary Resolution

The Members hereby approve expenditure by the Club in a sum not exceeding \$20,000.00 over the following twelve months for the following expenses subject to Board Approval by the Board of Directors.

- (i) The reasonable cost of a meal and beverage for each Director before or after a Board or Committee Meeting, on the day of that meeting when this coincides with a normal meal time.
- (ii) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
- (iii) Reasonable expenses of Directors attending functions with spouses where appropriate and required to represent the Club.
- (iv) The provision of blazers and associated apparel for the use of Club Directors when representing the Club.

The members acknowledge that the benefits above are not available to Members generally but only for those who are Directors of the Club.

### 2 Ordinary Resolution

That all voting materials (rolls of electors and ballot papers) be retained for one month (before being destroyed) after the Annual General Meeting for 2019 and all future Annual General Meetings where a Board of Directors election has been held. This requirement is in accordance with ClubsNSW Guideline for the Conduct of Board Elections.

Moved Graeme Geyson, seconded Allan Crouch.

5. 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.)
6. To receive recommendations to the incoming Board.

**By order of the Board of Directors.**

**Glenn Buckley.**

**Secretary Manager.**

**30 August 2019.**

## **PRESIDENTS REPORT 2019**

It is with pleasure on behalf of the Board of directors to present my annual report for the financial year ending 30 June 2019

Secretary Manager Glenn Buckley continues the challenge of the current hospitality industry in attaining a profit. We have had a vast improvement this year, with us showing a trading profit of \$515,618.00 but this includes a net gain on the sale of property of \$689,790.00

Although there has been an improvement in the bottom line and we continue to reduce the backload of staff long service leave, some areas are still giving us concern that we are addressing.

Mrs. Daphne Parker is doing an excellent job as Assistant Secretary to Glenn, as she continues to assist in the smooth running of the club and keeps the books in order.

Julie, our front desk operator and office assistant, is a good ambassador in the first line of greeting our members and guests and is a wealth of information to answer all those many general knowledge questions that are asked.

We welcome Heather who is assisting in the office, upgrading in social media and helping wherever she can and doing a great job.

I would like to specially thank all staff in all areas the Bar, Gaming, Bistro, 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 continuing to inform the main club of improvement requirements. We also thank the Golf Committee for their assistance in paying a small portion of the rates and land tax, thank you.

The Ladies Golf Committee for their input into the improvements to amenities from funds they collect from raffles. Congratulations in running a successful inter club ladies comp.

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 President Graeme Geyson and his committee from the Sub Branch for working in harmony with the Board of Directors, Management & staff, especially on Anzac and Remembrance days, which is their very special days.

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 2019**

It is with pleasure that I present my report for 2019. It has been a tumultuous couple of years within the RSL NSW with the cessation of fund raising and bad publicity which has effected all sub-Branches. Thankfully the organisation is back on track and our main aim of raising funds for the Veteran Community may recommence.

Our main events of Remembrance Day and ANZAC Day were, as usual a great success with the public continuing to support these events in great numbers, especially the ANZAC Day Dawn Service, the march and the Commemorative Service. It is worth remembering that these events would not be possible without the existence of the Woolgoolga RSL sub-Branch and its members who give their time selflessly. The other essential support for these events continues from the Returned Services Club Ltd, the Defence Cadets, the Woolgoolga RFS, the Uniting Church, the Chaplain, the Pipes and Drums and the police. I sincerely thank them all. I must also thank the Coffs Harbour City Council for their assistance and sometimes hinderance of the ANZAC Day march. They organised and paid for the traffic control but insist on our completing risk assessments and other administrative requirements which frustrates our Secretary.

My job as President is made that much easier with the support of our Vice Presidents Greg Jackson and Rob Wake, our Secretary Allan Crouch OAM RFD, our Treasurer Cherryle Powell, our welfare Officers Allan Crouch OAM RFD and Dick Frost, our Museum Director Glen Rogan and Geoff Morrow our Publicity Officer. 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 and the ANZAC Day breakfast and luncheon. Thank you, ladies.

Our Treasurer Cherryle continues keeping our finances intact and our books aligned. With the turmoil within the RSL NSW finally sorted their decision to recommence all fund raising our funds may increase. We will need to have our volunteers out selling merchandise. Allan continues to be our 'rock' as Secretary and with Dick continues to attend our fallen in funeral services and their support to families of our deceased members. We unfortunately bid Dick a farewell this year with his move up north. I thank Dick for all his assistance and time he devoted to the sub-Branch. Glen Rogan has stepped in to assist Allan at funeral services. Thank you, Glen.

We continue to work in unison with the Woolgoolga Returned Services Club Ltd and I would like to thank the CEO Glenn 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 2019**

It is with pleasure that I present my report to members.

The golf club has experienced a confusing year in regards to player numbers. Player numbers have been down in certain areas, but up in others.

The mid - week Wednesday competition continues to grow, way above the committee's expectation, we are now averaging around 85 players which peaks at 90 players on occasions. This is way better than most clubs in the region for mid - week competition, except perhaps Coffs Harbour. Saturday competition now averages around 100 players, which is down on previous years. The Committee puts this down to members enjoying a shorter course on Wednesday.

Golf Australia have been analysing data which basically says courses that are set up with wider fairways, and shorter in length are becoming more popular with members, especially older players who enjoy being able to conquer the course and as such will play more often. This appears to be happening at our club and the figures suggest we should look at this positively.

Our Saturday competition is the main competition and has suffered in numbers in recent times. Whilst still averaging 100 players, this is down from previous years where we could confidently predict 120 plus players. The overall average of players is good however, our potential to grow is enormous and with the right decisions made in the right areas I believe we can progress our club further.

Representative golf this year saw our club exceed expectations. The Mid north coast championships at Nambucca Heads saw our club win four out of five titles with the other result losing on a countback. This led to us having a great pennant series where we won the division 4 and open title, our three's lost in the final as well as the div 1, this was an awesome effort and all players can feel proud of their effort.

Financially our club this year contributed in excess of \$65,000 to the running costs, effective from the end of August 2019.

Our members never query paying that little bit more if it means our club benefits overall. We are very fortunate to have such passionate members at our club.

Our club professional Terry Perfrement is an outstanding individual, we are lucky to have a professional that is passionate about our future and looks after members interests in golf, his input is unbelievable in all aspects of running the club.

Many thanks to Gary Rankin our club captain and his match committee who do a thankless job, without them our club would not be where it is today,

Thanks to Steve Geyson and his green staff for the work on our course, his staff are outstanding.

**DON PENSON.**

**President Woolgoolga Returned Services Golf Club.**

# **WOOLGOOLGA RETURNED SERVICES LADIES GOLF CLUB PRESIDENTS REPORT 2019**

I would like to thank our new Committee for 2019 for all the hard work that they have done. I have enjoyed my time as President for the last 3 years it is a rewarding experience to be part of a fantastic team.

Special thanks to our secretary Marion who keeps us up to date with all the calendar events. We are also very fortunate that Leanne has taken on the Captaincy role again with all her knowledge and know-how, and Meryl for keeping our finances in order.

Woolgoolga Ladies Pennants team was fortunate to win last year's Pennant finals so a huge congratulation to all those members.

We have had another great year with our members, who are always very accommodating with our raffle prizes and bringing a plate on special occasions. They are all a great bunch of girls who enjoy the socializing as well as playing golf.

We held our open day earlier this year on the 26<sup>th</sup> March which attracted around 80 ladies and we were lucky to have great weather.

Also we were very fortunate to have been chosen to hold the Vets competition this year on the 28<sup>th</sup> & 29<sup>th</sup> July. It was an awesome experience to meet so many of our lady golfers from across the state & also Queensland & Canberra we had a total of over 100 golfers which, we organized a meet & greet night & had the 1<sup>st</sup> Presentation & tea at our Woolgoolga Diggers Club.

I would like to thank our sponsors Rhonda Singh & Sandra from Coastal Travel and also our Woolgoolga diggers Club that supplied drinks for our Meet & Greet night and everyone enjoyed their 2 course meal. We had been given a lot of fantastic feedback about our competition and the organization of the 2 days we had so many members & volunteers that contributed in some way and helped to make this event a great success.

It was a fantastic opportunity for us to be able to show case Woolgoolga & surrounding places.

Our championships start on the 10<sup>th</sup> September so want to wish all our members good luck

It is great to have a few of our pathways covered with dirt so they were a lot smoother to ride in the cart, it was great for that to be done before our big Vets tournament a special thanks to Steve Geyson and his team .

Lastly we would like to let our pro Terry Preferment know we really appreciate his support in a lot of our fundraising events. He is always so generous and happy to help us with any concerns and of course the Bar Staff who always look after us.

All in all happy golfing.

**LYNN REILLY**

**President Woolgoolga Returned Services Ladies Golf Club.**

# **Woolgoolga Returned Services Club Ltd**

**ABN: 54 001 062 620**

**Financial Statements**

**For the Year Ended 30 June 2019**

# Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

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## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

### Directors' Report

30 June 2019

The directors present their report on Woolgoolga Returned Services Club Ltd for the financial year ended 30 June 2019.

#### 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 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 Security Officer

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.

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.

## **Woolgoolga Returned Services Club Ltd**

ABN: 54 001 062 620

### **Directors' Report**

**30 June 2019**

#### **General information 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
- 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.

## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

### Directors' Report

30 June 2019

#### General information

#### 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 2019 the collective liability of members was \$ 2,570 (2018: \$ 3,122).

Membership Class	Number of Members	Individual Members' Contribution on winding up of the Club	Total Members' Contribution on winding up of the Club
Ordinary	44	\$2	\$88
Associate	1,122	\$2	\$2,244
Life	1	\$2	\$2
Golf - Male	97	\$2	\$194
Golf - Female	18	\$2	\$36
Golf - Junior	3	\$2	\$6
Total	1,285	\$2	\$2,570

#### Core and Non-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. Non-core property of the Club means any real property owned by the Club that is not core property. During the year the Club sold its non-core property which consisted of 5 and 7 Beach Street, Woolgoolga, NSW.

Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

Directors' Report

30 June 2019

Meetings of directors

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

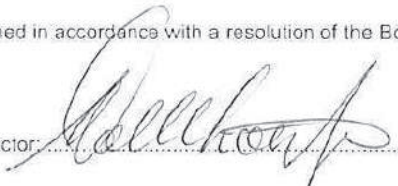
Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
T. Goldhorpe	12	11
M. Hussey	12	11
G. Jackson	12	10
G. King	12	11
P. Clark	12	10
K. Mavin	12	10

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2019 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 27th day of August 2019



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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 2019, 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 circular stamp.

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 2019

		2019	2018
	Note	\$	\$
Sales revenue	5	1,892,551	1,951,630
Cost of sales	7	(764,690)	(770,168)
Gross profit		1,127,861	1,181,462
Finance income	6	18,474	734
Other income	5	3,987,844	3,405,766
Marketing expenses		(72,638)	(80,998)
Occupancy costs		(504,869)	(504,513)
Employee benefits expense		(2,330,912)	(2,459,851)
Depreciation expense		(258,082)	(389,185)
Other expenses		(1,431,638)	(1,548,511)
Finance expenses	6	(20,422)	(48,320)
<b>Profit before income tax</b>		<b>515,618</b>	<b>(443,416)</b>
Income tax expense		-	46,155
<b>Profit from continuing operations</b>		<b>515,618</b>	<b>(397,261)</b>
<b>Profit for the year</b>		<b>515,618</b>	<b>(397,261)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>515,618</b>	<b>(397,261)</b>

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*.

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 2019

		2019	2018
	Note	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	9	320,042	248,532
Trade and other receivables	10	34,345	38,031
Inventories	11	32,269	36,561
Other financial assets	12	800,000	-
Other assets	13	112,575	68,036
Non-current assets held for sale	14	-	1,762,696
<b>TOTAL CURRENT ASSETS</b>		<b>1,299,231</b>	<b>2,153,856</b>
NON-CURRENT ASSETS			
Other financial assets	12	2,254	2,254
Property, plant and equipment	15	2,618,031	2,061,437
Intangible assets	16	924,600	924,600
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,544,885</b>	<b>2,988,291</b>
<b>TOTAL ASSETS</b>		<b>4,844,116</b>	<b>5,142,147</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	17	439,736	431,264
Borrowings	18	36,701	717,824
Short-term provisions	19	562,491	518,954
Other liabilities	20	332,772	538,050
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,371,700</b>	<b>2,206,092</b>
NON-CURRENT LIABILITIES			
Borrowings	18	68,644	68,434
Long-term provisions	19	34,599	14,065
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>103,243</b>	<b>82,499</b>
<b>TOTAL LIABILITIES</b>		<b>1,474,943</b>	<b>2,288,591</b>
<b>NET ASSETS</b>		<b>3,369,173</b>	<b>2,853,556</b>
<b>EQUITY</b>			
Retained earnings		3,369,173	2,853,556
<b>TOTAL EQUITY</b>		<b>3,369,173</b>	<b>2,853,556</b>

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*.

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 2019

#### 2019

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2018</b>	<b>2,853,556</b>	<b>2,853,556</b>
Profit after income tax	515,618	515,618
<b>Balance at 30 June 2019</b>	<b>3,369,173</b>	<b>3,369,173</b>

#### 2018

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2017</b>	3,250,818	3,250,818
Loss after income tax expense	(397,262)	(397,262)
<b>Balance at 30 June 2018</b>	<b>2,853,556</b>	<b>2,853,556</b>

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*.



## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

### Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	5,446,658	5,687,432
Payments to suppliers and employees	(5,530,095)	(5,825,851)
Interest received	18,099	509
Interest paid	(20,422)	(36,773)
Dividends received	375	225
Net cash provided by/(used in) operating activities	28 <u>(85,385)</u>	<u>(174,458)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	1,810,076	-
Purchase of property, plant and equipment	(172,267)	(112,490)
Purchase of financial assets	(800,000)	-
Net cash provided by/(used in) investing activities	<u>837,809</u>	<u>(112,490)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Borrowings	47,159	315,144
Repayments of Borrowings	(328,456)	(19,588)
Net cash provided by/(used in) financing activities	<u>(281,297)</u>	<u>295,556</u>
Net increase/(decrease) in cash and cash equivalents held	471,127	8,608
Cash and cash equivalents at beginning of year	<u>(151,085)</u>	<u>(159,693)</u>
Cash and cash equivalents at end of financial year	9 <u><u>320,042</u></u>	<u><u>(151,085)</u></u>

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 2019

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 Change in Accounting Policy

#### Financial Instruments - Adoption of AASB 9

The Club has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2017.

As part of the adoption of AASB 9, the Club adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year.

The key changes to the Club's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Club has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018.

#### Classification of financial assets

The financial assets of the Club have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income - debt instruments (FVOCI - debt)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).

## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

# Notes to the Financial Statements

For the Year Ended 30 June 2019

## 2 Change in Accounting Policy

### Financial Instruments - Adoption of AASB 9

#### Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. Where applicable, this has resulted in the earlier recognition of credit loss (bad debt provisions).

## 3 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.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

### (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 2019

#### 3 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

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# Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 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 2019

#### 3 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 2019

#### 3 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

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# Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 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

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# Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 Summary of Significant Accounting Policies

#### (i) Impairment of non-financial assets

Where an indicator exists and regardless of 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. The Club holds other poker machine entitlements that have a market value. 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 2019

#### 3 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 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

##### (o) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Club has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Club where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	1 Jan 2019	Requires all operating leases, which are currently not recorded on the balance sheet, to be recognised on the balance sheet together with a right-to-use asset.	The Club does not expect AASB 16 to have a material impact on the financial statements.
AASB 15 Contracts with customers	1 Jan 2019	A five-step model is required to be applied to determine the timing of recognition and the amount of revenue.	The Club does not expect AASB 15 to have a material impact on the financial statements.
AASB 1058 Income of Not-for-Profit Entities	1 Jan 2019	Requires revenue from grants and donations to be recognised where any associated performance obligation to provide goods or services is satisfied and not immediately upon receipt.	The Club does not expect AASB 1058 to have a material impact on the financial statements.

#### 4 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.

## Woolgoolga Returned Services Club Ltd

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### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 4 Critical Accounting Estimates and Judgments

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 3 (l), 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.

##### 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.

#### 5 Revenue and Other Income

##### Revenue from continuing operations

	2019	2018
	\$	\$
Sale of goods		
- Bar trading - main club	737,218	723,713
- Bar trading - golf club	638,797	675,494
- Restaurant trading	516,536	552,423
<b>Total Revenue</b>	<b>1,892,551</b>	<b>1,951,630</b>

## Woolgoolga Returned Services Club Ltd

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### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 5 Revenue and Other Income

	2019	2018
	\$	\$
Other Income		
- Poker machines trading	1,957,292	1,972,736
- TAB and Keno commissions	88,700	82,425
- Health club	71,096	75,154
- Golf club operations	470,757	419,626
- Motel operations	181,490	450,474
- Membership subscriptions	23,836	28,329
- Sub clubs	116,120	103,511
- Sundry income	291,988	280,716
- Insurance reimbursement	96,775	-
- net gain on disposal of property, plant and equipment	689,790	(7,205)
	<u>3,987,844</u>	<u>3,405,766</u>
Total Revenue and Other Income	<u>5,880,395</u>	<u>5,357,396</u>

#### 6 Finance Income and Expenses

##### Finance income

	2019	2018
	\$	\$
Interest received	18,099	509
Dividends received	375	225
<b>Total finance income</b>	<u>18,474</u>	<u>734</u>

##### Finance expenses

	2019	2018
	\$	\$
Interest expense	20,261	48,029
Other finance expenses	161	291
<b>Total finance expenses</b>	<u>20,422</u>	<u>48,320</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*.

## Woolgoolga Returned Services Club Ltd

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### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 7 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Cost of sales	764,690	770,168
Other expenses:		
Employee benefit expenses	2,157,267	2,270,091
Superannuation contributions	173,645	189,760
Depreciation expense	258,082	389,185

#### 8 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2019	2018
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 27.5%)	141,795	(121,940)
Add:		
Tax effect of:		
- Tax losses not recognised as deferred tax assets	-	121,940
	<u>141,795</u>	-
Less:		
Tax effect of:		
- Principle of mutuality and non assessable income and non deductible expenses	-	46,155
Recoupment of prior year tax losses not previously brought to account	141,795	-
	<u>141,795</u>	-
Income tax expense	<u>-</u>	<u>(46,155)</u>

#### 9 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash on hand	64,538	63,446
Bank balances	180,802	123,646
Sub club accounts	74,702	61,440
	<u>320,042</u>	<u>248,532</u>

## Woolgoolga Returned Services Club Ltd

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### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 9 Cash and Cash Equivalents

##### Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2019	2018
	\$	\$
Cash and cash equivalents	320,042	248,532
Bank overdrafts	18 -	(399,617)
<b>Balance as per statement of cash flows</b>	<b>320,042</b>	<b>(151,085)</b>

#### 10 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	10,180	9,201
GST receivable	136	5,750
Other receivables	24,029	23,080
	<b>34,345</b>	<b>38,031</b>

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.

#### 11 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost:		
Bar	23,975	29,668
Restaurant	8,294	6,893
	<b>32,269</b>	<b>36,561</b>

## Woolgoolga Returned Services Club Ltd

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### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 12 Other Financial Assets

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

	2019	2018
	\$	\$
CURRENT		
Long-term deposits	800,000	-
	<u>800,000</u>	<u>-</u>
NON-CURRENT		
Listed shares	2,254	2,254
	<u>2,254</u>	<u>2,254</u>
<b>Total</b>	<u><b>802,254</b></u>	<u><b>2,254</b></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.

#### 13 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	96,166	68,036
Accrued income	16,409	-
	<u>112,575</u>	<u>68,036</u>

#### 14 Assets and liabilities held for sale

	2019	2018
	\$	\$
Non-current assets held for sale		
Freehold land	-	990,082
Coastal Cove	-	428,621
Buildings - Motel	-	343,993
	<u>-</u>	<u>1,762,696</u>

In the prior year, non-current assets classified as held for sale related to Diggers Rest Motel, 5 & 7 Beach Street, Woolgoolga, for which a contract for sale was signed before the year end with settlement expected post year end. The sales price was agreed at \$1.8m

## Woolgoolga Returned Services Club Ltd

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### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 15 Property, plant and equipment

	2019	2018
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	650,082	-
Total Land	<u>650,082</u>	<u>-</u>
Buildings		
At cost	3,258,677	3,258,677
Accumulated depreciation	(1,666,426)	(1,573,147)
Total buildings	<u>1,592,251</u>	<u>1,685,530</u>
Total land and buildings	<u>2,242,333</u>	<u>1,685,530</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,132,428	2,624,007
Accumulated depreciation	(799,180)	(2,266,906)
Total plant and equipment	<u>333,248</u>	<u>357,101</u>
Motor vehicles		
At cost	53,359	48,866
Accumulated depreciation	(10,909)	(30,060)
Total motor vehicles	<u>42,450</u>	<u>18,806</u>
Total plant and equipment	<u>375,698</u>	<u>375,907</u>
<b>Total property, plant and equipment</b>	<u><b>2,618,031</b></u>	<u><b>2,061,437</b></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
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>					
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)
<b>Balance at the end of the year</b>	<u><b>650,082</b></u>	<u><b>1,592,251</b></u>	<u><b>333,249</b></u>	<u><b>42,449</b></u>	<u><b>2,618,031</b></u>



## Woolgoolga Returned Services Club Ltd

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### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 15 Property, plant and equipment

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

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>					
Balance at the beginning of the year	990,082	2,485,398	608,972	23,580	4,108,032
Additions	-	99,796	12,695	-	112,491
Disposals	-	(58)	(7,146)	-	(7,204)
Transfers	(990,082)	(772,614)	-	-	(1,762,696)
Depreciation expense	-	(126,992)	(257,420)	(4,774)	(389,186)
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,685,530</b>	<b>357,101</b>	<b>18,806</b>	<b>2,061,437</b>

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

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

#### 16 Intangible Assets

Poker machine entitlements		
Cost	<b>924,600</b>	924,600
Accumulated amortisation and impairment	-	-
	<b>924,600</b>	<b>924,600</b>

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 3 (j) 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 impaired and annual impairment testing has been conducted at 30 June 2019.

#### 17 Trade and Other Payables

	<b>2019</b>	<b>2018</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
Current		
Trade payables	<b>173,143</b>	117,238
Sundry payables and accrued expenses	<b>266,592</b>	314,024
	<b>439,735</b>	<b>431,262</b>

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.

## Woolgoolga Returned Services Club Ltd

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### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 18 Borrowings

		2019	2018
		\$	\$
CURRENT			
Bank overdraft		-	399,617
Premium loan funding		-	36,187
Lease liability	21	27,294	11,720
Loan - CBA		4,813	5,998
Lincoln Place loan		-	260,000
Solar panel loan		4,594	4,302
		<u>36,701</u>	<u>717,824</u>
		2019	2018
		\$	\$
NON-CURRENT			
Lease liability	21	26,925	15,041
Loan - CBA		-	3,012
Solar panel loan		41,719	50,381
		<u>68,644</u>	<u>68,434</u>
<b>Total borrowings</b>		<u><b>105,345</b></u>	<u><b>786,258</b></u>

#### (a) Guarantees

The Commonwealth Bank of Australia have provided a guarantee of \$5,000 (2018: \$5,000) to TAB Limited for the Club's TAB operations.

#### (b) Leased Liabilities

Leased liabilities are secured by the underlying leased assets.

#### 19 Provisions

		2019	2018
		\$	\$
CURRENT			
Annual leave		227,817	216,145
Long service leave		334,674	302,809
		<u>562,491</u>	<u>518,954</u>
		2019	2018
		\$	\$
NON-CURRENT			
Long service leave		34,599	14,065
		<u>34,599</u>	<u>14,065</u>

## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 19 Provisions

	Annual leave	Long service leave	Total
	\$	\$	\$
<b>Current</b>			
Opening balance at 1 July 2018	216,145	316,874	533,019
Net amounts accrued	11,672	52,399	64,071
<b>Balance at 30 June 2019</b>	<b>227,817</b>	<b>369,273</b>	<b>597,090</b>

#### 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 3 (l) to this report.

#### 20 Other Liabilities

	2019	2018
	\$	\$
<b>CURRENT</b>		
Income in advance	282,000	451,200
Subscriptions received in advance	50,772	86,850
	<b>332,772</b>	<b>538,050</b>

#### 21 Capital and Leasing Commitments

##### (a) Finance Leases

	2019	2018
	\$	\$
Minimum lease payments:		
- not later than one year	36,523	20,803
- between one year and five years	87,016	62,356
- later than five years	-	32,434
Minimum lease payments	<b>123,539</b>	115,593
Less: finance charges	<b>(23,007)</b>	(34,148)
Present value of minimum lease payments	<b>100,532</b>	81,445

## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 21 Capital and Leasing Commitments

##### (b) Operating Leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	53,188	51,891
- between one year and five years	82,113	135,301
	<u>135,301</u>	<u>187,192</u>

#### 22 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
- Trade and other payables
- Floating rate bank loans

	2019	2018
	\$	\$
<b>Financial assets</b>		
Loans and receivables	-	286,562
Financial assets at fair value through profit or loss	802,254	2,254

## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 22 Financial Risk Management

	2019	2018
	\$	\$
Held at amortised cost		
Cash and cash equivalents	320,042	-
Trade and other receivables	34,346	-
Fair value through profit or loss (FVTPL)		
	<hr/>	<hr/>
	1,156,642	288,816
<b>Financial liabilities</b>		
Financial liabilities at fair value	-	296,187
Financial liabilities at amortised cost	877,852	1,459,383
	<hr/>	<hr/>
	877,852	1,755,570
<b>Total</b>	<hr/>	<hr/>
	278,790	(1,466,754)

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.

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.

## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

# Notes to the Financial Statements

For the Year Ended 30 June 2019

## 22 Financial Risk Management

### 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.

## 23 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 2019 the number of members was 1,285 (2018: 1,561).

## 24 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:

	2019	2018
	\$	\$
Short-term employee benefits	617,696	549,516

## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 25 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor for:		
- Professional fees - auditors' remuneration	17,100	16,000
- Professional fees - accounting fees	3,850	6,550
<b>Total</b>	<b>20,950</b>	<b>22,550</b>

#### 26 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2019 (30 June 2018:None).

#### 27 Related Parties

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

Key management personnel - refer to Note 24.

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.

An amount of \$500 per director was credited to club membership cards in lieu of the expenses incurred by directors in performing their duties.

## Woolgoolga Returned Services Club Ltd

ABN: 54 001 062 620

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 28 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:

	2019	2018
	\$	\$
Profit for the year	515,618	(397,263)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	258,082	389,185
- net gain on disposal of property, plant and equipment	(689,790)	7,205
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(1,928)	(2,679)
- (increase)/decrease in other assets	(10,795)	-
- (increase)/decrease in prepayments	(28,130)	(8,971)
- (increase)/decrease in inventories	4,292	4,715
- (increase)/decrease in deferred tax asset	-	(46,155)
- increase/(decrease) in income in advance	(169,200)	(169,200)
- increase/(decrease) in trade and other payables	8,473	24,496
- increase/(decrease) in other liabilities	(36,079)	2,563
- increase/(decrease) in employee benefits	64,072	21,646
Cashflows from operations	<u>(85,385)</u>	<u>(174,458)</u>

#### 29 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.

#### 30 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: 54 001 062 620

**Directors' Declaration**

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 32, 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 2019 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 27/08/2019



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## Woolgoolga Returned Services Club Ltd

# Independent Audit Report to the members of Woolgoolga Returned Services Club Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Woolgoolga Returned Services Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Woolgoolga Returned Services Club Ltd**

**Independent Audit Report to the members of Woolgoolga Returned Services Club Ltd**

**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 the financial report.



James Davis

Location .....  
Dated this ..... 27th ..... day of ..... August .....2019