

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2019

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

CONTENTS

Directors' Report	1
Independent Audit Report	4
Auditor's Independence Declaration	7
Statement of Profit or Loss & Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	37
Disclaimer on Additional Financial Information	38
Supplementary Information	39

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2019.

Principal Activities

The principal activities of the company during the financial year were:

Licensed sporting club

No significant changes in the state of affairs occurred during the financial year.

Objectives & Strategies

The short and long term objectives of the company are to provide club facilities to members and guests.

The strategy for achieving these objectives is to conservatively manage and monitor the company's financial position, and ensure that member facilities are kept at the highest of standards.

Performance Measurement

The company uses industry accepted financial and non-financial KPI's to monitor performance.

Membership

The number of members registered in the Register of Members at 31 December 2019 were as follows:

Members	2,708
Total Members	<u>2,708</u>

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution states that each member is liable to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 31 December 2019 the collective liability of members was \$5,416 (31 December 2018: \$6,768).

Directors

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

Dennis Beazley

President

Qualifications, experience, and special duties:

Retired.

Robert Fowler

Vice President

Qualifications, experience, and special duties:

Retired.

Lynden Byrne

Vice President

Qualifications, experience, and special duties:

Retired.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

DIRECTORS' REPORT

Douglas Ingle

Treasurer

Qualifications, experience, and special duties:

Retired.

Glenn Brindle

Director

Qualifications, experience, and special duties:

Retired.

Sharon Gadd

Director

Appointed 28/04/2019

Qualifications, experience, and special duties:

Mail Courier

Colin Hankin

Director

Appointed 28/04/2019

Qualifications, experience, and special duties:

Retired

Terry Renaud

Director

Appointed 28/04/2019

Qualifications, experience, and special duties:

Retired

Gary Manning

Director

Appointed 28/04/2019

Qualifications, experience, and special duties:

Retired

Leann Lewington

Former Vice President

Resigned 28/04/2019

Qualifications, experience, and special duties:

Club Callala Volunteer.

Sean Wengal

Former Director

Resigned 28/04/2019

Qualifications, experience, and special duties:

Accountant

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

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

DIRECTORS' REPORT

Summary of Meeting Attendances:

11 ordinary meetings were held during the year.

	<i>Number of Meetings Eligible To Attend</i>	<i>Number of Meetings Attended</i>
Dennis Beazley	11	11
Robert Fowler	11	11
Lynden Byrne	11	9
Douglas Ingle	11	11
Glenn Brindle	11	11
Sharon Gadd	7	7
Colin Hankin	7	3
Terry Renaud	7	5
Gary Manning	7	7
Leann Lewington	4	2
Sean Wengal	4	4

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2019 has been received and can be found on page 7 of the financial report.

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

Director: _____
Mr Dennis Beazley

Dated 23 March 2020

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799**

Audit Opinion

We have audited the financial report of Callala R.S.L. Country Club Limited (the company), which comprises the statement of financial position as at year ended 31 December 2019, 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 Callala R.S.L. Country Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at the year ended 31 December 2019 and of their performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of Audit Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

Without qualifying our audit opinion, we draw attention to Note 1 "Going Concern" in the financial reports. The Club has a net loss in the current financial year of \$100,948 versus a net profit of \$19,953 last financial year, the operating loss for 2017 was \$150,728 and for 2016 was \$111,126. These results may impact the club's ability to pay its debts as and when they fall due. These factors give rise to a material uncertainty which may cast significant doubt about the ability of the Club to continue as a going concern, and therefore, the Club may be unable to realise its assets and discharge its liabilities in the normal course of business.

Other Information

The directors are responsible for the other information. The other information does not include the financial report and our auditor's report thereon, but comprises the Supplementary Information contained in the annual report, which we obtained prior to the date of this auditor's report, and the President's Report, Treasurer's Report, which are expected to be made available to us after the date of this auditor's report.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799**

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.

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 and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799**

Matters Relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of Callala R.S.L. Country Club Limited for the financial year ended 31 December 2019 included on the company's website. The directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of the company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

BOOTH PARTNERS

Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 23 March 2020

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, 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.

BOOTH PARTNERS

Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 23 March 2020

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Revenue	2	3,509,986	2,642,396
Other income	2	1,726	2,311
Cost of sales		(838,531)	(504,611)
Depreciation, amortisation and loss on disposal		(221,762)	(213,283)
Employee benefits		(1,015,850)	(629,915)
Interest expense		(62,845)	(5,757)
Lease Amortisation		(532,762)	-
Occupancy costs		(148,923)	(226,355)
Poker Machine Expenses		(145,020)	(461,494)
Promotions & entertainment		(155,986)	(138,006)
Repairs & maintenance		(214,214)	(170,324)
Sporting subsidies & donations		(85)	(250)
Other expenses		<u>(276,682)</u>	<u>(274,759)</u>
Profit (Loss) before income tax	3	(100,948)	19,953
Income tax expense		-	-
Profit (loss) attributable to members of the company		<u>(100,948)</u>	<u>19,953</u>
Total comprehensive income (loss) attributable to members of the company		<u><u>(100,948)</u></u>	<u><u>19,953</u></u>

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	533,991	319,507
Trade and other receivables	5	52,671	79,116
Inventories	6	84,369	66,689
Other current assets	7	111,436	86,967
TOTAL CURRENT ASSETS		<u>782,467</u>	<u>552,279</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,049,964	2,149,491
Right of use assets	9	871,956	-
Intangible assets	10	72,896	72,896
TOTAL NON-CURRENT ASSETS		<u>2,994,816</u>	<u>2,222,387</u>
TOTAL ASSETS		<u>3,777,283</u>	<u>2,774,666</u>
CURRENT LIABILITIES			
Trade and other payables	11	288,142	224,403
Contract liabilities	12	23,732	-
Borrowings	13	479,269	26,768
Short term provisions	14	86,474	66,449
Other current liabilities	15	7,158	27,449
TOTAL CURRENT LIABILITIES		<u>884,775</u>	<u>345,069</u>
NON-CURRENT LIABILITIES			
Contract liabilities	12	8,675	-
Borrowings	13	558,476	2,366
Long term provisions	14	18,467	9,849
Other non-current liabilities	15	-	9,544
TOTAL NON-CURRENT LIABILITIES		<u>585,618</u>	<u>21,759</u>
TOTAL LIABILITIES		<u>1,470,393</u>	<u>366,828</u>
NET ASSETS		<u>2,306,890</u>	<u>2,407,838</u>
EQUITY			
Retained earnings		<u>2,306,890</u>	<u>2,407,838</u>
TOTAL EQUITY		<u>2,306,890</u>	<u>2,407,838</u>

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Retained Profits
Balance at 1 January 2018	2,387,885
Profit (loss) for the year	19,953
Other comprehensive income for the year	-
Total comprehensive income attributable to members of the entity	<u>19,953</u>
Income tax expense	-
Balance at 31 December 2018	<u><u>2,407,838</u></u>
Balance at 1 January 2019	2,407,838
Profit (loss) for the year	(100,948)
Other comprehensive income for the year	-
Total comprehensive income attributable to members of the entity	<u>(100,948)</u>
Balance at 31 December 2019	<u><u>2,306,890</u></u>

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members & visitors		3,533,975	2,641,872
Payments to suppliers and employees		(2,799,427)	(2,419,530)
Interest received		1,726	1,311
Interest & other cost of finance paid		(3,448)	(5,757)
Net cash provided by (used in) operating activities		<u>732,826</u>	<u>217,896</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(122,234)	(76,577)
Payments for right of use assets		(1,404,719)	-
Net cash provided by (used in) investing activities		<u>(1,526,953)</u>	<u>(76,577)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings - HP's		27,960	-
Repayment of borrowings - HP's and debenture		(32,916)	-
Proceeds from borrowings - Leases		1,404,718	-
Repayment of borrowings - Leases		(391,151)	-
Net cash provided by (used in) financing activities		<u>1,008,611</u>	<u>-</u>
Net increase (decrease) in cash held		214,484	141,319
Cash at beginning of financial year		319,507	204,487
Cash at end of year	4	<u><u>533,991</u></u>	<u><u>345,806</u></u>

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for cash flow information, have been prepared on an accrual 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.

The financial statements of Callala R.S.L. Country Club Limited for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 23 March 2020.

Going Concern

The club has achieved a net operating loss of \$100,948 this financial year versus a net operating profit of \$19,953 last financial year, a net operating loss of \$150,728 in 2017 and a loss of \$111,126 in 2016.

The financial statements have been prepared on a going concern basis which assumes the realisation of assets and extinguishment of liabilities in the normal course of business at the amounts stated in the financial report for the following reasons;

The clubs ability to continue to adopt the going concern assumption will depend upon achieving improvements in profitability and operating cash flow. If improvement is not achieved there exists a material uncertainty which may cast significant doubt on the Club's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the club not continue as a going concern.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Revenue and Other Income

The company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. Due to the nature of the changes in the accounting policy, no equity adjustment has been required. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.

In the current year

Goods and Services

All goods and services other than those detailed below are delivered, invoiced, and paid for simultaneously. This includes sales of liquor, gaming products, golf games and other products.

Revenue is recognised immediately at the point of sale. The impact of the loyalty program has been detailed above.

Memberships

Membership is granted following payment of annual fees and in the case of new members, board approval of their application. Payment for new members is due on application, and payment for renewing members is due within one month of the renewal date.

Contract liabilities are recognised on receipt of payment, and revenue is recognised on a straight line basis over the period of membership.

Loyalty Program

Members are eligible to earn points based on their poker machine usage. Points are redeemable against any future purchases from the company. The points accumulate and do not expire.

A portion of poker machine takings relating to loyalty points are deferred to contract liabilities. Revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

In previous reporting periods, the consideration received from the sale of goods was allocated to the goods sold with a liability recognised for outstanding points. Under AASB 15, the total consideration must be allocated to the points and goods based on the relative stand-alone selling prices. As a consequence, for the year ended 31 December 2019 the following changes occurred:

1. Bar revenue decreased by \$14,922 and points income increased by \$7,461
2. Poker machine revenue decreased by \$54,392 and points income increased by \$27,196
3. Bistro revenue decreased by \$9,784 and points income increased by \$4,892

There was no adjustment to net profit.

Advertising and Sponsorships

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Advertising and sponsorships are invoiced prior to the agreed period of coverage and invoices are typically payable within 30 days.

Contract liabilities are recognised when the invoices are issued, and revenue is recognised on a straight line basis over the agreed period of coverage.

Function Income

Deposits for functions are invoiced at the time of booking and are payable by the earlier of 30 days from the booking, or 10 days prior to the event. Full payment for the function is typically due by the day of the event.

Contract liabilities are recognised when the booking is made, and for any part payments received prior to the time of the event. Revenue is recognised at the time the function is held.

Ticket Sales

Event tickets are invoiced when payment is received.

Contract liabilities are recognised when tickets are sold prior to the date of the event. Revenue is recognised at the time the event is held.

Rental Income

Rental income is invoiced and payable on a monthly basis.

Revenue is recognised on a straight line basis over the length of the lease.

Operating grants, donations and bequests

When the company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When both these conditions are satisfied, the company identifies each performance obligation relating to the grant, recognises a contract liability for its obligations under the agreement, and recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the company recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138), recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer), and recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Capital Grants

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

When the company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards. The company recognises income in profit or loss when or as the company satisfies its obligations under the terms of the grant.

Interest Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend Income

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Investment Property Revenue

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

In the comparative period

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

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

Grant revenue is recognised in the statement of comprehensive income when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Callala R.S.L. Country Club Limited receives non-reciprocal contributions of assets from the government and other parties for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Donations and bequests are recognised as revenue when received.

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 borrowings in current liabilities on the balance sheet.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Stores are valued at cost.

Prepayments

Prepayments are recognised when a payment is made for services that the company expects to utilise over a period of time. Prepayments are measured at the unexpended portion of the contractual cost of the services. Expenditure is transferred to profits and losses on a straight line basis over the period to which it relates.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 measured at cost less depreciation. It is the policy of the entity to have annual appraisals by the directors to ensure the carrying amount is not in excess of the recoverable amount from those assets.

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 recognised either 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.

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.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	2% - 40%
Plant & Equipment	3.5% - 40%
Motor Vehicles	10% - 25%
Poker Machines	25% - 40%
Furniture & Fittings	5% - 30%

The asset's 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 included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

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 if the trade receivables do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.63 .

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

On the basis of the two primary criteria, being:

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

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

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The entity initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

A financial asset is derecognised when the holder'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.

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 debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial Liabilities

Financial liabilities are subsequently measured at:

- amortised cost;
- fair value through profit and loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at fair value, amortised cost 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 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.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

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.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

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

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Impairment of Assets

At each reporting date, 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 expensed to the income statement, unless the asset is carried at a revalued amount in accordance with another standard. 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 lives.

Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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 Tax Office. 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 in the statement of financial position are shown inclusive of GST.

Cash flows are presented on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Income Tax

The company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Employee Benefits

Short term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current liabilities in the statement of financial position.

Other long-term employee benefits

The company classifies employee's long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in the statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Leases

The company initially applied AASB 16 Leases from using the modified retrospective approach under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly the comparative information presented for the prior year is not restated. Due to the nature of the changes, no adjustment was required to retained earnings. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the company has adopted the temporary relief under AASB 2018-814 and measures the right-of-use assets at cost on initial recognition.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production 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 the income statement in the period in which they are incurred.

Comparative Figures

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

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 judgments - Going Concern

It is the opinion of the directors that the club can continue to pay its debts as and when they fall due, and therefore the going concern assumption is appropriate.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but it is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
- the amount of the obligation cannot be measured with sufficient reliability.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
<hr/>		
2 Revenue		
Revenue		
Sales Revenue:		
Bar Rebate Income	21,453	20,830
Bar Sales	1,108,227	1,007,232
Bar Sales Points Income	7,461	-
Bistro Rental Income	-	7,643
Bistro Sales	736,693	137,538
Bistro Sales Points Income	4,892	-
Golf Shop Other Income	188,259	199,666
Golf Shop Sales	14,240	17,749
Keno Commissions	32,251	34,040
Members Subscriptions	15,232	14,775
Poker Machine Net Clearances	1,237,290	1,105,288
Poker Machine Rebate Income	17,180	17,180
Poker Machine Sales Points Income	27,196	-
Sub Club Income	7,523	2,206
Sundry Income	73,219	61,201
TAB Commissions	18,870	17,048
	<u>3,509,986</u>	<u>2,642,396</u>
Other Income		
Interest Received		
Bendigo Bank	1,726	391
	<u>1,726</u>	<u>391</u>
	<u>3,511,712</u>	<u>2,642,787</u>
Total revenue and other income	<u>3,511,712</u>	<u>2,642,787</u>

3 Profit from Ordinary Activities

Profit from ordinary activities before income tax expense has been determined after:

Expenses:

Cost of sales	838,531	504,611
Depreciation of non-current assets	221,762	214,928

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Rental expense on operating leases:		
Rental expense on operating leases	11,438	374,628
Total rental expense on operating leases	<u>11,438</u>	<u>374,628</u>
4 Cash and Cash Equivalents		
Current		
Cash on Hand	100,000	101,080
Bendigo Bank	433,203	195,769
Commonwealth Bank	788	22,658
	<u>533,991</u>	<u>319,507</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	<u>533,991</u>	<u>319,507</u>
	<u>533,991</u>	<u>319,507</u>
5 Trade and Other Receivables		
Current		
Trade Debtors	<u>52,671</u>	<u>79,116</u>
6 Inventories		
Current		
Stock on Hand - Other	16,732	13,819
Stock on Hand	<u>67,637</u>	<u>52,870</u>
	<u>84,369</u>	<u>66,689</u>
7 Other Current Assets		
Current		
Prepayments	<u>111,436</u>	<u>86,967</u>

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
8 Property, Plant and Equipment		
Land and Buildings		
Leasehold Improvements	4,730,787	4,724,673
Less: Amortisation	<u>(3,003,961)</u>	<u>(2,923,444)</u>
	<u>1,726,826</u>	<u>1,801,229</u>
Total Land and Buildings	<u>1,726,826</u>	<u>1,801,229</u>
Plant and Equipment		
Motor Vehicles at Cost	153,254	153,254
Less: Accumulated Depreciation	<u>(153,254)</u>	<u>(153,254)</u>
	<u>-</u>	<u>-</u>
Furniture & Fittings	275,476	275,476
Less: Provision for Depreciation	<u>(230,983)</u>	<u>(194,470)</u>
	<u>44,493</u>	<u>81,006</u>
Furniture & Fittings - Sub Groups	227,139	227,139
Less: Accumulated Depreciation	<u>(189,826)</u>	<u>(162,895)</u>
	<u>37,313</u>	<u>64,244</u>
Plant & Equipment	643,630	531,794
Less: Provision for Depreciation	<u>(423,757)</u>	<u>(357,484)</u>
	<u>219,873</u>	<u>174,310</u>
Plant and Equipment - Golf Club	502,822	498,537
Less Accumulated Depreciation	<u>(481,513)</u>	<u>(473,463)</u>
	<u>21,309</u>	<u>25,074</u>
Poker Machines	39,651	39,651
Less: Provision for Depreciation	<u>(39,501)</u>	<u>(36,023)</u>
	<u>150</u>	<u>3,628</u>
Total Plant and Equipment	<u>323,138</u>	<u>348,262</u>
Total Property, Plant and Equipment	<u><u>2,049,964</u></u>	<u><u>2,149,491</u></u>

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2019 **2018**
\$ **\$**

All of the leasehold improvements owned by the club are located at Callala Beach Road, Callala, and are considered 'Core Property' (as defined in the Registered Club Act 1976).

We refer to the carrying amount of the leasehold improvements at 31 December 2019. This cost incurred by Callala RSL Country Club Limited would be expected to remain with the owners of the land at Callala Beach Road, Callala. The building improvements made by the club would be difficult to relocate from the land itself.

Movements in Carrying Amounts

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

	Carrying Value				Carrying Value
	1 Jan 2019	Additions	Disposals	Depreciation	31 Dec 2019
Leasehold Improvements	1,801,229	6,114	-	(80,517)	1,726,826
Furniture & Fittings	81,006	-	-	(36,513)	44,493
Plant & Equipment	263,628	116,121	-	(101,254)	278,495
Poker Machines	3,628	-	-	(3,478)	150
	<u>2,149,491</u>	<u>122,235</u>	<u>-</u>	<u>(221,762)</u>	<u>2,049,964</u>

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
9 Right of Use Assets		
Right of Use Assets - Land & Building	223,442	-
Less: Accumulated Depreciation	<u>(64,798)</u>	<u>-</u>
	158,644	-
Right of Use Assets - Poker Machines	1,050,426	-
Less: Accumulated Depreciation	<u>(451,683)</u>	<u>-</u>
	598,743	-
Right of Use Asset - Golf	91,570	-
Less: Accumulated Depreciation	<u>(14,425)</u>	<u>-</u>
	77,145	-
Right of Use Assets - Kitchen Equipment	39,280	-
Less: Accumulated Depreciation	<u>(1,856)</u>	<u>-</u>
	37,424	-
Total Right of Use Assets	<u><u>871,956</u></u>	<u><u>-</u></u>

The Group's lease portfolio includes land & buildings, golf equipment, poker machines and kitchen equipment. These leases have an average of 4 years as their lease term.

Options to Extend or Terminate

There were no termination or extension options for any of the leases. If the extension options or termination options were probable to be exercised we would have included them in the calculation of the right-of-use asset.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2019 2018
 \$ \$

Right of Use Assets

Movements in carrying amount for each class of right of use assets between the beginning and the end of the financial year:

	Initial Recognition		Disposals	Depreciation	Carrying Value
	1 Jan 2019	Additions			31 Dec 2019
Right of use asset - Land & Building	-	223,442	-	(64,798)	158,644
Right of use asset - Poker Machines	-	1,050,426	-	(451,683)	598,743
Right of use asset - Golf	-	91,570	-	(14,425)	77,145
Right of use asset - Kitchen Equipment	-	39,280	-	(1,856)	37,424
	-	<u>1,404,718</u>	-	<u>(532,762)</u>	<u>871,956</u>

10 Intangible Assets

Poker Machine Entitlements	<u>72,896</u>	<u>72,896</u>
Total	<u><u>72,896</u></u>	<u><u>72,896</u></u>

Movements in Carrying Amounts

Movements in carrying amount of each class of intangibles between the beginning and the end of the current financial year:

	Carrying Value		Disposals	Amortisation	Carrying Value
	1 Jan 2019	Additions			31 Dec 2019
Poker machines	72,896	-	-	-	72,896
	<u>72,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,896</u>

11 Trade and Other Payables

Current

Trade Creditors & Accruals	236,948	188,968
GST Payable	<u>51,194</u>	<u>35,435</u>
	<u><u>288,142</u></u>	<u><u>224,403</u></u>

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
12 Contract Liabilities		
Current		
Subscriptions in Advance - Social	9,146	-
Subscriptions in Advance - Golf	9,559	-
Membership Points	5,027	-
	<u>23,732</u>	<u>-</u>
Non Current		
Subscriptions in Advance - Social	8,675	-
	<u>8,675</u>	<u>-</u>
13 Borrowings		
Current		
Unsecured Debentures	-	20,000
Hire Purchase Liability	2,402	7,205
Less: Unexpired Hire Purchase Liability	(36)	(437)
Hire Purchase Liability	9,450	-
Less: Unexpired Hire Purchase Liability	(158)	-
Lease Liability		
Lease Liability - Yamaha	25,315	-
Lease Liability - Axsess Today	10,879	-
Lease Liability - TGS	361,709	-
Lease Liability - Callala RSL Sub Branch	69,708	-
	<u>467,611</u>	<u>-</u>
	<u>479,269</u>	<u>26,768</u>
Non-Current		
Hire Purchase Liability	-	2,402
Less Unexpired Hire Purchase Liability	-	(36)
Hire Purchase Liability	12,600	-
Less Unexpired Hire Purchase Liability	(80)	-
Lease Liability		
Lease Liability - Yamaha	52,292	-
Lease Liability - Axsess Today	26,695	-
Lease Liability - TGS	372,960	-
Lease Liability - Callala RSL Sub Branch	94,009	-
	<u>545,956</u>	<u>-</u>
	<u>558,476</u>	<u>2,366</u>

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2019
\$

2018
\$

The lease between Callala RSL Country Club and Callala RSL Sub Branch for the land and building is a 10 year lease, expiring 30 June 2022. There is no option to extend and as such we took up the value of the remaining lease payments at present value on 1 January 2019 to determine the lease liability and right of use asset values.

The lease between Callala RSL Country Club and TGS for the poker machines is a 5 year lease, expiring April 2021. The cost of termination per the contract is \$287,137 which has been brought to account in the lease liability calculation. However, negotiations between the Club and TGS are ongoing at this stage regarding extensions to the contract. There is no option to extend and as such we took up the value of the remaining lease payments and termination payment at present value on 1 January 2019 to determine the lease liability and right of use asset values.

The lease between Callala RSL Country Club and Axsess today for the pizza oven is a 4 year lease, expiring October 2023. There is an option to purchase the goods at each anniversary from the commencement date. However, we are reasonably certain that the Club will not purchase the oven and as such we took up the value of the remaining lease payments at present value at the beginning of the lease on 24 October 2019 to determine the lease liability and right of use asset values.

The lease between Callala RSL Country Club and Yamaha for the golf carts is a 4 year lease, expiring April 2023. The lease says that the agreement will be extended for another 3 months after expiry if the Club doesn't give notice of their intention to return the golf carts. We are reasonably certain that the Club will give notice to return the goods and as such we took up the value of the remaining lease payments at present value at the beginning of the lease on 16 May 2019 to determine the lease liability and right of use asset values.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
14 Provisions		
Current		
Provision for Annual Leave	47,233	32,717
Provision for Long Service Leave	22,092	16,337
Provision for Members Points	-	4,400
Provision for PM Jackpot	17,149	12,995
	86,474	66,449
Non-Current		
Provision for Long Service Leave	18,467	9,849
	87,792	58,903
	87,792	58,903
15 Other Liabilities		
Current		
Subscriptions in Advance	-	20,291
Other Income in Advance	7,158	7,158
Contract Liabilities	23,732	-
	30,890	27,449
Non Current		
Subscriptions in Advance	-	9,544
Contract liabilities	8,675	-
	8,675	9,544
	8,675	9,544
16 Capital and Leasing Commitments		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than 12 months	8,897	406,742
Between 12 months and five years	2,569	605,999
	11,466	1,012,741
	11,466	1,012,741

Callala has an operating lease with Multiscreen and Printercorp. The current portion of the operating lease for Multiscreen is \$4,135 and the non-current portion is \$1,378. The current portion of the Printercorp lease is \$4,762 and the non-current portion is \$1,191.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
<hr/>		
17 Contingent Liabilities		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Contingent Liabilities		
Proposed Motel		
The Club has entered into an undertaking with a developer to lease a proposed motel at Sussex Inlet.		
While there is uncertainty about the future of the project, the Club is committed to reimburse the developer, should the Club withdraw from the project prior to commencement of the building, to the maximum extent of \$25,000.		
	<u>25,000</u>	<u>-</u>
18 Key Management Personnel Compensation		
Total Compensation	<u>98,282</u>	<u>87,923</u>
19 Related Party Transactions		

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

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
<hr/>		
20 Financial Risk Management		
<p>The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.</p>		
<p>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:</p>		
Financial Assets		
Financial assets at amortised cost:		
- Cash and cash equivalents	533,991	319,507
- Trade and other receivables	<u>52,671</u>	<u>79,116</u>
Total Financial Assets	<u><u>586,662</u></u>	<u><u>398,623</u></u>
Financial Liabilities		
Financial Liabilities at amortised cost		
- Trade and other payables	182,686	145,054
- Borrowings	<u>1,037,745</u>	<u>29,134</u>
Total Financial Liabilities	<u><u>1,220,431</u></u>	<u><u>174,188</u></u>

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards.
 - (b) give a true and fair view of the financial position of the company as at 31 December 2019 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.

This declaration is made in accordance with a resolution of the board of directors.

Director: _____
Mr Dennis Beazley

Dated 23 March 2020

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional information on the following pages is in accordance with the books and records of Callala R.S.L. Country Club Limited which have been subjected to the auditing procedures applied in the audit of the company for the year ended 31 December 2019. It will be appreciated that the audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

BOOTH PARTNERS

Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 23 March 2020

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
DEPARTMENTAL PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Bar Trading			
Sales		1,108,227	1,007,232
Bar Sales Points Income		7,461	-
		<u>1,115,688</u>	<u>1,007,232</u>
LESS: COST OF GOODS SOLD			
Opening Stock		21,577	34,743
Less : Closing Stock		(28,201)	(21,577)
Purchases		519,582	423,908
		<u>512,958</u>	<u>437,074</u>
GROSS PROFIT FROM TRADING		<u>602,730</u>	<u>570,158</u>
Alcohol Rebates		21,453	20,830
		<u>21,453</u>	<u>20,830</u>
EXPENDITURE			
Wages		329,666	283,358
Amortisation		5,907	5,907
Member Points/ Voucher Expense		-	6,985
Repairs & Requisites		1,698	10,834
Superannuation		31,318	26,919
		<u>368,589</u>	<u>334,003</u>
NET PROFIT		<u>255,594</u>	<u>256,985</u>

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
DEPARTMENTAL PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
TAB Trading			
INCOME			
Mug Punter		-	1,000
TAB Commissions		18,870	17,048
		18,870	18,048
EXPENDITURE			
Superannuation		57	57
TAB Expenses		180	1,143
Wages		600	600
		837	1,800
NET PROFIT		18,033	16,248

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
DEPARTMENTAL PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Poker Machine Trading			
Poker Machine Sales Points Income		27,196	-
		<u>27,196</u>	<u>-</u>
Gross Clearances		3,993,886	3,361,934
Poker Machine GST Rebate		17,180	17,180
Poker Machine Payouts		<u>(2,756,596)</u>	<u>(2,256,646)</u>
		<u>1,254,470</u>	<u>1,122,468</u>
EXPENDITURE			
Monitoring Costs		18,543	18,207
Supplementary Tax		118,117	63,369
Wages		17,439	14,197
Community Donations		8,360	699
Depreciation and Loss on Disposal		3,478	6,975
Interest Lease Expense		59,397	-
Member Points/ Voucher Expense		-	17,059
Superannuation		1,657	1,349
TGS Expenses		<u>-</u>	<u>362,160</u>
		<u>226,991</u>	<u>484,015</u>
NET PROFIT		<u><u>1,054,675</u></u>	<u><u>638,453</u></u>

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
DEPARTMENTAL PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Golf Course Trading			
Shop Sales		14,240	17,749
		<u>14,240</u>	<u>17,749</u>
LESS: COST OF GOODS SOLD			
Opening Stock		5,222	8,101
Less Closing Stock		(3,644)	(5,222)
Purchases		9,901	9,470
		<u>11,479</u>	<u>12,349</u>
GROSS PROFIT FROM TRADING		<u>2,761</u>	<u>5,400</u>
INCOME			
Apprenticeship rebates		-	1,500
Competition Fees		14,065	13,246
Donations		6,954	8,712
Golf Advertising		2,194	2,818
Golf Cart Hire		44,253	49,941
Green Fees		86,235	92,510
Memberships		33,191	30,246
Sponsorships		500	545
Sundry Income		867	148
		<u>188,259</u>	<u>199,666</u>
EXPENDITURE			
Affiliation Fees		9,257	8,248
Amortisation of Development Costs		16,626	16,580
Depreciation		25,744	25,744
Donation		60	50
General Expenses		5,415	1,385
Golf Cart Lease Expenses		11,337	27,210
Golf Course Maintenance		96,842	56,321
Link Fees		-	115
Postage Printing & Stationery		3,100	2,521
Presentation and Catering		4,456	1,066
Superannuation		9,127	9,151
Telephone		436	311

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
DEPARTMENTAL PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Uniforms and Clothing		185	83
Wages		96,071	96,330
Wastage		-	28
		<u>278,656</u>	<u>245,143</u>
NET LOSS		<u><u>(87,636)</u></u>	<u><u>(40,077)</u></u>

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
DEPARTMENTAL PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Keno Trading			
INCOME			
Keno Commissions		32,251	34,040
		32,251	34,040
EXPENDITURE			
Repairs & Maintenance		2,336	2,294
Superannuation		57	57
Wages		600	600
		2,993	2,951
NET PROFIT		29,258	31,089

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
DEPARTMENTAL PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Bistro Trading			
Sales		736,693	137,538
Bistro Sales Points Income		4,892	-
		741,585	137,538
LESS: COST OF GOODS SOLD			
Opening Stock		26,071	14,199
Closing Stock		(26,968)	(26,071)
Purchases		314,991	67,060
		314,094	55,188
GROSS PROFIT FROM TRADING		427,491	82,350
INCOME			
Bistro Rent		-	7,643
		-	7,643
EXPENDITURE			
Bistro Electricity and Gas		16,906	8,146
Bistro Repairs and Maintenance		13,806	(564)
Bistro Requisites		564	-
Member Points/ Voucher Expense		-	682
Superannuation		31,420	5,348
Uniforms		-	96
Wages		330,737	56,296
		393,433	70,004
NET PROFIT		34,058	19,989

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
INCOME		
Bar Trading	255,594	256,985
TAB Trading	18,033	16,248
Poker Machine Trading	1,054,675	638,453
Golf Course Trading	(87,636)	(40,077)
Keno Trading	29,258	31,089
Bistro Trading	34,058	19,989
Interest Received	1,726	1,311
Members Subscriptions	15,232	14,775
Sub Groups	21 7,523	2,206
Sundry Income	22 73,219	61,201
	1,401,682	1,002,180
LESS : EXPENDITURE		
Accountancy Fees	11,937	12,248
Advertising	12,017	9,279
Affiliation Fees	5,424	5,347
Amortisation	57,984	64,120
Audit Fees	14,013	14,378
Bad Debts Expense	3,480	-
Bank Charges	18,299	8,514
Bowling Green Maintenance	76,636	78,932
Cleaning Materials & Contractors	70,785	68,727
Courtesy Bus Expenses	17,972	17,278
Depreciation	112,023	93,957
Directors Meals & Duty Expenses	553	184
Donations	25	200
Electricity & Gas	66,937	83,830
Entertainment & Promotion Expenses	23 132,019	119,982
General Expenses	24 45,868	48,758
Honorariums	4,545	-

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

SUPPLEMENTARY INFORMATION
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Insurance	53,088	53,283
Interest Paid	3,448	5,757
Lease Amortisation	532,762	-
Leasing Charges	11,438	12,468
Long Service Leave	19,701	(1,252)
Printing, Stationery & Postage	7,711	7,920
Raffle & Bingo Net Deficit	3,594	2,865
Rates & Taxes	3,284	2,836
Rent of Club Premises	-	69,708
Repairs & Maintenance	22,896	22,507
Security	1,531	2,053
Superannuation	9,267	10,182
Telephone	13,867	15,039
Trade Waste & Effluent Removal	18,952	18,788
Transport & Travelling Costs	273	82
Under/Over Banking	3,423	2,343
Wage Costs - Administration	138,170	123,362
Water Rates	8,708	8,552
	<u>1,502,630</u>	<u>982,227</u>
OPERATING PROFIT	(100,948)	19,953

The accompanying notes form part of these financial statements.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
21 Sub Groups		
Fishing Club	1,939	544
Ladies Golf Club	(1,787)	(1,118)
Mens Bowling Club	7,054	9,975
Mens Golf Club	(5,039)	(7,024)
Veterans Golf Club	14	(1,262)
Womens Bowling Club	5,342	1,091
	<u>7,523</u>	<u>2,206</u>
22 Sundry Income		
Advertising Fees	-	273
Auditorium Hire	500	7,682
Bowling Club Greens Contribution	5,739	5,510
Bus Usage Fees	-	636
Callala Club Shirts	27	91
Commissions	25,404	20,003
Donations	1,361	569
EFTPOS Fees	926	1,240
Insurance Recoveries	35,973	23,214
Kids Activity Packs	-	74
Sundry Income	3,289	1,909
	<u>73,219</u>	<u>61,201</u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached disclaimer of Booth Partners.

CALLALA R.S.L. COUNTRY CLUB LIMITED
A.B.N. 36 001 816 799

NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
23 Entertainment & Promotion Expenses		
Childrens Christmas Party	121	-
Entertainment	49,029	33,206
Major Draw	350	830
Major Prize	3,200	1,555
Members Birthday	6,865	6,518
National Poker League	25,025	25,039
Net Special Events	(4,378)	(384)
Promotions	2,024	2,337
Sky Channel & Austar	49,783	50,881
	<u>132,019</u>	<u>119,982</u>
24 General Expenses		
AGM Election Expenses	-	180
Computer Expenses	2,038	1,459
Function costs	-	1,200
Hire of Plant & Equipment	3,279	3,239
Hygiene	11,201	10,093
Legal Fees	-	820
Licence Fees	2,319	3,523
Lucky Badge	15,364	13,909
Safety	6,592	4,673
Staff Training & Welfare	(37)	3,361
Subscriptions	4,004	5,634
Sundry Expenses	1,108	667
	<u>45,868</u>	<u>48,758</u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached disclaimer of Booth Partners.