

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

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

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**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 2020.

**Principal Activities**

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

Licensed sporting club

**Review of Operations**

The Company closely monitored its performance and made improvements with the conservative use of available funds.

**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 2020 were as follows:

Members	2,595
Total Members	<u>2,595</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 2020 the collective liability of members was \$5,190 (31 December 2019: \$5,416).

**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.

**Lynden Byrne**

**Vice President**

*Qualifications, experience, and special duties:*

Retired.

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**DIRECTORS' REPORT**

**Robert Fowler**

*Qualifications, experience, and special duties:*  
Retired.

**Treasurer**

**Sharon Gadd**

*Qualifications, experience, and special duties:*  
Mail Courier

**Director**

**Gary Manning**

*Qualifications, experience, and special duties:*  
Retired

**Director**

**Stephen Dunshea**

Appointed 26/07/2020

*Qualifications, experience, and special duties:*  
CEO

**Director**

**Gail Bebber**

Appointed 1/01/2021

*Qualifications, experience, and special duties:*  
Retired

**Director**

**Colin Chessell**

Appointed 1/09/2020

*Qualifications, experience, and special duties:*  
Retired

**Director**

**Glenn Brindle**

Resigned 30/10/2020

*Qualifications, experience, and special duties:*  
Retired.

**Former Director**

**Douglas Ingle**

Resigned 26/07/2020

*Qualifications, experience, and special duties:*  
Retired.

**Former Treasurer**

**Colin Hankin**

Resigned 30/09/2020

*Qualifications, experience, and special duties:*  
Retired

**Former Director**

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**DIRECTORS' REPORT**

**Terry Renaud**

**Former Director**

Resigned 26/07/2020

*Qualifications, experience, and special duties:*

Retired

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**  
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**DIRECTORS' REPORT**

**Summary of Meeting Attendances:**

10 ordinary meetings and 1 special meeting were held during the year.

	<i>Number of Meetings Eligible To Attend</i>	<i>Number of Meetings Attended</i>
Dennis Beazley	11	11
Lynden Byrne	11	11
Robert Fowler	11	11
Sharon Gadd	11	11
Gary Manning	11	11
Stephen Dunshea	5	5
Gail Bebber	5	5
Colin Chessell	7	7
Glenn Brindle	8	8
Douglas Ingle	2	2
Colin Hankin	6	3
Terry Renaud	2	2

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2020 has been received and can be found on page 8 of the financial report.

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

Director: \_\_\_\_\_  
Mr Dennis Beazley

Dated 29 March 2021

**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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of 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 2020 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.

**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.

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.

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
CALLALA R.S.L. COUNTRY CLUB LIMITED  
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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  
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**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 2020 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**

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Rebeka Schroeder, CA  
52 Osborne Street, Nowra NSW 2541  
Dated 29 March 2021

**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 2020, there have been no contraventions of:

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

**BOOTH PARTNERS**

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Rebeka Schroeder, CA  
52 Osborne Street, Nowra NSW 2541  
Dated 29 March 2021

**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 2020**

	Note	2020 \$	2019 \$
Revenue	2	3,544,422	3,509,986
Other income	2	374,740	1,726
Cost of sales		(725,226)	(838,531)
Depreciation, amortisation and loss on disposal		(218,821)	(221,762)
Employee benefits		(1,141,198)	(1,015,850)
Interest expense		(32,488)	(62,845)
Lease Amortisation		(499,301)	(532,762)
Occupancy costs		(149,830)	(148,923)
Poker Machine Expenses		(169,957)	(145,020)
Promotions & entertainment		(101,893)	(155,986)
Repairs & maintenance		(179,593)	(214,214)
Sporting subsidies & donations		-	(85)
Other expenses		(273,522)	(276,682)
<b>Profit (Loss) before income tax</b>	<b>3</b>	<b>427,333</b>	<b>(100,948)</b>
Income tax expense		-	-
<b>Profit (loss) attributable to members of the company</b>		<b>427,333</b>	<b>(100,948)</b>
<b>Total comprehensive income (loss) attributable to members of the company</b>		<b>427,333</b>	<b>(100,948)</b>

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 2020**

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,208,647	533,991
Trade and other receivables	5	46,979	52,671
Inventories	6	84,781	84,369
Other current assets	7	123,473	111,436
<b>TOTAL CURRENT ASSETS</b>		<u>1,463,880</u>	<u>782,467</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	1,937,477	2,049,964
Right of use assets	9	350,500	871,956
Intangible assets	10	72,896	72,896
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,360,873</u>	<u>2,994,816</u>
<b>TOTAL ASSETS</b>		<u>3,824,753</u>	<u>3,777,283</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	370,594	288,142
Contract liabilities	12	18,087	23,732
Borrowings	13	491,289	479,269
Short term provisions	14	55,820	86,474
Other current liabilities	15	7,158	7,158
<b>TOTAL CURRENT LIABILITIES</b>		<u>942,948</u>	<u>884,775</u>
<b>NON-CURRENT LIABILITIES</b>			
Contract liabilities	12	9,717	8,675
Borrowings	13	115,422	558,476
Long term provisions	14	22,443	18,467
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>147,582</u>	<u>585,618</u>
<b>TOTAL LIABILITIES</b>		<u>1,090,530</u>	<u>1,470,393</u>
<b>NET ASSETS</b>		<u>2,734,223</u>	<u>2,306,890</u>
<b>EQUITY</b>			
Retained earnings		<u>2,734,223</u>	<u>2,306,890</u>
<b>TOTAL EQUITY</b>		<u>2,734,223</u>	<u>2,306,890</u>

The accompanying notes form part of these financial statements.

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>Retained Profits</b>
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>
Income tax expense	-
Balance at 31 December 2019	<u><u>2,306,890</u></u>
Balance at 1 January 2020	2,306,890
Profit (loss) for the year	427,333
Other comprehensive income for the year	-
Total comprehensive income attributable to members of the entity	<u>427,333</u>
Balance at 31 December 2020	<u><u>2,734,223</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 2020**

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members & visitors		3,919,512	3,533,974
Payments to suppliers and employees		(2,706,778)	(2,799,427)
Interest received		740	1,726
Interest & other cost of finance paid		(4,320)	(3,448)
<b>Net cash provided by (used in) operating activities</b>		<u>1,209,154</u>	<u>732,825</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(103,465)	(122,234)
<b>Net cash provided by (used in) investing activities</b>		<u>(103,465)</u>	<u>(122,234)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings - HP's		52,582	27,960
Repayment of borrowings - HP's and debenture		(19,371)	(32,916)
Modifications from borrowings - Leases		(169,852)	-
Repayment of borrowings - Leases		(294,392)	(391,151)
<b>Net cash provided by (used in) financing activities</b>		<u>(431,033)</u>	<u>(396,107)</u>
Net increase (decrease) in cash held		674,656	214,484
Cash at beginning of financial year		533,991	319,507
Cash at end of year	4	<u><u>1,208,647</u></u>	<u><u>533,991</u></u>

The accompanying notes form part of these financial statements.

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 2020 were authorised for issue in accordance with a resolution of the directors on 29 March 2021.

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 2020. 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.

*Advertising and Sponsorships*

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

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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*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*

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.

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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*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.

Donations and bequests are recognised as revenue when received.

**CALLALA R.S.L. COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 the 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 2020**

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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The depreciation rates used for each class of depreciable asset are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
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 (i.e. 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

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- fair value through profit and loss

On the basis of the two primary criteria, being:

- 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.

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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.

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.

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

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

### **Impairment**

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.

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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.

### **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.

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## **Income Tax**

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

## **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.

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## **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 2020. 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 (i.e. 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.

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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.

### **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 Judgements**

The directors evaluate estimates and judgements 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 judgements - Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

### **Contingent Liabilities**

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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.

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>2 Revenue</b>		
<b>Revenue</b>		
Sales Revenue:		
Bar Rebate Income	18,665	21,453
Bar Sales	974,859	1,108,227
Bar Sales Points Income	3,506	7,461
Bistro Sales	648,812	736,693
Bistro Sales Points Income	2,336	4,892
Golf Shop Other Income	178,400	188,259
Golf Shop Sales	17,216	14,240
Keno Commissions	36,335	32,251
Members Subscriptions	14,369	15,232
Net gain on Lease Modification	166,983	-
Poker Machine Net Clearances	1,366,613	1,237,290
Poker Machine Rebate Income	17,180	17,180
Poker Machine Sales Points Income	17,465	27,196
Sub Club Income	21,849	7,523
Sundry Income	49,169	73,219
TAB Commissions	10,665	18,870
	<u>3,544,422</u>	<u>3,509,986</u>
<b>Other Income</b>		
Interest Received		
Bendigo Bank	740	1,726
CashFlow Booster	100,000	-
Jobkeeper Subsidy	264,000	-
Financial Support Grant	10,000	-
	<u>374,740</u>	<u>1,726</u>
<b>Total revenue and other income</b>	<u><u>3,919,162</u></u>	<u><u>3,511,712</u></u>

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>3 Profit from Ordinary Activities</b>		
Profit from ordinary activities before income tax expense has been determined after:		
<b>Expenses:</b>		
Cost of sales	725,226	838,531
Depreciation of non-current assets	218,820	221,762
Rental expense on operating leases:		
Rental expense on operating leases	8,898	11,438
<b>Total rental expense on operating leases</b>	<u>8,898</u>	<u>11,438</u>
<b>4 Cash and Cash Equivalents</b>		
<b>Current</b>		
Cash on Hand	130,000	100,000
Bendigo Bank	1,072,516	433,203
Commonwealth Bank	6,131	788
	<u>1,208,647</u>	<u>533,991</u>
<b>Reconciliation of cash</b>		
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	1,208,647	533,991
	<u>1,208,647</u>	<u>533,991</u>
<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	46,979	52,671
	<u>46,979</u>	<u>52,671</u>

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>6 Inventories</b>		
<b>Current</b>		
Stock on Hand - Other	10,488	16,732
Stock on Hand	74,293	67,637
	84,781	84,369
<b>7 Other Current Assets</b>		
<b>Current</b>		
Prepayments	123,473	111,436
	123,473	111,436
<b>8 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Leasehold Improvements	4,730,787	4,730,787
Less: Amortisation	(3,083,333)	(3,003,961)
	1,647,454	1,726,826
<b>Total Land and Buildings</b>	1,647,454	1,726,826

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Plant and Equipment</b>		
Motor Vehicles at Cost	153,254	153,254
Less: Accumulated Depreciation	<u>(153,254)</u>	<u>(153,254)</u>
	-	-
Furniture & Fittings	275,476	275,476
Less: Provision for Depreciation	<u>(265,007)</u>	<u>(230,983)</u>
	10,469	44,493
Furniture & Fittings - Sub Groups	227,139	227,139
Less: Accumulated Depreciation	<u>(208,347)</u>	<u>(189,826)</u>
	18,792	37,313
Plant & Equipment	686,277	643,630
Less: Provision for Depreciation	<u>(500,872)</u>	<u>(423,757)</u>
	185,405	219,873
Plant and Equipment - Golf Club	566,511	502,822
Less Accumulated Depreciation	<u>(491,154)</u>	<u>(481,513)</u>
	75,357	21,309
Poker Machines	39,651	39,651
Less: Provision for Depreciation	<u>(39,651)</u>	<u>(39,501)</u>
	-	150
<b>Total Plant and Equipment</b>	<u>290,023</u>	<u>323,138</u>
<b>Total Property, Plant and Equipment</b>	<u>1,937,477</u>	<u>2,049,964</u>

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 2020. 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.

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2020                      2019  
 \$                              \$

**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 2020	Additions	Disposals	Depreciation	31 Dec 2020
Leasehold Improvements	1,726,826	-	-	(79,371)	1,647,455
Furniture & Fittings	44,493	-	-	(34,023)	10,470
Plant & Equipment	278,495	106,333	-	(105,276)	279,552
Poker Machines	150	-	-	(150)	-
	<u>2,049,964</u>	<u>106,333</u>	<u>-</u>	<u>(218,820)</u>	<u>1,937,477</u>

**9 Right of Use Assets**

Right of Use Assets - Land & Building	223,442	223,442
Less: Accumulated Depreciation	(129,596)	(64,798)
	<u>93,846</u>	<u>158,644</u>
Right of Use Assets - Poker Machines	483,263	1,050,426
Less: Accumulated Depreciation	(312,072)	(451,683)
	<u>171,191</u>	<u>598,743</u>
Right of Use Asset - Golf	91,570	91,570
Less: Accumulated Depreciation	(33,711)	(14,425)
	<u>57,859</u>	<u>77,145</u>
Right of Use Assets - Kitchen Equipment	39,280	39,280
Less: Accumulated Depreciation	(11,676)	(1,856)
	<u>27,604</u>	<u>37,424</u>
<b>Total Right of Use Assets</b>	<u><u>350,500</u></u>	<u><u>871,956</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**

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2020                      2019  
 \$                              \$

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.

**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				Carrying Value
	1 Jan 2020	Additions	Disposals	Depreciation	31 Dec 2020
Right of use asset - Land & Building	158,644	-	-	(64,798)	93,846
Right of use asset - Poker Machines	598,743	483,263	(486,132)	(424,683)	171,191
Right of use asset - Golf	77,145	-	-	(19,286)	57,859
Right of use asset - Kitchen Equipment	37,424	-	-	(9,820)	27,604
	871,956	483,263	(486,132)	(518,587)	350,500
	871,956	483,263	(486,132)	(518,587)	350,500

**10 Intangible Assets**

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

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2020  
\$

2019  
\$

**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				Carrying Value
	1 Jan 2020	Additions	Disposals	Amortisation	31 Dec 2020
Poker machines	72,896	-	-	-	72,896
	72,896	-	-	-	72,896

**11 Trade and Other Payables**

**Current**

Trade Creditors & Accruals	304,460	236,948
GST Payable	66,134	51,194
	370,594	288,142

**12 Contract Liabilities**

**Current**

Subscriptions in Advance - Social	9,763	9,146
Subscriptions in Advance - Golf	8,273	9,559
Membership Points	51	5,027
	18,087	23,732

**Non Current**

Subscriptions in Advance - Social	9,717	8,675
	9,717	8,675

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>13 Borrowings</b>		
<b>Current</b>		
Hire Purchase Liability	13,145	2,402
Less: Unexpired Hire Purchase Liability	(1,850)	(36)
Hire Purchase Liability	9,450	9,450
Less: Unexpired Hire Purchase Liability	(74)	(158)
<b>Lease Liability</b>		
Lease Liability - Yamaha	25,315	25,315
Lease Liability - Axsess Today	11,026	10,879
Lease Liability - TGS	364,569	361,709
Lease Liability - Callala RSL Sub Branch	69,708	69,708
	470,618	467,611
	491,289	479,269
<b>Non-Current</b>		
Hire Purchase Liability	36,150	-
Less Unexpired Hire Purchase Liability	(2,576)	-
Hire Purchase Liability	3,150	12,600
Less Unexpired Hire Purchase Liability	(6)	(80)
<b>Lease Liability</b>		
Lease Liability - Yamaha	30,413	52,292
Lease Liability - Axsess Today	17,213	26,695
Lease Liability - TGS	-	372,960
Lease Liability - Callala RSL Sub Branch	31,078	94,009
	78,704	545,956
	115,422	558,476

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**2020**  
**\$**

**2019**  
**\$**

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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 \$287,500 which has been brought to account in the lease liability calculation. However, due to COVID 19 there has been a modification to the lease. TGS offered nil repayments for the months of April and June 2020 and a repayment reduction based on the reduced amount of machines being used. On the 8th February 2021, the Club informed TGS their intention to payout the contract at the end of April 2021.

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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>14 Provisions</b>		
<b>Current</b>		
Provision for Annual Leave	32,671	47,233
Provision for Long Service Leave	11,985	22,092
Provision for PM Jackpot	11,164	17,149
	55,820	86,474
<b>Non-Current</b>		
Provision for Long Service Leave	22,443	18,467
	78,263	87,792
<b>15 Other Liabilities</b>		
<b>Current</b>		
Other Income in Advance	7,158	7,158
Contract Liabilities	18,087	23,732
	25,245	30,890
<b>Non Current</b>		
Contract liabilities	9,717	8,675
	9,717	8,675
<b>16 Capital and Leasing Commitments</b>		

**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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than 12 months	5,326	8,897
Between 12 months and five years	9,649	2,569
	14,975	11,466
<p>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 \$9,649. The current portion of the Printercorp lease is \$1,191 and the non-current portion is \$0.</p>		
<b>17 Contingent Liabilities</b>		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
<b>Contingent Liabilities</b>		
<b>Proposed Motel</b>		
The Club has entered into an undertaking with a developer to lease a proposed motel.		
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.		
	-	25,000
<b>18 Key Management Personnel Compensation</b>		
Total Compensation	101,467	98,282

**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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>19 Related Party Transactions</b>		
<p>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.</p>		
<b>20 Financial Risk Management</b>		
<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>		
<b>Financial Assets</b>		
Financial assets at amortised cost:		
- Cash and cash equivalents	1,208,647	533,991
- Trade and other receivables	46,979	52,671
Total Financial Assets	<u>1,255,626</u>	<u>586,662</u>
<b>Financial Liabilities</b>		
Financial Liabilities at amortised cost		
- Trade and other payables	234,602	182,686
- Borrowings	606,711	1,037,745
Total Financial Liabilities	<u>841,313</u>	<u>1,220,431</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 2020 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

**Director:** \_\_\_\_\_  
Mr Dennis Beazley

Dated 29 March 2021

**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 2020. 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**

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Rebeka Schroeder, CA  
52 Osborne Street, Nowra NSW 2541  
Dated 29 March 2021

**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 2020**

	Note	2020 \$	2019 \$
<b>Bar Trading</b>			
Sales		974,859	1,108,227
Bar Sales Points Income		3,506	7,461
		<u>978,365</u>	<u>1,115,688</u>
<b>LESS: COST OF GOODS SOLD</b>			
Opening Stock		28,201	21,577
Less : Closing Stock		(39,308)	(28,201)
Purchases		442,155	519,582
		<u>431,048</u>	<u>512,958</u>
<b>GROSS PROFIT FROM TRADING</b>		<u>547,317</u>	<u>602,730</u>
Alcohol Rebates		18,665	21,453
		<u>18,665</u>	<u>21,453</u>
<b>EXPENDITURE</b>			
Wages		214,573	329,666
Amortisation		5,907	5,907
Repairs & Requisites		2,909	1,698
Superannuation		20,384	31,318
		<u>243,773</u>	<u>368,589</u>
<b>NET PROFIT</b>		<u><u>322,209</u></u>	<u><u>255,594</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 2020**

	Note	2020 \$	2019 \$
<b>TAB Trading</b>			
<b>INCOME</b>			
TAB Commissions		10,665	18,870
		10,665	18,870
<b>EXPENDITURE</b>			
Superannuation		57	57
TAB Expenses		-	180
Wages		600	600
		657	837
<b>NET PROFIT</b>		<b>10,008</b>	<b>18,033</b>

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 2020**

	2020	2019
Note	\$	\$
<b>Poker Machine Trading</b>		
Poker Machine Sales Points Income	17,465	27,196
	17,465	27,196
Gross Clearances	4,866,823	3,993,886
Poker Machine GST Rebate	17,180	17,180
Poker Machine Payouts	(3,500,210)	(2,756,596)
	1,383,793	1,254,470
<b>EXPENDITURE</b>		
Monitoring Costs	15,195	18,543
Supplementary Tax	145,344	118,117
Wages	9,801	17,439
Community Donations	9,417	8,360
Depreciation and Loss on Disposal	150	3,478
Interest Lease Expense	28,168	59,397
Lease Amortisation	424,683	451,683
Member Points/ Voucher Expense	1	-
Superannuation	931	1,657
	633,690	678,674
<b>NET PROFIT</b>	<b>767,568</b>	<b>602,992</b>

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 2020**

	2020	2019
Note	\$	\$
<b>Golf Course Trading</b>		
Shop Sales	17,216	14,240
	17,216	14,240
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	3,644	5,222
Less Closing Stock	(3,407)	(3,644)
Purchases	10,363	9,901
	10,600	11,479
<b>GROSS PROFIT FROM TRADING</b>	<b>6,616</b>	<b>2,761</b>
<b>INCOME</b>		
Competition Fees	756	14,065
Donations	2,980	6,954
Golf Advertising	1,050	2,194
Golf Cart Hire	44,336	44,253
Green Fees	95,738	86,235
Memberships	32,241	33,191
Sponsorships	-	500
Sundry Income	1,299	867
	178,400	188,259
<b>EXPENDITURE</b>		
Affiliation Fees	9,160	9,257
Amortisation of Development Costs	16,825	16,626
Depreciation	17,628	25,744
Donation	-	60
General Expenses	3,391	5,415
Golf Cart Lease Expenses	19,286	11,337
Golf Course Maintenance	71,576	96,842
Postage Printing & Stationery	2,718	3,100
Presentation and Catering	651	4,456
Superannuation	8,435	9,127

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 2020**

	Note	2020 \$	2019 \$
Telephone		436	436
Uniforms and Clothing		151	185
Wages		88,789	96,071
		<u>239,046</u>	<u>278,656</u>
<b>NET LOSS</b>		<u><u>(54,030)</u></u>	<u><u>(87,636)</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 2020**

	Note	2020 \$	2019 \$
<b>Keno Trading</b>			
<b>INCOME</b>			
Keno Commissions		36,335	32,251
		36,335	32,251
<b>EXPENDITURE</b>			
Repairs & Maintenance		1,639	2,336
Superannuation		57	57
Wages		600	600
		2,296	2,993
<b>NET PROFIT</b>		<b>34,039</b>	<b>29,258</b>

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 2020**

	Note	2020 \$	2019 \$
<b>Bistro Trading</b>			
Sales		648,812	736,693
Bistro Sales Points Income		2,336	4,892
		651,148	741,585
<b>LESS: COST OF GOODS SOLD</b>			
Opening Stock		26,968	26,071
Closing Stock		(31,578)	(26,968)
Purchases		288,188	314,991
		283,578	314,094
<b>GROSS PROFIT FROM TRADING</b>		367,570	427,491
<b>EXPENDITURE</b>			
Bistro Electricity and Gas		12,930	16,906
Bistro Repairs and Maintenance		10,236	13,806
Bistro Requisites		9,878	564
Superannuation		33,538	31,420
Uniforms		260	-
Wages		340,634	330,737
		407,476	393,433
<b>NET PROFIT (LOSS)</b>		(39,906)	34,058

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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Bar Trading	322,209	255,594
TAB Trading	10,008	18,033
Poker Machine Trading	767,568	602,992
Golf Course Trading	(54,030)	(87,636)
Keno Trading	34,039	29,258
Bistro Trading	(39,906)	34,058
CashFlow Booster	100,000	-
Financial Support Grant	10,000	-
Interest Received	740	1,726
Jobkeeper Subsidy	264,000	-
Members Subscriptions	14,369	15,232
Net gain on Lease Modification	166,983	-
Sub Groups	<b>21</b> 21,849	7,523
Sundry Income	<b>22</b> 49,169	73,219
	<b>1,666,998</b>	<b>949,999</b>
<b>LESS : EXPENDITURE</b>		
Accountancy Fees	12,317	11,937
Advertising	11,223	12,017
Affiliation Fees	5,399	5,424
Amortisation	56,640	57,984
Audit Fees	14,459	14,013
Bad Debts Expense	-	3,480
Bank Charges	23,726	18,299
Bowling Green Maintenance	68,410	76,636
Cleaning Materials & Contractors	62,236	70,785
Courtesy Bus Expenses	16,433	17,972

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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Depreciation	121,671	112,023
Directors Meals & Duty Expenses	981	553
Donations	-	25
Electricity & Gas	57,452	66,937
Entertainment & Promotion Expenses	<b>23</b> 89,748	132,019
General Expenses	<b>24</b> 42,739	45,868
Honorariums	-	4,545
Insurance	66,036	53,088
Interest Paid	4,320	3,448
Lease Amortisation	74,618	81,079
Leasing Charges	5,232	11,438
Long Service Leave	12,327	19,701
Printing, Stationery & Postage	7,249	7,711
Raffle & Bingo Net Deficit	541	3,594
Rates & Taxes	2,804	3,284
Repairs & Maintenance	24,823	22,896
Security	1,750	1,531
Superannuation	30,473	9,267
Telephone	15,946	13,867
Trade Waste & Effluent Removal	16,395	18,952
Transport & Travelling Costs	-	273
Under/Over Banking	3,975	3,423
Wage Costs - Administration	147,384	138,170
Wages - Jobkeeper	231,750	-
Water Rates	10,608	8,708
	1,239,665	1,050,947
<b>OPERATING PROFIT</b>	<b>427,333</b>	<b>(100,948)</b>

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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>21 Sub Groups</b>		
Fishing Club	(1,327)	1,939
Ladies Golf Club	(1,466)	(1,787)
Mens Bowling Club	10,462	7,054
Mens Golf Club	3,370	(5,039)
Veterans Golf Club	5,791	14
Womens Bowling Club	5,019	5,342
	<u>21,849</u>	<u>7,523</u>
	<u>21,849</u>	<u>7,523</u>
 <b>22 Sundry Income</b>		
Auditorium Hire	1,615	500
Bowling Club Greens Contribution	5,829	5,739
Bus Usage Fees	136	-
Callala Club Shirts	-	27
Commissions	19,091	25,404
Donations	362	1,361
EFTPOS Fees	3,350	926
Insurance Recoveries	11,100	35,973
Sundry Income	7,686	3,289
	<u>49,169</u>	<u>73,219</u>
	<u>49,169</u>	<u>73,219</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 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>23 Entertainment &amp; Promotion Expenses</b>		
Childrens Christmas Party	-	121
Entertainment	30,981	49,029
Major Draw	-	350
Major Prize	-	3,200
Members Birthday	4,514	6,865
National Poker League	16,190	25,025
Net Special Events	672	(4,378)
Promotions	1,220	2,024
Sky Channel & Austar	36,171	49,783
	<u>89,748</u>	<u>132,019</u>
<b>24 General Expenses</b>		
Computer Expenses	2,220	2,038
Hire of Plant & Equipment	2,490	3,279
Hygiene	12,234	11,201
Legal Fees	(221)	-
Licence Fees	1,744	2,319
Lucky Badge	10,091	15,364
Safety	8,601	6,592
Staff Training & Welfare	865	(37)
Subscriptions	3,959	4,004
Sundry Expenses	756	1,108
	<u>42,739</u>	<u>45,868</u>

The accompanying notes form part of these financial statements.

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