

Wauchope RSL Club LTD



...the friendly club

ANNUAL REPORT 2019 - 2020

Wauchope RSL Club LTD
...the friendly club

WAUCHOPE R.S.L. CLUB LIMITED
(A Company Limited by Guarantee ABN 68 001 009 212)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the forty seventh Annual General Meeting of the above Company will be held on Sunday TWENTY SEVENTH DAY of SEPTEMBER 2020 at 4.00pm.

BUSINESS

1. To receive, consider and adopt the financial statements of the Club for the year ended 30 June 2020 and the reports by the Directors and Auditors thereon.
2. President's Report
3. Secretary Manager's Report
4. Directors' Report
5. Auditor's Report
6. **Election of Auditors:** Northcorp Accountants having been nominated as Auditors and have signified their acceptance of the nomination.
7. **Nomination of Honorary Solicitors** Priests Legal have been nominated as Honorary Solicitors and have signified their willingness to perform the duty.

8. ORDINARY RESOLUTIONS.

9. **To Elect Three Directors:** The retiring Directors are:

Greg Cavanagh, Debbie Prosser & Len Gibbs.

As there were only 3 nominations received for the positions of Director it negated the need for an election and the following nominees were returned unopposed as Directors for a three-year term.

Greg Cavanagh, Debbie Prosser & Len Gibbs.

10. **NOTICE TO MEMBERS:** Any financial member of the Club attending the Annual General Meeting who needs clarification on any matter pertaining to the financial statements contained herein please give your questions in writing to the Secretary Manager no later than 18 September 2020 so that your queries may be fully answered at the meeting.

11. Progress Report to Members on Cameron Grange

12. To transact any business that may be transacted at the Annual General Meeting.

G. Withers
Company Secretary

ORDINARY RESOLUTIONS:

Explanation Note:

It is a requirement under the Registered Clubs Act 1976 that Members approve and agree to expenditure by the Club preceding the next Annual General Meeting for benefits to Directors that are not afforded to other Members of the Club.

The benefits, which are provided, are the standard benefits that have been provided to Directors of the Club over a number of years. The purpose of these resolutions is to comply with the requirements of the Registered Clubs Act.

To be passed, Ordinary Resolutions must receive a simple majority of votes in favour from those members present at the meeting who are eligible to vote.

The Board recommends the following four Ordinary Resolutions.

Directors Benefits

First Resolution:

That pursuant to the Registered Clubs Act.

1. The Members hereby approve and agree to reasonable expenditure by the club for Professional Development and Education of Directors until the next Annual General Meeting and being for:
 - A. The reasonable cost of Directors attending at meetings of Clubs N.S.W. and the Club Managers Association of Australia including their Annual General Meetings, Conferences and Trade Shows.
 - B. The reasonable cost of Directors attending seminars, lectures, Trade Displays, organised study tours, fact finding tours and other similar events as may be determined by the Board from time to time.
 - C. The reasonable cost of Directors attending their Clubs or similar businesses for the purpose of viewing and assessing their facilities and methods of operation.
 - D. The issue of suitably inscribed blazers, shirts and other apparel to each Director as required.
2. The members acknowledge that the benefits in paragraph (1) are not available to members generally but only to those who are Directors of the Club and those Members directly involved in the Clubs activities.

Second Resolution:

That pursuant to the Registered Clubs Act:

1. The Members hereby approve and agree to expenditure by the Club until the next Annual General Meeting of the Club the following expenditure and benefits for Directors.
- A. The reasonable cost of a meal and beverage for each Director immediately before, during or after a Board or Committee Meeting.
- B. Reasonable expenses incurred by Directors in attending Club activities and functions with partners where appropriate, to represent the Club providing the expenses are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.
2. The Members acknowledge that the benefits in paragraph (1) are not available to Members generally but only for those who are Directors of the Club.

Third Resolution:

That pursuant to the Registered Clubs Act:

The Members hereby approve and agree to the reasonable cost or expenses in relation to

- A. Sponsorship of Sub Clubs.
- B. Attending presentations to Members or other persons acknowledging services deemed by the Directors to be of benefit to the Club and or the Community.
- C. Life Members presentations and dinners as approved by the Directors.

Fourth Resolution:

Approval of Honorarium for the President for the year 2020/2021:

That pursuant to the Registered Clubs Act 1976, as amended, the Members hereby approve and agree to the President receiving an Honorarium for services rendered to the Club not exceeding \$10,000.00 during the period preceding the next Annual General Meeting. The Members acknowledge that the Honorarium is not available to Members equally but only to the President as elected by the Board of Directors as per the Clubs Constitution.

Dated: 4 August 2020
By Direction of the Board

G. Withers
SECRETARY MANAGER

PRESIDENTS REPORT 2019-2020

On behalf of the Board of directors and Management it gives me great pleasure to submit my report for the year ending 30th June 2020. The club achieved an outstanding after tax profit of \$474,940.00 a very pleasing result considering the turmoil of the covid 19 virus crisis. When the club under the direction of the NSW government and clubs NSW had to close down from the 23rd March until 1st June 2020.

At last construction of the Clubs over 55's Lifestyle Village in Cameron Street (Cameron Grange) has commenced with the completion of all 15 independent living units expected around the middle of 2021.

Once again, the club has continued to support many local sporting organisations and charities \$56,430.00 was given over the past 12 months, down slightly on previous years due to sporting clubs inactivity during the Corona virus, without the support of the RSL Club many of these teams, and organisations would struggle to exit. We are very proud of our sporting teams and will continue to support them where possible.

I'd like this opportunity to thank Vice President Ray Knapp and my fellow directors for their invaluable support and commitment provided during the year. Their time is given freely to assist in the many facets involved in running the club, which is greatly appreciated. The zoom meetings during our lockdown were a new experience and went well, however, I much prefer the normal club meetings for the comradeship and extra detail to business covered.

To our Secretary Manager, Graham, Assistant Managers Ken, Tina and Michelle, Supervisors and all staff, thank you for a job well done during a difficult year.

On the reopening of the club in June, members received a pleasant surprise on the transformation of the interior of the club. Just before the lockdown, work had commenced to completely paint the interior of the club, replace all ground floor carpet and recover chairs in the tab area. The only good thing about covid19 is it allowed completion of the work with minimum disruption of trade. It also allowed staff on job keeper to spend many long hours in the club doing a maximum clean of all surfaces in the club. Again, thank you to all involved, in my 40 years as a member of our great club, I have never seen it looking so good

To the wonderful group of dedicated volunteers that give their time freely to assist with things like raffles, Christmas parties, BBQ's and numerous other activities, without you these events would not happen. On behalf of all members, thank you.

On behalf of the Board of Directors, Management and staff, we pass on our sincere condolences to those in our community who have lost loved ones during the year and to those not enjoying the best of health, we pray you have a speedy recovery

In conclusion, I thank all members for your patronage during the year, it is your continued support that allows the club to improve facilities and maintain its. Great and friendly environment.



Mal Butler

PRESIDENT

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SECRETARY MANAGER'S REPORT 2019 - 2020

I am pleased to present the Annual Report and Balance Sheet for the year ending 30th June 2020, which shows an after tax profit of \$474,940. This is an increase of \$95,029 when compared to last year's profit of \$379,911.

This year's result was achieved by a great team effort starting with sound policy decisions by the Board and the fantastic staff that make Wauchope RSL Club "The Friendly Club".

It has been a trying 2019 & 2020 with drought, fires and Covid-19. The Club was closed for trading for 66 days during the pandemic. Whilst the Club is now open it is under very strict conditions to comply with NSW Health Orders.

During the lockdown period Tina O'Connell worked tirelessly to ensure all was in order in readiness to open. Staff also assisted in cleaning the Club to make sure it was spotless.

During the year the Club employed an interior decorator to design a new carpet and colour scheme. The new carpet and painting was completed just before the Club shut down.

This year the Wauchope RSL Club celebrates sixty-five years trading as a licenced Club. It all started back in 1953 when a small building was erected on the current site. The Club received its first liquor licence in 1955 with a membership of 90.

To the Management Team of Ken & Tina, Office Admin Kate and Rebecca, Supervisors Kylie, Kerry, Melissa and Ashley may I offer my sincere thanks for your support and friendship.

Michelle, John and the Bistro Team have achieved a great result under trying conditions for "Reflections" in supplying high quality meals at a reasonable price.

Mark Clayworth and his crew in the Cleaning and Maintenance department have done a great job keeping the Club looking great every day and it is a credit to them.

My thanks go to the Volunteer workers for their assistance and support helping out with weekly raffles, Children's Xmas Party etc as your contribution is invaluable.

To those Members who have lost love ones through the year I offer my deepest sympathy and to those members experiencing health problems may I wish you a speedy recovery.

In closing I would like to thank you the Members for your valued patronage and trust you continue enjoy the facilities of your Club.

Graham Withers

Secretary Manager



...the friendly club

List of Life Members

The Board of Management, Members & Staff are indebted to the following list of persons for their voluntary and invaluable work as Directors and Members and we are honourable to enlist their names in our yearly balance sheet the years in sequence they were granted "Life Membership" of the Wauchope RSL Club Ltd.

(*Denotes deceased)

G. Griegg	1964*
M. F. Brabant	1965*
W. J. Johnston	1967*
A. H. Cant	1972*
T. C. Cooper	1972*
R. A. N. Rowsell	1973*
G. A. Toms	1975*
W. H. Partridge	1976*
J. F. Baker	1979*
A. Robinson	1981*
D. T. McDonald	1982*
E. G. Trotter	1987*
J. D. Graham	1988*
T. Hanington	1990*
R. S. Mudford	1992*
A. T. Neal	1995*
W. J. Starrenburg	1998
M. J. Murrell	1998
R. J. Knapp	1999
C. B. Everingham	2001*
A. J. Pope	2005
M. S. Butler	2005
R. A. Gill	2006
R. Tyne	2007
E. Sheather	2009
B. Cant	2013
W. Saley	2018
R. Pead	2019

Wauchope RSL Club Limited

ABN 68 001 009 212

Financial Statements

For the Year Ended 30 June 2020

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Wauchope RSL Club Limited

ABN 68 001 009 212

DIRECTORS' REPORT

30 June 2020

Your Directors present their report on the Company for the financial year ended 30 June 2020.

Directors

The names of the Directors in office at any time during, or since the end of, the financial year are:

Malcolm Butler
Raymond J Knapp
Bruce Cant
Robert Pead
Gregory Cavanagh
Stephen Perkins
Deborah Prosser
Leonard Gibbs
Wayne Saley

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

Short-Term Objectives

The short-term objectives of the Company are to:

- Continue to provide support for community based entities and to provide a place for such entities to meet;
- Derive income to support local sporting groups and charitable organisations;
- Provide a place for Ex-Service personnel to meet and provide them with guidance and assistance when required; and
- Provide entertainment, food and beverages for the community at reasonable prices.

Long-Term Objectives

The long-term objectives of the Company are to:

- Maintain the ethics and traditions of the RSL and continue to provide a place for Returned Servicemen and Women to meet;
- Repay the debt incurred by the Club premises; and
- Continue to be the hub of the community that brings the town together.

Wauchope RSL Club Limited**ABN 68 001 009 212****DIRECTORS' REPORT****30 June 2020****Strategies Adopted for Achieving Objectives**

To achieve the objectives of the Company the following strategies have been adopted:

- Employing and retaining highly skilled, quality staff committed to achieving the Company's objectives and policies put in place by the Board;
- Providing entertainment to attract patronage to the Club;
- Offering high quality, low priced meals and reasonably priced beverages;
- Running promotions throughout the year for the benefit of members and their guests; and
- Investigating alternative income streams for the future of the Club that will assist in eliminating the Club's current debt.

Principal Activities

The principal activities of the Company during the financial year were the conduct of a Registered Licensed Club, the provision of reasonably priced food and beverages, entertainment, responsible approved gaming including TAB, Keno and poker machines and the provision of meeting venues as required.

No significant change in the nature of these principal activities occurred during the financial year.

Means by which Principal Activities Assisted in Achieving the Company's Objectives

The profit and cash flows generated from the Company's principal activities were utilised in achieving the Company's objectives.

Key Performance Measures

The Company measures and monitors performance by comparing actual results to past performance. The Company reviews key performance indicators such as gross profit margins, wages to turnover ratios, net returns from trading and average return per poker machine.

Members' Guarantee

Wauchope RSL Club Limited is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the Company. At 30 June 2020 the collective liability of members was \$8,590.

Events After the reporting date

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

Wauchope RSL Club Limited**ABN 68 001 009 212****DIRECTORS' REPORT****30 June 2020****Significant Changes in State of Affairs**

The following significant changes in the state of affairs of the Company occurred during the financial year:

On 11 March 2020, the World Health Organisation declared a global pandemic in relation to the COVID-19 virus. On 23 March 2020, registered clubs in New South Wales were ordered to close in accordance with State and Federal Government initiatives to reduce the spread of the virus. Wauchope RSL Club Limited recommenced trading on 1 June 2020 subject to compliance with the requirements of the Public Health Authority, including adherence to social distancing rules.

The disruption to business, resulting from the implementation of government measures to reduce the risk of COVID-19 in the community, has had an adverse impact on the revenue and profitability of the Company for the year ended 30 June 2020. However, it is not practicable to provide a reliable estimate of the financial effect of this event on the operations of the Company as at the date of this report.

Likely Developments and Expected Results

Compliance with Government Regulations designed to reduce the spread of COVID-19, including adherence to social distancing rules are expected to have a continuing detrimental impact on revenue and profitability of the Company during the 2021 financial year. However, due to the uncertainty in relation to the extent of containment of the virus, it is not possible to reliably estimate the effect of this matter on the results of the operations of the Company in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and is included in this financial report.

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 facility provided by the Club for the use of its members and their guests. Core property of the Club consists of land occupied by the clubhouse and the carpark situated at the corner of Young and Cameron Streets, Wauchope, New South Wales.

Non-core property of the Club means any real property owned by the Club that is not core property. Non-core property of the Club consists of the land and buildings located at 28 Hastings Street and the vacant land located at 15 Cameron Street, 17 Cameron Street and 19 Cameron Street in Wauchope, New South Wales.

Wauchope RSL Club Limited

ABN 68 001 009 212

DIRECTORS' REPORT

30 June 2020

Meetings of Directors

During the financial year, 16 monthly and special meetings of Directors were held. Attendances by each Director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
16	16
16	14
16	16
16	15
16	15
16	15
16	15
16	15
16	15
16	14

Malcolm Butler
 Raymond J Knapp
 Bruce Cant
 Robert Pead
 Gregory Cavanagh
 Stephen Perkins
 Deborah Prosser
 Leonard Gibbs
 Wayne Saley

Information on Current Directors**Malcolm Butler**

Qualifications Farmer
 Experience Board Member since 1993
 Special Responsibilities President

Raymond J Knapp

Qualifications Retired Manager
 Experience Board Member since 1986
 Special Responsibilities Vice President

Bruce Cant

Qualifications Retired Business Proprietor
 Experience Board Member since 2004

Robert Pead

Qualifications Administration
 Experience Board Member since 2006

Wauchope RSL Club Limited

ABN 68 001 009 212

DIRECTORS' REPORT

30 June 2020

Information on Current Directors (Continued)**Gregory Cavanagh**

Qualifications
 Experience Retired Administration and Sales Manager
 Board Member since 2008..

Stephen Perkins

Qualifications Administration
 Experience Board Member since 2011

Deborah Prosser

Qualifications Administration
 Experience Board Member since 2012

Leonard Gibbs

Qualifications Retired Business Proprietor
 Experience Board Member since 2017

Wayne Saley

Qualifications Retired Secretary Manager
 Experience Board Member since 2018

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

Director: 

Malcolm Butler

Dated this 4th day of August 2020

Training Disclosure

Directors are to complete required training within 12 months of becoming a Director or fill the requirement for an exemption for the training: Training courses that are to be completed: -

- Director Foundation & Management Collaboration;
- Finance for Club Boards.

Name	Completed	Exemption
Mal Butler		Recognition of Current Industry Knowledge
Ray Knapp		Recognition of Current Industry Knowledge
Robert Pead		Recognition of Current Industry Knowledge
Bruce Cant		Recognition of Current Industry Knowledge
Greg Cavanagh		Recognition of Current Industry Knowledge
Debbie Prosser	Director Foundation & Management Collaboration, Finance for Club Boards	
Stephen Perkins	Director Foundation & Management Collaboration, Finance for Club Boards	
Len Gibbs	Director Foundation & Management Collaboration, Finance for Club Boards	
Wayne Saley	Director Foundation & Management Collaboration, Finance for Club Boards	
Graham Withers	CMAA Club Secretary Managers Course Diploma of Hospitality Diploma of Management	



PARTNERS
 Robert Magnussen B Bus FCA
 Paul Fahey B Bus CA
 Rodney Smith B Fin Admin FCA
 Bart Lawler B Com CA
 Patrick Brennan B Com CA
 Alison McKinnon B Bus CA

AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the *Corporations Act 2001*

To the Directors of Wauchope RSL Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

NorthCorp Accountants

Jodie Thomas
Lead Auditor

**3/80 High Street
Wauchope NSW 2446**

4 August 2020



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 Liability limited by a scheme approved under Professional Standards Legislation

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2020

	2020	2019	
	Note	\$	\$
Revenue			
2	4,906,401	5,664,206	
Other income			
2	162,621	57,728	
		5,069,022	5,721,934
Changes in inventories			
Inventories purchased			
Advertising and promotion			
Cameron Grange operations			
Depreciation and amortisation			
Electricity			
Employee benefits expense			
Finance costs			
Insurance			
Loss on disposal of property, plant and equipment			
Member rewards			
Payroll tax			
Poker machine tax			
Promotions			
Repairs and maintenance			
Social, sport and entertainment			
Write-off of investment property buildings			
Other expenses			
		(422,332)	(461,056)
		(4,591,775)	(5,384,637)
Profit / (loss) before income tax			
Income tax (expense) / benefit			
		477,247	337,297
		4	(2,307)
		474,940	42,614
		474,940	379,911
Other comprehensive income			
Total comprehensive income for the year			
Profit / (loss) attributable to members of the Company			
Total comprehensive income attributable to members of the Company			
		474,940	379,911

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	2020	2019	
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents			
Trade and other receivables			
Inventories			
Other assets			
		744,390	656,638
Total current assets			
Non-current assets			
Property, plant and equipment			
Investment property			
Deferred tax assets			
Intangible assets			
		10,315,405	10,115,911
Total non-current assets			
TOTAL ASSETS			
LIABILITIES			
Current liabilities			
Trade and other payables			
Borrowings			
Other financial liabilities			
Short-term provisions			
Other liabilities			
		1,234,360	1,120,694
Total current liabilities			
Non-current liabilities			
Borrowings			
Deferred tax liabilities			
Long-term provisions			
		2,208,623	2,509,983
Total non-current liabilities			
TOTAL LIABILITIES			
NET ASSETS			
EQUITY			
Reserves			
Retained earnings			
		7,616,812	7,141,872
TOTAL EQUITY			

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2020

2020

	Asset		
	Retained Earnings	Revaluation Reserve	Total
\$	\$	\$	
Balance at 1 July 2019	4,145,438	2,996,434	7,141,872
Profit / (loss) attributable to members of the Company	474,940	-	474,940
Other comprehensive income	-	-	-
Total comprehensive income for the year	474,940	-	474,940
Balance at 30 June 2020	4,620,378	2,996,434	7,616,812

2019

	Asset		
	Retained Earnings	Revaluation Reserve	Total
\$	\$	\$	
Balance at 1 July 2018	3,765,527	2,996,434	6,761,961
Profit / (loss) attributable to members of the Company	379,911	-	379,911
Other comprehensive income	-	-	-
Total comprehensive income for the year	379,911	-	379,911
Balance at 30 June 2019	4,145,438	2,996,434	7,141,872

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
Cash flows from operating activities:		
Receipts from customers	5,416,208	5,892,257
Payments to suppliers and employees	(4,382,125)	(4,819,239)
Interest received	44,545	-
Finance costs	(67,399)	(94,160)
Net cash provided by (used in) operating activities	1,011,229	978,858
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	42,621	59,677
Acquisition of property, plant and equipment	(486,050)	(423,757)
Acquisition of investment property	(291,305)	(169,735)
Net cash provided by (used in) investing activities	(734,734)	(533,815)
Cash flows from financing activities:		
Repayment of borrowings	(274,956)	(439,999)
Net cash provided by (used in) financing activities	(274,956)	(439,999)
Net increase (decrease) in cash held	1,539	5,044
Cash and cash equivalents at beginning of financial year	500,525	495,481
Cash and cash equivalents at end of financial year	502,064	500,525

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

The financial report is for Wauchope RSL Club Limited as an individual entity, incorporated and domiciled in Australia. Wauchope RSL Club Limited is a Company limited by guarantee.

The financial statements were approved and authorised for issue on 4th August 2020 by the Directors of the Company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied, unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Going Concern

On 11 March 2020, the World Health Organisation declared a global pandemic in relation to the COVID-19 virus. On 23 March 2020, registered clubs in New South Wales were ordered to close in accordance with State and Federal Government initiatives to reduce the spread of the virus. Wauchope RSL Club Limited recommenced trading on 1 June 2020 subject to compliance with the requirements of the Public Health Authority, including adherence to social distancing rules.

The disruption to business, resulting from the implementation of government measures to reduce the risk of COVID-19 in the community, has had an adverse impact on the revenue and profitability of the Company for the year ended 30 June 2020. However, it is not practicable to provide a reliable estimate of the financial effect of this event on the operations of the Company as at the date of this report.

Notwithstanding the impact of the COVID-19 pandemic on the Company's trading, the financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company will be able to continue in operation for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(b) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the Australian Taxation Authority (ATO) using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)**(d) Inventories**

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

(e) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), less accumulated impairment losses and accumulated depreciation for buildings. The fair value of freehold land and buildings is based on periodic valuations performed by external independent valuers, at least once every 5 years.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present. Refer to Note 1(h) for details of impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)**(e) Property, Plant and Equipment (Continued)*****Depreciation***

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Depreciation is recognised in profit or loss.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Plant and equipment	2.5 to 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Investment property

Investment property is initially recognised at cost and subsequently carried at fair value, based on periodic valuations performed by external independent valuers at least once every 5 years. Changes to fair value are recognised in profit or loss in the period in which they occur.

(g) Financial Instruments**Initial Recognition and Measurement**

Financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sale of the asset. Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at "fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1

Summary of Significant Accounting Policies (Continued)

(g) Financial Instruments (Continued)

Classification and Subsequent Measurement

Financial Liabilities

Financial liabilities are subsequently measured at amortised costs using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or financial liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through other comprehensive income.

Financial assets comprising cash and cash equivalents, trade and other receivables and interest bearing deposits are subsequently measured at amortised cost as they meet the following conditions:

- the financial assets are managed solely to collect contractual cash flows; and
- the contractual terms within the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial assets

A financial asset is derecognised when the Company's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1

Summary of Significant Accounting Policies (Continued)

(g) Financial Instruments (Continued)

Derecognition (Continued)

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all the risks and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the financial asset reserve is not reclassified to profit or loss, but is transferred to retained earnings

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

A loss allowance is not recognised for investments measured at fair value through other comprehensive income.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)**(g) Financial Instruments (Continued)****Impairment of Financial Assets (Continued)**

Financial assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at the end of the reporting period.

(h) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite useful lives.

(i) Intangible Assets**Poker machine licences**

Poker machine licences are recognised at cost of acquisition. Poker machine licences are tested annually for impairment and are carried at cost less accumulated impairment losses.

Poker machine licences have been determined to have indefinite useful lives as the Company has no intention to sell poker machine licences.

(j) Provisions

Provisions are recognised when the Company 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 using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)**(k) Trade and Other Payables**

Trade and other payables are carried at amortised cost and represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Employee Benefits

Provision is made for the Company'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year 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 not satisfy vesting requirements.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

(m) Revenue Recognition

The Company has applied AASB 15: Revenue from Contracts with Customers using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue. No impact is shown in relation to the initial adoption of AASB 15 as the Directors have assessed that there is no material difference in the result of the Company between applying AASB 118: Revenue and AASB 15.

In accordance with AASB 15, revenue continues to be recognised when control of the goods and services has transferred to the customers. For such transactions, this is the point in time when the goods are delivered to the customers or the services are received by customers.

Interest revenue is recognised using the effective interest method.

Receivables are recognised when items are delivered or services received, as at this point consideration is unconditional since only time needs to pass before payment of that consideration.

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated in the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates - Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. The recoverable amount of the poker machine licences was estimated based on its value-in-use using a pre-tax discount rate of 20.66% and an assumption of negative growth of 10%. The recoverable amount was estimated to be higher than the carrying amount of the poker machine licences, and no impairment was required.

No other impairment has been recognised in respect of assets at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(r) Adoption of new and revised accounting standards

Initial Application of AASB 15: Revenue from Contracts with Customers

The Company has adopted AASB 15: Revenue from Contracts with Customers with a date of initial application of 1 July 2019. As a result the Company has changed its revenue recognition accounting policy as detailed in Note 1(m).

No impact is shown in relation to the initial adoption of AASB 15 as the Directors have assessed that there is no material impact in the results of the Company between applying AASB 118: Revenue and AASB 15.

Note 2 Revenue and Other Income

The Company has recognised the following amounts relating to revenue in the statement of comprehensive income.

Continued Operations

		2020	2019
Note	\$	\$	\$
Sale of goods			
2(a)	1,612,147	2,088,127	
Other sources of revenue			
2(b)	3,294,254	3,576,079	
		4,906,401	5,664,206

(a) Revenue Disaggregation

The revenue is disaggregated along the following product lines:

Bar sales	805,098	1,067,827
Dining room sales	713,512	928,895
Bottle shop sales	93,537	91,405
	1,612,147	2,088,127

Timing of revenue recognition

Goods and services transferred to customers:
- at a point in time

1,612,147	2,088,127
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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

(b) Other Sources of Revenue

	2020	2019
	\$	\$
Commissions received	87,587	118,869
Government subsidies - Jobkeeper payments	241,500	-
Government subsidies - PAYG Cash Flow Boost	62,500	-
Members' subscriptions	16,011	21,395
Interest received	44,545	-
Poker machine GST rebate	17,180	17,180
Poker machine takings	2,745,318	3,325,654
Rent received	15,460	14,316
Other revenue	64,153	78,665
Total other revenue	3,294,254	3,576,079

(c) Other Income

Net gain on disposal of property, plant and equipment	37,621	57,728
Net gain on extinguishment of rights - car park land	3(b) 125,000	-
Total Other Income	162,621	57,728
Total Revenue and Other Income	5,069,022	5,721,934

Note 3 Profit / (Loss) for the Year

(a) Expenses

Cost of goods sold:

Bar trading	365,501	460,833
Dining room trading	341,701	413,270
Bottle shop trading	75,941	69,486
	783,143	943,589

Finance Costs:

Interest expense

Depreciation:

Buildings	126,250	126,250
Plant and equipment	415,915	338,430
	542,165	464,680

Net loss on disposal of property, plant and equipment

(a) Expenses (Continued)

	2020	2019
	\$	\$
Cameron Grange operations:		
Advertising	10,976	1,460
Selling costs	-	17,033
Other costs	3,211	13,382
	14,187	31,875

(b) Significant Revenue and Expenses

The following significant revenue / (expense) items are relevant in explaining the financial performance for the year:

Net gain on extinguishment of rights - car park land	3(c) 125,000	-
Interest on extinguishment of rights - car park land	3(c) 44,545	-
Write-off of investment property buildings	3(d) -	(210,000)
	169,545	(210,000)

(c) Net gain on extinguishment of rights - car park land

During the year ended 30 June 2020 the Company received revenue upon entering into a Deed of Release with Port Macquarie Hastings Council. In accordance with the Deed of Release, the Company agreed to extinguish its rights in relation to car park land located on the corner of Bransdon and Young Streets, Wauchope. The total amount received in relation to the extinguishment of rights consisted of consideration of \$125,000 and an interest component of \$44,545.

(d) Write-off of investment property buildings

During the year ended 30 June 2019, buildings located on two investment properties owned by the Company were demolished. This resulted in a write-off in the value of the of investment property of \$210,000 which has been expensed in profit or loss. The Company continues to hold title to the land.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 4**Income Tax Expense / (Benefit)**

(a) The components of tax expense / (benefit) comprise:

	2020	2019
	\$	\$
Current tax	15,195	(334)
Deferred tax	(12,888)	(42,280)
	2,307	(42,614)

(b) The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to income tax as follows:

Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 27.5% (2019: 27.5%)	131,243	92,757
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Add:

Tax effect of:

- other non-allowable items	62,130	96,048
	193,373	188,805

Less:

Tax effect of:

- non-taxable member income arising from principle of mutuality	111,789	158,254
- deductible depreciation and amortisation	(2,705)	6,289
- deferred tax expense relating to the origination and reversal of temporary differences	12,888	42,280
- other deductible items	69,094	24,596
	191,066	231,419
	2,307	(42,614)

Income tax expense / (benefit) attributable to profit / (loss) from ordinary activities

Note 5**Cash and Cash Equivalents**

	2020	2019
	\$	\$
Cash at bank and on hand	502,064	500,525

Reconciliation of Cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:

Cash and cash equivalents

502,064	500,525
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Note 6**Trade and Other Receivables**

	95,079	11,095
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Current

Trade receivables

Note 7**Inventories**

Current

Finished Goods - at Cost

Bar stock	34,262	31,374
Dinning room stock	3,267	3,440
Bottle shop stock	4,066	4,260
	41,595	39,074

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 8

Other Assets

	2020	2019
	\$	\$
Current		
Prepayments	<u>105,652</u>	105,944

Note 9 Property Plant and Equipment

Land and Buildings

Freehold land

Independent valuation 2017

1,800,000

1,800,000

Total freehold land

1,800,000

1,800,000

Buildings

Independent valuation 2017

5,050,000

5,050,000

Less accumulated depreciation

(378,750)

(252,500)

Total buildings

4,671,250

4,797,500

Total land and buildings

6,471,250

6,597,500

Plant and Equipment

Plant and equipment at cost

5,315,806

4,983,429

Less accumulated depreciation

(3,636,285)

(3,359,601)

Total plant and equipment

1,679,521

1,623,828

Total property, plant and equipment

8,150,771

8,221,328

(a) Current value of land and buildings

The land and buildings were valued on 30 June 2017 at \$6,950,000 by Certified Practicing Valuer Jeff Rogers A.A.P.I.Member No. 68593 on the basis of fair current value.

The Directors adopted a lower valuation of \$6,850,000 to reflect the adjusted fair value of 21 Cameron Street due to the demolition of the building located on that property.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 9 Property Plant and Equipment (Continued)

(b) Movements in carrying amounts

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

	Buildings and freehold improvements		Plant and equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2019	1,800,000	4,797,500	1,623,828	8,221,328
Additions	-	-	487,986	487,986
Disposals	-	-	(16,378)	(16,378)
Depreciation expense	-	(126,250)	(415,915)	(542,165)
Balance at 30 June 2020	<u>1,800,000</u>	<u>4,671,250</u>	<u>1,679,521</u>	<u>8,150,771</u>

Note 10 Investment Property

	2020	2019
	\$	\$
Investment property - at independent valuation 2017	805,000	805,000
Subsequent additions at cost	724,483	443,161
Total	<u>1,529,483</u>	<u>1,248,161</u>

(a) Movements in carrying amounts

Balance at beginning of year	1,248,161	925,257
Acquisitions	281,322	532,904
Disposals	-	(210,000)
Balance at end of year	<u>1,529,483</u>	<u>1,248,161</u>

(b) Current value of investment property

The investment properties were valued on 30 June 2017 at \$885,000 by Certified Practicing Valuer Jeff Rogers A.A.P.I.Member No. 68593 on the basis of fair current value.

The Directors adopted a lower valuation of \$805,000 in the year ended 30 June 2019 to recognise the adjusted fair value of 15 Cameron Street due to the removal of the building.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 11 Income Tax

			2020	2019		
			\$	\$		
Current						
Income tax payable						
			<u>—</u>	<u>—</u>		
	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Closing Balance	
	\$	\$	\$	\$	\$	
(a) Deferred tax liability						
Property, plant and equipment	1,103,883	19,746	-	-	1,123,629	
Provisions - other	58	(44)	-	-	14	
Balance at 30 June 2019	1,103,941	19,702	-	-	1,123,643	
Property, plant and equipment	1,123,629	(8,955)	-	-	1,114,674	
Provisions - other	14	(9)	-	-	5	
Balance at 30 June 2020	1,123,643	(8,964)	-	-	1,114,679	
(b) Deferred tax assets						
Investment property	214,653	57,750	-	-	272,403	
Provisions - employee benefits	18,301	764	-	-	19,065	
Accrued expenses	590	3,468	-	-	4,058	
Future income tax benefits attributable to tax losses	288,863	334	-	-	289,197	
Balance at 30 June 2019	522,407	62,316	-	-	584,723	
Investment property	272,403	-	-	-	272,403	
Provisions - employee benefits	19,065	(2,162)	-	-	16,903	
Accrued expenses	4,058	6,085	-	-	10,143	
Future income tax benefits attributable to tax losses	289,197	(15,194)	-	-	274,003	
Balance at 30 June 2020	584,723	(11,271)	-	-	573,452	

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 12 Intangible Assets

	2020	2019
	\$	\$
Poker machine licences		
Poker machine licences at cost		
	61,699	61,699
Accumulated amortisation and impairment		
	—	—
Net carrying amount	61,699	61,699
Total Intangible Assets	61,699	61,699
(a) Movements in carrying amounts		
	Poker machine licences	Total
	\$	\$
Balance 1 July 2019	61,699	61,699
Additions	—	—
Disposals	—	—
Impairment	—	—
Balance at 30 June 2020	61,699	61,699

Note 13 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Unsecured liabilities		
Trade payables	179,422	172,143
Sundry creditors and accrued expenses	274,944	172,334
	454,366	344,477

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 14 Borrowings

	2020 Note	2019 \$	2019 \$
Current			
Secured liabilities			
Bank loans	<u>11</u>	11	
Non-Current			
Secured liabilities			
Bank loans	<u>1,085,044</u>	1,360,000	
(a) Total current and non-current secured liabilities	<u>1,085,055</u>	1,360,011	
Bank loans			
(b) Carrying amounts of non-current assets pledged as security:			
Freehold land and buildings	9	6,471,250	6,597,500
Plant and equipment	9	1,679,521	1,623,828
Investment property	10	<u>670,000</u>	-
		<u>8,820,771</u>	8,221,328

(c) Collateral provided

The bank loans are secured by registered first mortgage over the freehold land and buildings situated at 21 Cameron Street, Wauchope and a goods security agreement over all present and after acquired assets and uncalled capital of the Company. The existing loan facilities with Regional Australia Bank Ltd expire in October 2022.

The Company has entered into a \$4.8m loan facility with Regional Australia Bank Ltd for the construction of the Cameron Grange development. This facility is secured by registered first mortgage over the freehold land and buildings situated at 15-21 Cameron Street, Wauchope and a goods security agreement over all present and after acquired assets and uncalled capital of the Company. This facility was undrawn as at 30 June 2020.

Financial assets that have been pledged as part of the total collateral in relation to the bank loans are as follows:

Cash and cash equivalents	5	502,064	500,525
Trade and other receivables	6	<u>95,079</u>	11,095
		<u>597,143</u>	511,620

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 15 Other Financial Liabilities

	Current	2020 \$	2019 \$
Secured liabilities			
Other financial commitments		<u>365,000</u>	365,000

The Company has recognised a current liability representing the present commitment to third parties. This liability is secured by a performance guarantee and undertaking issued by Regional Australia Bank Ltd. The performance guarantee for the acquisition of property is payable to the beneficiary on demand and is to continue until 30 September 2020 with an option to extend for a further 12 months.

Note 16 Provisions**Analysis of Total Provisions**

Current	<u>369,506</u>	366,912
Non-current	<u>8,900</u>	26,340
	<u>378,406</u>	393,252

Movement in carrying amounts

	Employee benefits	Total
	\$	\$
Opening balance at 1 July 2019	<u>393,252</u>	393,252
Additional provisions	<u>137,059</u>	137,059
Provisions utilised	<u>(151,905)</u>	(151,905)
Balance at 30 June 2020	<u>378,406</u>	378,406

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for wages, annual leave and long service leave. The current portion for this provision includes the total amount accrued for wages, annual leave entitlements and amounts accrued for long service leave entitlements. These amounts are classified as current liabilities since the Company does not have an unconditional right to defer settlement of these amounts in the event employees wish to use their leave entitlement. The non-current portion of this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 17 Other Liabilities

Current

	2020	2019
	\$	\$
Members' subscriptions in advance	45,477	44,294
	45,477	44,294

Note 18 Reserves

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

Note 19 Members' Guarantee

The Wauchope RSL Club Limited is a company limited by guarantee with liability of members limited to the amount of \$2 as set out in the Company's constitution. The number of members at the end of the financial year was 4,295 (2019: 4,367.)

Note 20 Capital and Leasing Commitments

(a) Capital expenditure commitments

Capital expenditure commitments contracted for:

- Painting	94,248	107,712
- Cameron Grange Development	4,498,077	-
	4,592,325	107,712

Payable:

- no later than 1 year	4,511,541	13,464
- between 1 year and 5 years	53,856	53,856
- greater than 5 years	26,928	40,392
	4,592,325	107,712

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 21 Contingent Liabilities

The Company had the following contingent liabilities at the end of the reporting period:

	2020	2019
	\$	\$
Bank Guarantee Port Macquarie Hastings Council	156,000	-

The bank guarantee in favour of Port Macquarie Hastings Council is secured by a registered mortgage over the property located at 21 Cameron Street, Wauchope NSW 2444 as well as a registered goods security agreement over assets and uncalled capital of the Company. The guarantee is only payable in the event of economic loss caused to Port Macquarie Hastings Council by the Company and its staff. The guarantee is required for a period of 12 months after the completion of Cameron Grange development. To date there has been no event or events that would require the guarantee to be called upon.

Note 22 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The aggregate compensation of key management personnel during the year comprising amounts paid or payable or provided for was as follows:

Short-term employee benefits	315,531	305,971
Long-term benefits	9,207	11,741
Post-employment benefits	27,936	27,232
Total Compensation	352,674	344,944

Note 23 Related Party Transactions

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 24

Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, cash on hand, accounts receivable and payable, bank loans, bank overdrafts and other borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements are as follows:

	2020	2019
	Note	\$
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	5	502,064
Trade and other receivables	6	95,079
Total Financial Assets		597,143
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	13	454,366
Bank loans	14	1,085,055
Other financial liabilities	14	365,000
Total Financial Liabilities		1,904,421
Net Fair Values		

The net fair values of financial assets and financial liabilities approximate their carrying values. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 25 Company Details

The registered office of the Company is:

Wauchope RSL Club Limited
Cnr Young and Cameron Streets
Wauchope NSW 2446

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Wauchope RSL Club Limited, the Directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of the Company as at 30 June 2020 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Director 

Malcolm Butler

Dated this 4th day of August 2020

Independent Auditor's Report

to the Members of Wauchope RSL Club Limited

Opinion

We have audited the financial report of Wauchope RSL Club Limited, 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, 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 Wauchope RSL Club Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

to the Members of Wauchope RSL Club Limited

Responsibilities of the 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 - Reduced Disclosure Requirements 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 ability of the Company 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.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditor's Report

to the Members of Wauchope RSL Club Limited

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

NorthCorp Accountants



Jodie Thomas
Lead Auditor

3/80 High Street
Wauchope NSW 2444

4 August 2020



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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WAUCHOPE R.S.L. CLUB LTD

In the best interest of its members, guests and the community promotes
THE RESPONSIBLE SERVICE OF ALCOHOL

Responsible serving of alcohol is vital for legal, health and community reasons. Our society is now less tolerant of the irresponsible use of alcohol that leads to drunkenness, drink driving and under age drinking. We are now far more aware of the serious social problems that are associated with such behaviour.

Wauchope R.S.L. Club Ltd has adopted the following strategies for the Responsible Service of Alcohol:-

- HOUSE POLICY** providing the framework for the responsible serving of alcohol.
- TRAINING OF STAFF** so that they can implement and promote the house policy.
- EDUCATION OF PATRONS** so that they understand the implications of and abide by the responsible service of alcohol policy.
- PREVENTION OF UNDER AGE DRINKING**
- PROMOTING SAFE TRANSPORT OPTIONS**

Wauchope R.S.L. Club Ltd. will effect these strategies by:

- ★ Implementation, monitoring, and modification on an ongoing basis of the Club's house policy.
- ★ Preventing under-age drinking by insisting on "proof of age" by requesting a driver's licence, passport or "proof of age card" issued by the NSW Roads & Traffic Authority.
- ★ Preventing intoxication by recognising the signs of intoxication and avoiding serving anyone to the point of intoxication. We will deny entry or service to anyone who is already intoxicated.
- ★ Managing intoxication, anti-social, or disruptive patrons by attempting to discourage them from becoming involved in activities which can harm themselves or others.
- ★ We will promote the service of non-alcoholic beverages and food.

Our policy at Wauchope R.S.L. Club Ltd is very clear: we want all guests to enjoy themselves. For many people alcohol is a pleasurable part of their daily life and we respect that. We are here to serve people with alcoholic beverages, professionally, friendly and responsibly.

This policy in no way limits people's choice to drink and enjoy themselves. We want all customers to enjoy themselves. What we don't want to do is allow people to drink to excess and place themselves, our other patrons and the community, at risk.

By working together as a team we can create a safe, enjoyable and friendly atmosphere for all.

Dress Rules

The following Dress Rules will apply in the Wauchope R.S.L. Club Ltd as from 1st September, 1996. These rules will be enforced in all areas of the Club.

NOT PERMITTED AT ANY TIME

Singlets or sleeveless T-shirts – shirts with suggestive or offensive printing on them – swimmers.

AFTER 8 PM

Ladies attire should be comparable with the rules observed by males.

Rules are applicable to function bookings. Guests should be informed of Club Rules by Host or Organiser.

Management reserves the right to refuse admission to anyone who in its opinion is not suitably groomed or attired.

Wauchope R.S.L. Club Ltd.

ABN 68 001 009 212 ACN 001 009 212

YOUNG STREET, WAUCHOPE 2446 Phone: 6585 2244

EACH WEEK AT YOUR CLUB

Monday: Club Bingo - 10.45am to 1.45pm

Tuesday: Table Tennis - 9am to 12pm - New Players Welcome

Snooker Competition - 5pm

Members Draw 5pm to 7pm

6 Pack Draw - 5.30pm to 7pm

Old Time Dancing - 7pm to 10pm

Wednesday: Westpac Rescue Helicopter Bingo - 10.45am to 1.45pm

Mixed Euchre - 7pm to 10pm

Thursday: Snooker Competition - 5pm

Euchre - 5.30pm

Club Bingo - 7pm to 9pm

Friday: Mega Bingo 10.45am to 1.45pm

Meat Raffle from 5.30pm – Drawn 6.30pm

Euchre - 6pm

Member's Draw - 7.30pm

Sunday: Sunday Raffles & 2 Membership Draws - 5.30pm and 7.30pm

Bistro: Seven Days and Nights - 12pm to 2pm and 6pm to 8pm

(6pm to 8.30pm on Friday) (6pm to 8.30pm Sat & Sun)*

*During daylight saving or at chef's discretion

WARNING Please be as quiet as possible in the Car Park and the immediate area around the Club when leaving the Club. This includes talking and motor vehicle noise.

Disciplinary action will be taken against any member who causes disturbance directly or indirectly to residents of the immediate area.

THIS IS SERIOUS If you enjoy the Club, be quiet when leaving.