

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

Financial Statements

For the Year Ended 30 June 2019

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

Contents

For the Year Ended 30 June 2019

	Page
Financial Statements	
Directors' Report	1
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	21
Independent Audit Report	22

Directors' Report

30 June 2019

The directors present their report on Walgett RSL Memorial Club Ltd for the financial year ended 30 June 2019.

Information on directors

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

Lisa Wallace

Experience

Board member of the club for 8 years. Appointed March 2011.

Lawrence Hutchinson

Experience

Board member of the club for 8 years. Appointed March 2011. Life Member Walgett RSL Memorial Club, Life Member Walgett RSL Sub Branch. Resigned November 2018.

Kim Bullock

Experience

Board member of the club for 7 years. Appointed November 2012.

Raymond Pallister

Experience

Board member of the club for 5 years. Appointed November 2014.

Ricky Trudgett

Experience

Board member of the club for 3 years. Appointed March 2016. Resigned November 2018.

Joshua Trudgett

Experience

Board member of the club for 2 years. Appointed in May 2017. Resigned November 2018.

Sandra-Suey Thorne

Experience

Board member of the club for 1 yer since appointment in November 2018.

John Flack

Experience

Appointed May 2019.

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 activity of Walgett RSL Memorial Club Ltd during the financial year was to provide hospitality in a Registered Club.

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

Short term objectives

The Company's short term objectives are to:

Directors' Report

30 June 2019

Short term objectives

- Provide services to members commensurate with industry needs and regulatory requirements;
- Represent the members interests to government and local bodies;
- Meet financial viability and accountability requirements; and
- Provide a workplace that is compliant with industry standards and the Fair Work Act.

Long term objectives

The Company's long term objectives are to:

- Ensure a sustainable industry;
- Become financially secure; and
- Grow the company in accordance with members needs and interests.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Providing cashflow and funds to maintain and grow the business; and
- Securing a customer base to ensure the future of the business.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- The preparation of a business and strategic plan that identifies the future for the industry and regulatory requirements;
- The preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors;
- The review of the company compliance with occupational health and safety and compliance with employment law including the Fair Work Act;
- The preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable service to its members;
- The preparation of a marketing and promotional plan to communicate and promote the business; and
- The preparation of long term budgets that consider the members service and infrastructure needs, the delivery of services to members, employment costs and maintaining prudent levels of working capital and liquidity in investments of funds surplus to current operational needs.

Directors' Report

30 June 2019

Performance measures

The following measures are used within the Company to monitor performance:

- Comparison of income and cashflow from one financial year to the next;
- Comparison of actual expenditure each financial year to budgeted amounts and reviews conducted where necessary; and
- The company has complied with all Occupational Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies.

Members' guarantee

Walgett RSL Memorial 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 \$ 5 for members that are corporations and \$ 5 for all other members, subject to the provisions of the company's constitution.

At 30 June 2019 the collective liability of members was \$ 4,240 (2018: \$ 4,435).

Meetings of directors

During the financial year, 13 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
John Flack	3	3
Lisa Wallace	13	12
Sandra-Suey Thorne	8	8
Lawrence Hutchinson	13	9
Ricky Trudgett	13	13
Kim Bullock	13	9
Joshua Trudgett	13	13
Raymond Pallister	13	13

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

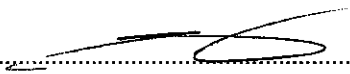
Directors' Report

30 June 2019

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: 

Lisa Wallace

Dated 18 September 2019

MOORE STEPHENS

Moore Stephens – Audit (Qld & Northern NSW)
Level 12, 10 Eagle Street
Brisbane QLD 4000

GPO Box 475
Brisbane QLD 4001

T +61 (0)7 3340 3800
F +61 (0)7 3340 3700

www.moorestephens.com.au

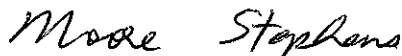
Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Walgett RSL Memorial Club Ltd

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.



Murray McDonald
Director - Audit



Moore Stephens - Audit (Qld & Northern NSW)
Chartered Accountants

Brisbane

18 September 2018

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019**

		2019	2018
	Note	\$	\$
Revenue	4	2,485,325	2,598,997
Other income	4	100,167	1,861
Cost of goods sold		(284,504)	(344,355)
Employee benefits expense		(733,447)	(922,349)
Depreciation and amortisation expense		(175,927)	(184,799)
Finance costs		(26,190)	(31,801)
Member expenses		(46,022)	(80,350)
Leasing charges		(5,433)	(5,003)
Cleaning		(11,432)	(15,235)
Electricity and water		(110,089)	(121,767)
Entertainment		(54,215)	(62,294)
Insurance		(63,794)	(60,726)
Repairs and maintenance		(17,642)	(31,393)
Professional and consultancy fees		(131,358)	(104,086)
Raffles and housie		(105,416)	(152,485)
Gaming expenses		(236,221)	(216,713)
Other expenses		(291,922)	(307,426)
Impairment expense		-	(264,919)
Profit before income tax		291,880	(304,843)
Income tax expense		10,013	2,180
Profit for the year		301,893	(302,663)

The accompanying notes form part of these financial statements.

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

Statement of Financial Position**As At 30 June 2019**

		2019	2018
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	434,396	124,440
Trade and other receivables	6	64,185	121,184
Inventories	7	10,350	18,138
Other assets	11	28,374	42,353
Assets held for sale	8	-	83,469
TOTAL CURRENT ASSETS		537,305	389,584
NON-CURRENT ASSETS			
Financial assets		760	760
Property, plant and equipment	12	1,346,167	1,392,770
Deferred tax assets		31,574	21,561
Intangible assets	10	30,596	30,596
TOTAL NON-CURRENT ASSETS		1,409,097	1,445,687
TOTAL ASSETS		1,946,402	1,835,271
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	143,305	250,151
Borrowings	14	167,168	157,528
Employee benefits	15	17,968	18,382
TOTAL CURRENT LIABILITIES		328,441	426,061
NON-CURRENT LIABILITIES			
Borrowings	14	186,204	287,446
Employee benefits	15	19,603	11,503
TOTAL NON-CURRENT LIABILITIES		205,807	298,949
TOTAL LIABILITIES		534,248	725,010
NET ASSETS		1,412,154	1,110,261
EQUITY			
Retained earnings		1,412,154	1,110,261
TOTAL EQUITY		1,412,154	1,110,261

The accompanying notes form part of these financial statements.

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	1,110,261	1,110,261
Profit attributable to members of the entity	301,893	301,893
Balance at 30 June 2019	1,412,154	1,412,154

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	1,412,924	1,412,924
Profit attributable to members of the entity	(302,663)	(302,663)
Balance at 30 June 2018	1,110,261	1,110,261

The accompanying notes form part of these financial statements.

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

Statement of Cash Flows

For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,795,914	3,000,999
Payments to suppliers/employees	(2,482,227)	(2,833,046)
Interest received	686	749
Finance costs	32,182	(25,495)
Net cash provided by/(used in) operating activities	18 <u>346,555</u>	<u>143,207</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	50,000	-
Purchase of property, plant & equipment	(129,325)	(185,985)
Proceeds from sale of plant & equipment	133,636	1,861
Payment of loans	8,164	6,341
Payments for intangible assets	-	3,139
Net cash used by investing activities	<u>62,475</u>	<u>(174,644)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	183,291	44,960
Repayment of borrowings	(282,365)	(141,139)
Net cash used by financing activities	<u>(99,074)</u>	<u>(96,179)</u>
Net increase/(decrease) in cash and cash equivalents held	309,956	(127,616)
Cash and cash equivalents at beginning of year	<u>124,440</u>	<u>252,056</u>
Cash and cash equivalents at end of financial year	5 <u><u>434,396</u></u>	<u><u>124,440</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers Walgett RSL Memorial Club Ltd as an individual entity. Walgett RSL Memorial Club Ltd is a not-for profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Walgett RSL Memorial Club Ltd is Australian dollars.

1 Basis of Preparation

In the Directors opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) 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 Company 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.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(b) 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.

(c) 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.

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

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Plant and Equipment	13-20%
Furniture, Fixtures and Fittings	10-20%
Office Equipment	15-33%
Poker Machines and Equipment	33-50%

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.

(d) 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 Company 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

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Leases

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.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company 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

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

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

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 assets original effective interest rate.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

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.

(f) Impairment of non-financial assets

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

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

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

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

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

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

(g) Intangibles

Poker Machine Entitlements

Poker machine entitlements are considered to have an indefinite life and as a result entitlements acquired and capitalised since the legislation was enacted have not been amortised. Poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate they might be impaired, and are carried at cost less accumulated impairment losses.

Goodwill

Goodwill is calculated as the excess of the sum of:

- i) the consideration transferred;
- ii) any non-controlling interest; and
- iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Company's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(h) 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 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, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) 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.

(j) 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.

(k) 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.

Non-member income

Non-member income of the company is only assessable for tax, as member income is excluded under the principle of mutuality.

(l) 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 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

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(l) **Provisions**

provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

(m) **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 Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Pronouncement	AASB 1058 Income of NFP Entities
Nature of the Change in Accounting Policy	AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities previously in AASB 1004 Contribution. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. AASB 1058 applies when a NFP entity enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard.
Effective Date	Annual reporting periods beginning on or after 1 January 2019
Expected Impact on the Financial Statements	No significant impact is expected

Pronouncement	AASB 16 Leases
Nature of the Change in Accounting Policy	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.
Effective Date	Annual reporting period beginning on or after 1 January 2019
Expected Impact on the Financial Statements	No significant impact is expected

3 Critical Accounting Estimates and Judgments

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Critical Accounting Estimates and Judgments

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

The significant estimates and judgements made have been described below.

Key estimates - 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.

Key estimates - impairment of intangibles

In accordance with AASB 136 Impairment of Assets, the Company is required to estimate the recoverable amount of intangibles at each reporting period.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections.

The Company's review includes the key assumptions related to sensitivity in the cash flow projections.

4 Revenue and Other Income

	2019	2018
	\$	\$
Sales revenue		
- Bar sales	406,477	387,728
- Bistro sales	73,532	165,880
- Bottle shop sales	8,017	5,944
- Commissions	174,858	177,906
- member subscriptions	7,040	8,252
Total sales revenue	669,924	745,710
- interest received	686	749
- rental revenue for property investment	4,200	-
- poker machine revenue	1,456,007	1,408,976
- motel revenue	177,240	299,807
- other trading revenue	177,268	143,755
Total	1,814,715	1,852,538
Total Revenue	2,485,325	2,598,997
Other Income		
- Sale of Motel Business	50,000	-
- profit on sale of asset	50,167	1,861
Total other income	100,167	1,861

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand	140,144	91,901
Cash at bank	294,252	32,539
	<u>434,396</u>	<u>124,440</u>

6 Trade and other receivables

Trade receivables	12,820	61,655
Deposits	40,364	40,364
Related party receivables	11,001	19,165
Total current trade and other receivables	<u>64,185</u>	<u>121,184</u>

7 Inventories

Inventories	<u>10,350</u>	<u>18,138</u>
-------------	---------------	---------------

8 Assets held for sale

Non-current assets held for sale		
- poker machine licences	-	61,192
- motor vehicles	-	22,277
Total non-current assets held for sale	<u>-</u>	<u>83,469</u>

9 Other Financial Assets

NON-CURRENT

ILG Shares	750	750
Shares in Walgett Empire Pty Ltd	10	10
Total	<u>760</u>	<u>760</u>

10 Intangible Assets

Goodwill - Taxi Business		
Cost	152,780	152,780
Impairment of taxi business	(152,780)	(152,780)
Walgett taxi purchase costs	29,242	29,242
Impairment of taxi purchase costs	(29,242)	(29,242)
Net carrying value	<u>-</u>	<u>-</u>
Poker machine entitlement		
Cost	30,596	30,596
Goodwill - Walgett Motel		
Cost	-	264,919
Accumulated amortisation and impairment	-	(264,919)
Total Intangibles	<u>30,596</u>	<u>30,596</u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Other non-financial assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	28,374	42,353
	<u>28,374</u>	<u>42,353</u>

12 Property, plant and equipment

LAND AND BUILDINGS

Freehold land

At cost

16,000

16,000

Total Land

16,000

16,000

Buildings

At cost

421,320

421,320

Under lease

350,000

350,000

At cost

771,320

771,320

Accumulated depreciation

(450,246)

(440,323)

Total buildings

321,074

330,997

Total land and buildings

337,074

346,997

PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Plant and equipment

At cost

2,991,750

2,845,152

Accumulated depreciation

(2,430,661)

(2,288,633)

Total plant and equipment

561,089

556,519

Improvements

At cost

1,429,296

1,424,144

At cost

1,429,296

1,424,144

Accumulated depreciation

(987,185)

(944,316)

Total improvements

442,111

479,828

Low value asset pool

At cost

50,854

50,854

At cost

50,854

50,854

Accumulated depreciation

(44,961)

(41,428)

Total Low value asset pool

5,893

9,426

Total plant and equipment

1,009,093

1,045,773

Total property, plant and equipment

1,346,167

1,392,770

Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Trade and other payables

	2019	2018
Note	\$	\$
Current		
Trade payables	117,905	195,017
Accrued expense	25,400	39,784
Other payables	-	15,350
	<u>143,305</u>	<u>250,151</u>

14 Borrowings

CURRENT

Secured liabilities:

Lease liability secured	48,872	44,463
Bank loans	42,000	68,941
Other financial liabilities	76,296	44,124

Total current borrowings

<u>167,168</u>	<u>157,528</u>
----------------	----------------

NON-CURRENT

Secured liabilities:

Lease liability secured	46,324	42,515
Bank loans	135,500	227,411
Other financial liabilities	4,380	17,520

Total non-current borrowings

<u>186,204</u>	<u>287,446</u>
----------------	----------------

Total borrowings

<u>353,372</u>	<u>444,974</u>
----------------	----------------

15 Employee Benefits

Current liabilities

Provision for employee benefits	17,968	18,382
	<u>17,968</u>	<u>18,382</u>

Non-current liabilities

Long service leave	19,603	11,503
	<u>19,603</u>	<u>11,503</u>

16 Remuneration of Auditors

Remuneration of the auditor of the club, Moore Stephens, for:

- auditing the financial statements	21,350	19,400
- taxation and other services	6,220	5,740
Total	<u>27,570</u>	<u>25,140</u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Contingencies

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

18 Cash Flow Information

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	301,893	(302,662)
Cash flows excluded from profit attributable to operating activities	-	-
Non-cash flows in profit:	-	-
- depreciation	175,927	184,799
- impairment of investment	-	264,919
- net gain on disposal of property, plant and equipment	(50,167)	(1,861)
- interest capitalised to borrowings	7,473	-
- net (gain)/loss on disposal of investments	(50,000)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:	-	-
- (increase)/decrease in trade and other receivables	48,835	(78,658)
- (increase)/decrease in inventories	7,788	11,141
- (increase)/decrease in deferred tax receivable	(10,013)	(2,180)
- increase/(decrease) in income in other assets	13,980	1,657
- increase/(decrease) in trade and other payables	(106,847)	68,498
- increase/(decrease) in provisions	-	(3,200)
- increase/(decrease) in employee benefits	7,686	754
Cashflow from operations	<u>346,555</u>	<u>143,207</u>

19 Company Details

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

Walgett RSL Memorial Club Ltd
71 Fox Street
WALGETT NSW 2832

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

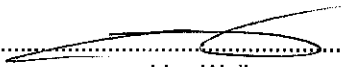
Directors' Declaration

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

In the opinion of the directors of the Company:

1. the financial statements and notes, as set out on pages 7 to 20, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standards as stated in Note 1; and
 - (b) giving 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 is in accordance with the accounting policy described in Note 2 of the financial statements; and
2. there are reasonable grounds to believe that the Company 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

Lisa Wallace

Dated 18 September 2019

Moore Stephens – Audit (Qld & Northern NSW)
Level 12, 10 Eagle Street
Brisbane QLD 4000

GPO Box 475
Brisbane QLD 4001

T +61 (0)7 3340 3800
F +61 (0)7 3340 3700

www.moorestephens.com.au

Independent Audit Report to the members of Walgett RSL Memorial Club Ltd

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Walgett RSL Memorial 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 to the extent described in Note 1 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' Report, (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.

Independent Audit Report to the members of Walgett RSL Memorial Club Ltd

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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.

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.

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 Audit Report to the members of Walgett RSL Memorial Club Ltd

- 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.



Murray McDonald
Director - Audit



Moore Stephens - Audit (Qld & Northern NSW)
Chartered Accountants

18 September 2019