

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

Financial Statements

For the Year Ended 30 June 2020

Walgett RSL Memorial Club Ltd

ABN 81 001 065 667

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For the Year Ended 30 June 2020

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Directors' Report

30 June 2020

The directors present their report on Walgett RSL Memorial Club Ltd for the financial year ended 30 June 2020.

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 9 years. Appointed March 2011.

Kim Bullock

Experience Board member of the club for 7 years. Appointed 18 November 2019.
Resigned 17 November 2019.

Raymond Pallister

Experience Board member of the club for 6 years. Appointed November 2014.

Sandra-Suey Thorne

Experience Board member of the club for 2 years. Appointed in November 2018.

John Flack

Experience Appointed May 2019. Board member for 1 year.

Tina Lawrence

Experience Appointed 17 November 2019. Board member for 1 year

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:

- 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.

Directors' Report

30 June 2020

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.

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.

Walgett RSL Memorial Club Ltd

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Directors' Report

30 June 2020

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 2020 the collective liability of members was \$ 5,425 (2019: \$ 4,240).

Meetings of directors

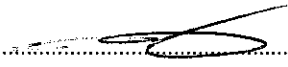
During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
John Flack	13	10
Lisa Wallace	13	13
Sandra-Suey Thorne	13	12
Kim Bullock	5	5
Raymond Pallister	13	11
Tina Lawrence	8	8

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 2020 has been received and can be found on page 4 of the financial report.

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

Director:

Lisa Wallace

Dated 17 September 2020

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 2020, there have been:

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

A handwritten signature in black ink, appearing to read 'Murray McDonald'.

Murray McDonald
Director - Audit and Assurance

A handwritten signature in black ink, appearing to read 'Moore Australia'.

Moore Australia Audit (QLD/NNSW)
Chartered Accountants

17 September 2020

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 2020**

		2020	2019
	Note	\$	\$
Revenue	4	1,984,799	2,485,325
Other income	4	119,958	100,167
Cost of goods sold		(193,318)	(284,504)
Employee benefits expense		(543,627)	(733,447)
Depreciation and amortisation expense		(177,457)	(175,927)
Finance costs		(13,590)	(26,190)
Member expenses		(35,274)	(46,022)
Leasing charges		(5,433)	(5,433)
Cleaning		(8,020)	(11,432)
Electricity and water		(86,909)	(110,089)
Entertainment		(33,545)	(54,215)
Insurance		(65,358)	(63,794)
Repairs and maintenance		(16,648)	(17,642)
Professional and consultancy fees		(92,602)	(131,358)
Raffles and housie		(76,949)	(105,416)
Gaming expenses		(209,765)	(236,221)
Other expenses		(232,467)	(291,922)
Profit before income tax		313,795	291,880
Income tax expense		(15,103)	10,013
Profit for the year		298,692	301,893

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 2020**

	2020	2019
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6 722,753	434,396
Trade and other receivables	7 44,541	23,821
Inventories	8 14,928	10,350
Other assets	11 64,022	68,738
TOTAL CURRENT ASSETS	<u>846,244</u>	<u>537,305</u>
NON-CURRENT ASSETS		
Financial assets	9 750	760
Property, plant and equipment	12 1,330,157	1,346,167
Deferred tax assets	16,471	31,574
Intangible assets	10 30,596	30,596
TOTAL NON-CURRENT ASSETS	<u>1,377,974</u>	<u>1,409,097</u>
TOTAL ASSETS	<u>2,224,218</u>	<u>1,946,402</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	13 126,027	143,305
Borrowings	14 102,628	167,168
Short-term provisions	35,693	-
Employee benefits	15 21,315	17,968
TOTAL CURRENT LIABILITIES	<u>285,663</u>	<u>328,441</u>
NON-CURRENT LIABILITIES		
Borrowings	14 204,343	186,204
Employee benefits	15 23,366	19,603
TOTAL NON-CURRENT LIABILITIES	<u>227,709</u>	<u>205,807</u>
TOTAL LIABILITIES	<u>513,372</u>	<u>534,248</u>
NET ASSETS	<u>1,710,846</u>	<u>1,412,154</u>
EQUITY		
Retained earnings	<u>1,710,846</u>	<u>1,412,154</u>
TOTAL EQUITY	<u>1,710,846</u>	<u>1,412,154</u>

The accompanying notes form part of these financial statements.

Walgett RSL Memorial Club Ltd

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Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	1,412,154	1,412,154
Profit attributable to members of the entity	298,692	298,692
Balance at 30 June 2020	1,710,846	1,710,846

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

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,246,709	2,795,914
Payments to suppliers/employees	(1,756,015)	(2,482,227)
Interest received	234	686
Finance costs	1,478	32,182
Recurrent grants	10,000	-
Net cash provided by/(used in) operating activities	18 <u>502,406</u>	<u>346,555</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	-	50,000
Purchase of property, plant & equipment	(164,072)	(129,325)
Proceeds from sale of plant & equipment	2,455	133,636
Payment of loans	11,001	8,164
Net cash used by investing activities	<u>(150,616)</u>	<u>62,475</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	179,611	183,291
Repayment of borrowings	(243,044)	(282,365)
Net cash used by financing activities	<u>(63,433)</u>	<u>(99,074)</u>
Net increase/(decrease) in cash and cash equivalents held	288,357	309,956
Cash and cash equivalents at beginning of year	434,396	124,440
Cash and cash equivalents at end of financial year	6 <u><u>722,753</u></u>	<u><u>434,396</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

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.

Comparatives are consistent with prior years, unless otherwise stated.

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

For comparative year

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 2020

2 Summary of Significant Accounting Policies

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(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

For comparative year

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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(d) Leases

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.

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exception to lease accounting

The Company has elected to apply the exception to lease accounting for both short-term leases (i.e. leases with a term of less than 12 months) and leases of low-value assets. The company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(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

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

Classification

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

- amortised cost

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Impairment of financial assets

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

- financial assets measured at amortised cost

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

Financial assets

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

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

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

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

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - 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

	2020	2019
	\$	\$
Sales revenue		
- Bar sales	289,042	406,477
- Bistro sales	-	73,532
- Bottle shop sales	44,785	8,017
- Commissions	142,938	174,858
- Member subscriptions	6,129	7,040
Total sales revenue	482,894	669,924
- interest received	234	686
- rental revenue for property investment	10,820	4,200
- poker machine revenue	1,324,212	1,456,007
- motel revenue	-	177,240
- other trading revenue	166,639	177,268
Total Revenue	1,984,799	2,485,325
Other Income		
- Sale of Motel Business	-	50,000
- Profit on sale of asset	(170)	50,167
- COVID-19 Income	120,128	-
Total other income	119,958	100,167

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Expenses

Result for the year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
- Superannuation contributions	37,682	56,520
6 Cash and cash equivalents		
Cash on hand	159,388	140,144
Cash at bank	563,365	294,252
	<u>722,753</u>	<u>434,396</u>
7 Trade and other receivables		
Trade & other receivables	44,541	12,820
Related party receivables	-	11,001
Total current trade and other receivables	<u>44,541</u>	<u>23,821</u>
8 Inventories		
Inventories	<u>14,928</u>	<u>10,350</u>
9 Other Financial Assets		
NON-CURRENT		
ILG Shares	750	750
Shares in Walgett Empire Pty Ltd	-	10
Total	<u>750</u>	<u>760</u>
10 Intangible Assets		
Poker machine entitlement		
Cost	<u>30,596</u>	<u>30,596</u>
Total Intangibles	<u>30,596</u>	<u>30,596</u>
11 Other non-financial assets		
CURRENT		
Prepayments	23,658	28,374
Other asset	40,364	40,364
	<u>64,022</u>	<u>68,738</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	16,000	16,000
Total Land	<u>16,000</u>	<u>16,000</u>
Buildings		
At cost	430,397	421,320
Under lease	350,000	350,000
At cost	780,397	771,320
Accumulated depreciation	(459,379)	(450,246)
Total buildings	<u>321,018</u>	<u>321,074</u>
Total land and buildings	<u>337,018</u>	<u>337,074</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	3,016,837	2,991,750
Accumulated depreciation	(2,553,179)	(2,430,661)
Total plant and equipment	<u>463,658</u>	<u>561,089</u>
Improvements		
At cost	1,554,767	1,429,296
Accumulated depreciation	(1,028,969)	(987,185)
Total improvements	<u>525,798</u>	<u>442,111</u>
Low value asset pool		
At cost	50,854	50,854
Accumulated depreciation	(47,171)	(44,961)
Total Low value asset pool	<u>3,683</u>	<u>5,893</u>
Total plant and equipment	<u>993,139</u>	<u>1,009,093</u>
Total property, plant and equipment	<u><u>1,330,157</u></u>	<u><u>1,346,167</u></u>

13 Trade and other payables

Current		
Trade payables	100,227	117,905
Accrued expense	25,800	25,400
	<u>126,027</u>	<u>143,305</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Borrowings

	2020	2019
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability secured	29,550	48,872
Bank loans	42,000	42,000
Other financial liabilities	31,078	76,296
Total current borrowings	102,628	167,168
NON-CURRENT		
Secured liabilities:		
Lease liability secured	110,843	46,324
Bank loans	93,500	135,500
Other financial liabilities	-	4,380
Total non-current borrowings	204,343	186,204
Total borrowings	306,971	353,372

15 Employee Benefits

Current liabilities		
Provision for employee benefits	21,315	17,968
	21,315	17,968
Non-current liabilities		
Long service leave	23,366	19,603
	23,366	19,603

16 Remuneration of Auditors

Remuneration of the auditor of the club, Moore Stephens, for:		
- auditing the financial statements	21,800	21,350
- taxation and other services	6,025	6,220
Total	27,825	27,570

17 Contingencies

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

18 Cash Flow Information

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

	2020	2019
	\$	\$
Profit for the year	298,692	301,893
Cash flows excluded from profit attributable to operating activities	-	-
Non-cash flows in profit:	-	-
- depreciation	177,457	175,927
- net gain on disposal of property, plant and equipment	170	(50,167)
- interest capitalised to borrowings	17,033	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	(45,944)	48,835
- (increase)/decrease in inventories	(4,578)	7,788
- (increase)/decrease in deferred tax receivable	15,103	(10,013)
- increase/(decrease) in income in other assets	4,716	13,980
- increase/(decrease) in trade and other payables	(3,055)	(106,847)
- increase/(decrease) in provisions	42,802	-
- increase/(decrease) in employee benefits	-	7,686
Cashflow from operations	<u>502,396</u>	<u>346,555</u>

19 COVID-19 Impact

As at balance date the Coronavirus (COVID-19) pandemic continues to impact communities and businesses. The members of the Board together with management have evaluated the impact of the outbreak of Coronavirus since the end of the financial year on the entity in regards to economic volatility and other associated events. The Board have concluded though that, due to the rapid and ongoing changes, a reasonable estimate of the full extent of the impact cannot be made at this time.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

20 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 6 to 21, 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 2020 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 17 September 2020

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

Report on the Audit of the Financial Report

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 2020, 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 2020 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.

Emphasis of Matter COVID-19

We draw attention to Note 19 of the financial report, which describes the World Health Organisation's declaration of a pandemic on 11 March 2020 relating to the spread of COVID-19. 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).

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

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 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.

A further description of our responsibilities for the audit if the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of the auditor' report.



Murray McDonald
Director - Audit and Assurance



Moore Australia Audit (QLD/NNSW)
Chartered Accountants

17 September 2020