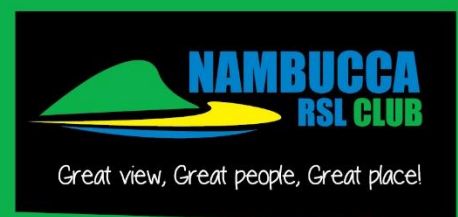


# 69th ANNUAL REPORT

YEAR ENDED 30 JUNE 2020



## BOARD OF DIRECTORS 2019 - 2021

### President:

Terrie Hylsop

### Board:

Louis ( Lou ) Barnes  
William ( Ron ) Dunbar  
Paul Hayes  
William ( Bill ) Henderson  
John Hopkins  
Diane Trevethan

### Life Members:

Robert ( Bob ) Provost [ Deceased ]  
C S Williams [ Deceased ]  
H J Davison [ Deceased ]  
Allan Evans [ Deceased ]  
Noel Hamblion [ Deceased ]  
Kevin Curran [ Deceased ]  
Thelma ( Joyce ) Cummings  
William ( Brian ) Duncan  
William ( Bill ) Larkey

## MEMBERSHIP

The Company is limited by guarantee and is without share capital. The number of members at the 30<sup>th</sup> June, 2020 with previous year's comparison is as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Life	3	3	3	3	3
Service Member	291	308	326	351	353
Ordinary Member	<u>5313</u>	<u>5472</u>	<u>5321</u>	<u>4878</u>	<u>4728</u>
	<u>5607</u>	<u>5783</u>	<u>5650</u>	<u>5231</u>	<u>5084</u>



Great view, Great people, Great place!

## NOTICE OF MEETING

Notice is hereby given that the 69<sup>th</sup> Annual General Meeting of the Nambucca Heads R.S.L. Club Limited shall be held in the Club Rooms of the Club, at Nelson Street, Nambucca Heads, on Sunday, 29th November, 2020 at 9:30am.

**Please note** : Doors open at 8:30am and will close promptly at 9:30am.

To assist members who have any queries on any aspect of the Annual Report, please write or email to [wendy.mills@nambuccarsl.com.au](mailto:wendy.mills@nambuccarsl.com.au) to arrive by Friday, 20 November, 2020. All genuine enquiries will be answered either before or at our Annual General Meeting.

## *Dedication*

Nambucca Heads RSL Club shares together with the Sub-Branch a dedication to the memory of the Men and Women of Australia's Armed Services who laid down their lives endeavouring to ensure an enduring Peace among the Peoples of the World.

*May they not have died in vain.*

## MEETING AGENDA

1. Apologies.
2. Confirmation of Minutes of the Annual General Meeting held Sunday, 24th November, 2019.
3. To receive and adopt the following documents covering the Club's activities for the year ended 30<sup>th</sup> June, 2020:
  - a) Directors Report.
  - b) Statement of Comprehensive Income and Statement of Financial Position.
  - c) Auditors' Report.
4. To receive and adopted the following Reports:
  - a) President's Report on behalf of the Board of Directors.
  - b) CEO's Report.
  - c) R&SLSub-Branch, Nambucca Heads

### 5. Resolutions approving expenditure by the Board of Directors

1. Approval of President and Director Expenses.

In accordance with the requirements of the Registered Clubs Act 1976: to consider and if thought fit pass the following Ordinary Resolution:

#### ' Resolution '

a) That pursuant to section 10(6)(b) of the *Registered Clubs Act 1976*, the members approve and authorise payment by way of an Honorarium to the President of the Club, in the amount of five thousand seven hundred dollars ( \$ 5,700.00 ) per annum, commencing from the 1<sup>st</sup> December, 2020 and continuing until such time as the members by resolution at a general meeting, either amend or revoke the Honorarium, with such payment to be made in agreed instalments.

b) That pursuant to section 10(6)(b) of the *Registered Clubs Act 1976*, the members approve and authorise payment by way of an Honorarium to the remaining directors of the Club, in the amount of two thousand two hundred dollars ( \$ 2,200.00 ) per annum for each director, commencing from the 1<sup>st</sup> December, 2020 and continuing until such time as the members by resolution at a general meeting, either amend or revoke the Honorarium, with such payment to be made in agreed instalments.

The Members acknowledge that the benefits in Paragraphs a) and b) above are not available to Members generally, but only for those Directors of the Club.

2. Professional Development & Education of Directors

In accordance with the requirements of the Registered Clubs Act 1976: to consider and if thought fit pass the following Ordinary Resolution:

#### ' Resolution '

a) That members hereby approve expenditure by the Club in a sum not exceeding \$ 20,000 for the professional development and education of Directors over the following twelve ( 12 ) months, including:

- i) The reasonable cost of Directors attending the ClubsNSW Association Annual General Meeting.
- ii) The reasonable cost of Directors attending Meetings of other Associations of which the Club is a member.
- iii) The reasonable cost of Directors attending Seminars, Lectures and Trade Displays, Organised Study Tours, Fact Finding Tours and other similar events as may be determined by the Board from time to time.
- iv) The reasonable costs of Directors attending other Clubs for the purpose of observing their facilities and methods of operation.

( b ) The Members acknowledge that the benefits in Paragraph (a) above are not available to Members generally, but only for those Directors of the Club.

3. In accordance with the requirements of the Registered Clubs Act 1976: to consider and if thought

fit pass the following Ordinary Resolution:

**' Resolution '**

( a ) The Members hereby approve expenditure by the Club in a sum not exceeding \$ 31,000 over the following twelve months for the following expenses subject to approval by the Board of Directors.

- i) Expenses involved in subsidies of Intra Clubs, ANZAC Day, Children's Christmas Party, Voluntary Workers Dinner, Presentations to Members or other persons acknowledging services deemed by the Directors as being of benefit to the Club and sponsorship of sporting events and sports persons deemed by the Directors to be of benefit to the Club and/or the community.
- ii) The reasonable cost of a meal and beverage for each Director before or after a Board or Committee Meeting on the day of that Meeting when this Meeting coincides with a normal meal time.
- iii) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other professional activities approved by the Board on production of documentary evidence of such evidence.
- iv) Attendance at functions with spouses where appropriate and required to represent the Club including the Annual General Meeting of the ClubsNSW Association.
- v) The provision of blazers and associated apparel for the use of the Club Directors when representing the Club.
- vi) President's Entertainment Expenses.

( b ) The Members acknowledge that the benefits in Paragraph ( a ) above are not available to Members generally, but only for those Directors of the Club and those Members directly involved in the above activities.

5. In accordance with the requirements of the Registered Clubs Act 1976: to consider and if thought fit pass the following Ordinary Resolution:

**Resolution '**

(a) That the Club make provision for car parking spaces adjacent to the Club for use by the President, CEO, Sub Branch President and Sub Branch Hon. Secretary.

( b ) The Members acknowledge that the benefits in Paragraph ( a ) above are not available to Members generally, but only for those mentioned above.

6. **Auditor**

The Auditors, HLV Audit Pty Ltd, continue in office in accordance with the provisions in the Corporations Law.

7. Permission may be granted by the Chairman to bring up for discussion any matter that is handed to her in writing before the commencement of the Meeting.



**Wendy Mills**  
**CEO**  
**Nambucca Heads RSL Club Limited**

## **PRESIDENT'S REPORT**

It is an honour to present the 69th President's Report.

Wow, what a year we have had. First was the Drought, then came the Fires and then Covid 19, which has presented us with a loss at the end of the financial year of ( \$ 394,408 ). However, I am pleased to advise our cash in hand at 30 June, 2020 was \$ 626,186 which is a truly inspiring achievement. I am indeed fortunate to be surrounded by the most professional & dedicated Managers in the industry. CEO Wendy Mills, Assistant Manager Carlie Thorman, Assistant Manager Dean Grant, Operations Manager Andrew Ford, Catering Manager Richard Auld & Executive Assistant Chris Bell, who all excel in meeting the industry standards & progressing the club in a financial sustainable manner.

I wish to thank my fellow Directors who have at all times kept the interest of members top of mind. Their dedication to the office & the responsibility it holds is commendable. Members can be confident that their integrity & loyalty is unswerving.

I would like to take this opportunity to thank our community for donations & our volunteers who worked tirelessly day after day in helping us prepare food & sort through mountains of food & clothing to assist those who suffered many losses during the Bushfires.

I would like to recognise the contribution of our staff both front & back of house who willing throughout the year gave up their time in assisting with our Farmers Drive, Bush Fire Relief & volunteering on their days off to deliver lunches to our Veterans on Anzac Day. Throughout all this doom & gloom they have remained staunch & resolute which has enabled us to keep our doors open at all times.

Once again, our Sub-Branch continues their commitment to looking after our veterans & families for whatever reason. They are to be commended for their ongoing service provided to not only members but for the local veteran community in general.

I would like to congratulate our Women's Auxiliary Committee who remain constantly dedicated to their continued projects throughout the year & I commend & thank you.

I would also like to congratulate the Executive Committee of UHA Wednesday Bingo, it has been a great success raising money for our Hospital.

Due to Covid 19 our sporting clubs (sub clubs) have had to abide by new government restrictions which has led to several Clubs postponing activities. We look forward to seeing them back in the very near future.

This year I'm proud to report that the Club gave in excess of \$ 76,000 to charities, local projects & people needing assistance. A full list of the charities & people helped throughout the year is listed after the R&SL Sub-Branch Report.

On behalf of the Board of Directors, Management & Staff I wish to convey our condolences to those members, family & friends who have passed or who have experienced the passing of a loved one.

In closing I would like to thank the Members of the Club, please know your patronage is never taken for granted. It is implicit that through your valued membership of the club, that we continue to grow & succeed & on behalf of the Nambucca Heads RSL Club Board of Directors, Management & Staff I say Thank You.



**TERRIE HYSLOP**  
**PRESIDENT**

## CEO'S REPORT

**The 2020 financial year** has witnessed a turbulent year like no other with Drought, Bushfires and more recently Covid-19.

On the 22<sup>nd</sup> of March we were given notice that our doors were to close for an indefinite period from 23<sup>rd</sup> March at midday. A staff meeting was called, and staff advised that our Board and Management team would do everything in their power to secure their jobs and keep our Bottle shop and doors open with limited trade.

The following weeks I witnessed absolute professionalism and compassion for my management team and staff as they worked tirelessly to decommission equipment, recess contracts and supplies in an orderly pattern.

A café and convenience store were set-up in our foyer as well as free home delivery service of food, grocery items and takeaway meals.

On March 30<sup>th</sup>, the Federal Government announced the introduction of the Job Keeper payment. The payment was a wage subsidy paid by the government to businesses significantly impacted by the Coronavirus. Fortunately, approximately 98% of our staff were eligible, staff who did not meet the criteria were offered shifts to keep them engaged with their workplace.

On a brighter note the club is positioned well for the current challenges ahead. We have strong liquid cash on our balance sheet, whilst we still have some battle scars from the pandemic we look forward to some operational certainty, where we can get back to business and again provide an exceptional experience to our members and guests.

**Operating Performance** despite a softer trading environment and posting a loss the club is trading strongly and has been able to service our loan through these times. We do have a healthy cashflow which is giving us a solid platform for future growth and performance.

There will be clubs in NSW who won't survive this period, our members can be comforted by the fact our club is in great shape to get through this and come out the other side ready to grow with you in the decades to come.

Although it has been a difficult year, we still have been able to achieve:

- Club Grants totaling \$ 76,000 back to the community
- Assist with bushfires food water shelter & clothing
- Place 25 shipping containers on properties of families affected by the bushfires
- Offer free home deliveries of meals and alcohol during restricted opening through Covid-19
- Introduce a convenience store and café through Covid-19 to continue engagement with the community
- Purchase of thermal temperature gauges for entry to club
- Deliver lunches to our veterans on Anzac Day
- Complete refurbishment of bottle shop
- Re-locate the outdoor gaming
- Introduce a new outdoor dining area
- Refurbish auditorium bar
- Up-grade Wi-Fi facilities

Future scope of works for 2021 are:

- Replace roofing and box guttering in HDZ bar area
- New roofing sheets at café
- Replace piers at cafe
- New members show case cabinet
- Appoint graphic web designer
- Re-furbish Hdz Bar paint and new flooring
- Delicense 5 gaming machines, held their entitlements
- 74 of our 89 gaming machines are operational

Although posting a loss for this financial year which is understandable due to Covid-19, your Board and Management continues to review and monitor operations of the business to ensure a solid fiscal foundation in all

areas of trade.

**Team of Management** Carlie Thorman, Dean Grant, Andrew Ford, Chris Bell, Richard Auld, Toni Mansfield, Supervisors Trent Griffiths, Sally Reedy, Marie Paget, Dylan Pate, and Isaac Wilson have again performed well and excelled in their individual roles and responsibilities. I sincerely thank you all for your contribution and support you have shown me once again. Your time and contribution are valued! Staff are the backbone of any successful business and it would be remiss of me not to acknowledge that much of the daily operation is a success because of staff. Thank you all for a job well done and your continued service to our members and guests.

**Board of Directors** have an onerous responsibility in their roles generally and the sub-committees in which they serve. Their contribution in the past year includes operational reviews, compliance and continued training is certainly an essential ingredient to a successful board.

My appreciation and thanks to you all, in particular President Terrie Hyslop who has led the charge in yet another challenging year.

**Members** should be aware that the position of the club today is in no small part in your presence in whatever activity you chose to be involved in. Your invaluable contribution does not go unnoticed, with your continued support the Management team and Board will continue to focus on our future relevance in our community.

To all who have lost loved ones throughout the year, my sincere condolences I wish that 2021 brings you all improved health and prosperity.

A handwritten signature in black ink that reads "Wendy Mills". The script is fluid and cursive, with the first name "Wendy" and the last name "Mills" clearly distinguishable.

**Wendy Mills**  
**CEO**  
**Nambucca Heads RSL Club Limited**



## **R&SL SUB-BRANCH REPORT**

As with all community based organisations, the operations of the Nambucca Heads RSL sub-Branch has been significantly impacted by restrictions necessitated by the COVID-19 pandemic. For the first time in over a century Australians were not able to commemorate ANZAC Day in the manner that we have become accustomed. We were able to conduct a very low key dawn service complete with a lone bugler and members of the sub-branch executive remained at the cenotaph until 1000 am on the day to assist those wishing to lay wreaths. Many in the town took part in their own commemorations by standing in their driveways at dawn. It was wonderful to see that the spirit of ANZAC cannot be diminished, even by a global pandemic.

Our Women's Auxiliary has had some changes in the way they function thanks to the new RSL NSW Constitution and its supporting Standard Operating Procedures. The Auxiliary is no longer required to maintain a committee therefore the administrative burden has been greatly relieved. The ladies have been able to resume fundraising through the conduct of Monday Morning Bingo at the RSL Club and patrons are very grateful to have their favorite weekly bingo game restored. The Auxiliary graciously donated \$2000 to the 'Were Here' Initiative so that veterans in the Nambucca Valley could meet for a coffee on Saturday mornings at Goodtime Charlies Cafe in Nambucca Heads and Ben and Lenny's Cafe in Macksville. The Auxiliary is still looking for members in order to maintain the work they do supporting veterans and their families through fund-raising so please come to the Nambucca Heads RSL Club on a Monday Morning at 1000 am and meet the Auxiliary team.

Our much loved pensions officer, Anne Bax, left us during the year as she married and moved to the Bathurst area. We miss her very much however we are delighted to see her happily married and wish her well into the future. We are still able to talk to those seeking pension support and have option available through for referral to appropriate pensions officers and advocates. We have also lost our sub-branch administration office inside the RSL Club due to the requirements of recent club renovations however we were able to keep our pensions office and are making do.

Due to the COVID-19 restrictions our Welfare Officer, Bob Crisp, has had a tough time keeping tabs on veterans who are unwell or incapacitated. He has done as much as he can by telephone and we are very grateful to Bob for his selfless dedication to the Nambucca Heads Veterans Community.

The sub-branch has continued the tradition of being able to swiftly provide emergency support to veterans in Nambucca Heads regardless of their membership status with the sub-branch. It is this ability to be able to provide confidential immediate financial and physical support to veterans in need that makes RSL sub-branches necessary in our communities however to do that we need active members. If you would like to assist those that have served and help in honoring the fallen and their families then please consider joining the sub-branch or Women's Auxiliary and note that previous military service is not required to become an affiliate member.

On behalf of the executive and members of the Nambucca Heads RSL sub-Branch I would like to thank the management and staff of the Nambucca Heads RSL Club Ltd for continuing to host us in their building and provide us support in so many ways.

**Mick Birtles, DSC**  
**President**  
**R&SL Sub-Branch, Nambucca Heads**

## **ClubGRANTS / Donations**

The Nambucca Valley Community is our Heart and for the year ending 30 June, 2020, Nambucca RSL Club donated in excess of \$ 76,000. Our recipients were:

### **Category 1**

Mid North Coast Area Health District - Macksville Hospital Arts Program

Nambucca Anglican Parish - St Jimmys Kitchen

Nambucca Valley Chamber of Commerce, Australia Day & Lions Club Committee

### **Category 2**

201N1 - 2019 District Lions Convention

Elly Stig Memorial Golf Day

Nambucca Heads Primary School

Roberts Nambucca Real Estate - Daffodil Day

Valla Beach Community Association

### **Category 3**

Communities NSW

### **In Kind**

3 WYSE Wimin

Adams, Lynn

AFL - Lions Football Club

AFL NSW/ACT

Andrews, Jason

Bowraville Central School

Community Care Options

Community Enterprise Foundation - Rotary

Dorrough, Warwick

Estate of the Late S Baker

Estate of the Late M Dalton

Estate of the Late M Wood

Estate of the Late K Penny

Gardner, Joyce

Hyttec

Ihle, Donna

Life Time Connect Incorporated

Lions Club, Nambucca Heads

Lions Club of Valla - Valla Fair

Macksville Gala Markets Fundraiser Event

Macksville Hospital Fundraiser Event

Madle, Lyn

Memorial - The Late Graham King

Mid North Coast Harley Group

Nambucca Heads High School

Nambucca Heads View Club

Nambucca Valley Australia Day Committee

Nambucca Valley Combined PROBUS Club

Nambucca Valley Council

Nambucca Valley NASHO's

Nambucca Valley Parish

R&SL Sub-Branch, Nambucca Heads Branch

Salvation Army Farmers Drive

Salvation Army Xmas Drive

Simmons, Jenni

U3A Nambucca Valley

## Directors' Report

### 30 June 2020

Your directors present their report on Nambucca Heads RSL Club Limited for the financial year ended 30 June 2020.

#### 1. General information

##### Information on directors

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

Terrie Hyslop

Qualifications	Retired
Experience	Previous Director
Special responsibilities	President, Office Bearer

William Henderson

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Vice President, Sports Committee, Office Bearer

Louis Barnes

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Vice President, Sports Committee, Office Bearer

William Ronald Dunbar

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director

John Hopkins

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director, Office Bearer

Judi Belbin

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director
Resigned	9 September 2019

Paul Hayes

Qualifications	Retired
Experience	Previous Director
Special responsibilities	Director

Diane Trevethan

Qualifications	Retired
Special responsibilities	Director, Sexual Harassment Officer
Appointed	24 November 2019

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

# Directors' Report

## 30 June 2020

### 1. General information

#### Principal activities

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

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

The Nambucca Heads RSL Club plays an important role in honouring present and returned servicemen and servicewomen.

#### Short term objectives

The Company's short-term objectives are to:

- Provide entertainment, food and beverages for the community at reasonable prices.
- Encourage new membership.
- Derive income to support local sporting groups and charitable organisations.
- Improve profitability and efficiency of Club operations.

#### Long term objectives

The Company's long-term objectives are to:

- Maintain the ethics and tradition of the RSL and continue to provide a place for Returned Servicemen and Women to meet.
- Maintain financial stability of the Club.
- Repay the debt incurred in modernising the Club's premises.
- Ensure facilities continue to cater for members' needs.

#### Strategy for achieving the objectives

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

- Provide best possible facilities to members.
- Provide entertainment and activities to attract patronage to the Club.
- Offer high quality, low priced meals and reasonably priced beverages.
- Annual development of a financial budget and monthly monitoring of financial performance to ensure the Club operates within its financial capabilities.

#### Performance measures

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

- Monitoring performance by comparing actual results to past performance and budget forecasts.
- Reviewing key performance indicators such as gross profit margins, wages to turnover ratios, net returns from trading and average return per poker machine.

## Directors' Report

### 30 June 2020

#### 1. General information

##### Members guarantee

Nambucca Heads RSL Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$ 11,214 (2019: \$ 11,566).

##### Meetings of directors

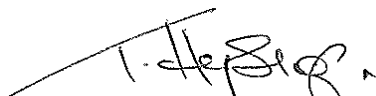
During the financial year, 18 meetings of directors (including special meetings) and 33 meetings of office bearers were held. Attendances by each director during the year were as follows:

	Directors' Monthly Meetings		Special Directors' Meeting		Office Bearer Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Terrie Hyslop	12	12	6	6	33	33
William Henderson	12	12	6	5	33	33
Louis Barnes	12	12	6	5	33	33
Ronald Dunbar	12	12	6	6	-	-
John Hopkins	12	12	6	6	33	33
Judi Belbin	2	2	1	1	-	-
Paul Hayes	12	12	6	6	-	-
Diane Trevethan	7	7	3	3	-	-

##### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 4 of the financial report.

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



Director: Terrie Hyslop



Director: William Henderson

Dated 30 September 2020



**Nambucca Heads RSL Club Limited**  
36 000 962 185

## **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Nambucca Heads RSL Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

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

HLV Audit Pty Ltd

Aart Hooykaas Director

Nambucca Heads

30 September 2020

### **MACKSVILLE**

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AAC 478051

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E [info@hlv.com.au](mailto:info@hlv.com.au)

Liability limited by a Scheme approved  
under Professional Standards Legislation.

## Statement of Profit or Loss and Other Comprehensive Income

### For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Poker Machine Revenue		3,466,310	4,222,906
Bar Sales		1,062,684	1,223,011
Catering Revenue		1,320,530	1,501,213
Bottle Shop Revenue		2,041,792	1,908,429
Keno Revenue		113,369	109,813
Commissions		27,404	42,053
Entertainment & Promotions		174,659	200,609
Member Subscriptions		24,370	24,381
Sub-club Revenue		12,839	19,359
Rental income		37,227	36,633
Interest		5,602	5,523
Economic Stimulus income		657,454	-
Other income		104,861	174,787
<b>TOTAL INCOME</b>		<b>9,049,101</b>	<b>9,468,717</b>
Bar Cost of Sales		(393,537)	(453,463)
Catering Cost of Sales		(516,908)	(551,775)
Bottle Shop Cost of Sales		(1,660,041)	(1,549,518)
Employee Benefits Expense		(3,182,944)	(3,057,393)
Depreciation & Amortisation Expense		(781,315)	(782,829)
Repairs & Maintenance		(406,783)	(349,211)
Entertainment & Promotions		(489,328)	(564,663)
Poker Machine Tax		(570,554)	(736,799)
Loss on Disposal of Assets		(41,409)	(73,018)
Finance Costs		(101,943)	(105,556)
Other Operating Expenses		(1,262,799)	(1,339,054)
<b>TOTAL EXPENSES</b>		<b>(9,407,561)</b>	<b>(9,563,279)</b>
<b>Profit before income tax</b>		<b>(358,460)</b>	<b>(94,562)</b>
Income tax expense	1(l)	-	-
<b>Profit for the year</b>		<b>(358,460)</b>	<b>(94,562)</b>
<b>Total comprehensive income for the year</b>		<b>(358,460)</b>	<b>(94,562)</b>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

## Statement of Financial Position

30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	626,186	839,624
Trade and other receivables	4	277,243	40,556
Inventories	5	187,989	221,285
Other assets	8	32,396	18,134
<b>TOTAL CURRENT ASSETS</b>		<b>1,123,814</b>	<b>1,119,599</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	5,733,567	6,239,954
Right-of-use assets	9	991,012	-
Intangible assets	7	8,333	8,333
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,732,912</b>	<b>6,248,287</b>
<b>TOTAL ASSETS</b>		<b>7,856,726</b>	<b>7,367,886</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,065,153	797,210
Borrowings	11	-	1,950,000
Lease liabilities	9	230,427	219,355
Short-term provisions	12	33,696	7,178
Employee benefits	13	182,404	156,625
Other liabilities		7,721	19,071
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,519,401</b>	<b>3,149,439</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	1,950,000	-
Lease liabilities	9	631,308	128,468
Employee benefits	13	77,260	70,100
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,658,568</b>	<b>198,568</b>
<b>TOTAL LIABILITIES</b>		<b>4,177,969</b>	<b>3,348,007</b>
<b>NET ASSETS</b>		<b>3,678,757</b>	<b>4,019,879</b>
<b>EQUITY</b>			
Retained earnings		3,678,757	4,019,879
<b>TOTAL EQUITY</b>		<b>3,678,757</b>	<b>4,019,879</b>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

### For the Year Ended 30 June 2020

#### 2020

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2019</b>	<b>4,019,879</b>	<b>4,019,879</b>
Profit / (Loss) for the year	(358,460)	(358,460)
Retrospective Adjustment upon Change in Accounting Standard	17,338	17,338
<b>Balance at 30 June 2020</b>	<b>3,678,757</b>	<b>3,678,757</b>

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#### 2019

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2018</b>	<b>4,114,441</b>	<b>4,114,441</b>
Profit / (Loss) for the year	(94,562)	(94,562)
<b>Balance at 30 June 2019</b>	<b>4,019,879</b>	<b>4,019,879</b>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

## Statement of Cash Flows

### For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		9,675,584	10,463,503
Payments to suppliers and employees		(8,987,039)	(9,545,049)
Interest received		5,602	5,523
Interest and other finance costs		(101,943)	(105,556)
Net cash provided by/(used in) operating activities	19	<u>592,204</u>	<u>818,421</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		-	10,545
Purchase of property, plant and equipment		(511,919)	(173,416)
Net cash used by investing activities		<u>(511,919)</u>	<u>(162,871)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of finance lease liabilities		-	(382,855)
Payment of principal lease liabilities		(293,723)	-
Net cash used by financing activities		<u>(293,723)</u>	<u>(382,855)</u>
Net increase/(decrease) in cash and cash equivalents held		(213,438)	272,695
Cash and cash equivalents at beginning of year		839,624	566,929
Cash and cash equivalents at end of financial year	3	<u>626,186</u>	<u>839,624</u>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

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

The functional and presentation currency of Nambucca Heads RSL Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 30 September 2020.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of preparation

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

##### Going Concern

The financial report has been prepared on a going concern basis, which assumes the entity intends to and will be able to continue its operations in the foreseeable future. The Company has recognised a loss after income tax of \$358,460 and positive net operating cash flows of \$592,204 for the year ended 30 June 2020. For the year then-ended, the Company's current liabilities exceed current assets by \$395,587.

The Directors have acknowledged the financial and non-financial impacts arising due to the COVID-19 Coronavirus Pandemic in undertaking their assessment of going concern. It has been determined that the uncertainties surrounding the Pandemic in conjunction with the financial impacts experienced do not cast significant doubt of the entity's ability to continue as a going concern.

In undertaking this assessment, the Directors and Management have prepared their annual budget and forecast cashflow and specifically note that the Club retains access to redraw on their existing loan facility for up to \$550,000 as at balance date, which is not due to expire until 2023. The Club has also been successful in entering into instalment plans with the Office of State Revenue and Australian Tax Office to extinguish previously deferred liabilities and assist with cash flow management.

Further, mandatory operating restrictions continue to ease allowing for normalised trade to return.

##### (b) Comparative figures

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

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies

##### (c) Revenue and other income

###### Revenue from contracts with customers

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

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

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

The revenue recognition policies for the principal revenue streams of the Company are outlined below:

###### Sale of Goods

Revenue from the sale of goods is recognised at the point of delivery, which generally reflects the transfer of significant risks and rewards of ownership of the goods and the satisfaction of performance obligations with customers.

###### Provision of Services

Revenue from the provision of services is recognised upon the delivery of service to customers, which generally reflects the satisfaction of performance obligations with customers.

###### Grants and Subsidies

Income derived from grants and subsidies are either recognised in accordance with AASB 15 Revenue from Contracts with Customers, applying the five-step model aforesaid, or AASB 1058 Income for Not-for-Profit Entities, recognised immediately in the profit or loss once the Company is entitled.

###### Donations

Donations and bequests are recognised as revenue when received.

###### Other Income

Other income is recognised when the Company is entitled to it, in-line with the relevant recognition requirements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies

##### (d) 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 in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

##### (e) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

##### (f) Inventories

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

##### (g) 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

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

###### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

###### Depreciation

The depreciable amount of plant and equipment is depreciated on a reducing balance basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Buildings are shown at cost and depreciated using the straight line method over periods from 10 to 50 years. Land is not depreciated.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2% - 10%
Furniture, Fittings and Plant and Equipment	7.5% - 50%
Leasehold improvements	4% - 10%

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies

##### (g) Property, plant and equipment

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

##### (h) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

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

##### *Classification*

On initial recognition, the Company classifies its financial assets as those measured at amortised cost.

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

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

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

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

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment, where material. Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies

##### (h) Financial instruments

###### Financial assets

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

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held).

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

###### *Trade receivables*

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

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

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

###### Financial liabilities

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

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

##### (i) Impairment of non-financial assets

At the end of each reporting year, 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. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies

##### (j) 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.

##### (k) Leases

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

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

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

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

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

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

##### *Exceptions to lease accounting*

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term. The Company does not apply short-term lease exceptions to agreements that contain purchase options or those expected to be subsequently classified as property, plant and equipment.

##### (l) Income tax

Income Tax is not levied in the operations of the Club as they pertain to members, only as regards activities concerning visitors. Therefore, normal company rates of tax are not based on the operating surplus for the year, but on the proportion applicable visitors, based on the principle of mutuality. As at the balance date, the club has carried forward income tax losses of approximately \$96,222. Although the club may trade profitably in future years, after applying the principal of mutuality for taxation purposes, the probability of absorbing the entire balance of carry forward income tax losses is considered to be very low. Therefore, in accordance with accounting standards, no deferred tax asset has been recognised as there is no certainty that the taxation losses will provide an economic benefit in the future.



## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies

##### (m) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

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

##### (n) Adoption of new and revised accounting standards

The Australian Account Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for annual reporting periods beginning on or after 1 January 2019. The following paragraphs summarise the requirements of these Accounting Standards and their impact on the Company where relevant.

##### (i) AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers supersedes accounting standards AASB 118 Revenues and AASB 111 Construction Contracts, in addition to specific Interpretations. This standard is applied to all contracts with customers, unless those specifically dealt with under alternative standards. It introduces a five-step model, which scrutinises eligible contracts to determine whether a contract with a customer exists, identify performance obligations, assess at what point identified performance obligations are satisfied, determine and allocate transaction prices to performance obligations and consequently recognise revenues.

AASB 15 Appendix F has been introduced, applying specifically to not-for-profit entities, providing explanatory guidance on the principles of the standard from the perspective of not-for-profit entities. Appendix F, among other things, clarifies respective parties in an eligible contract (i.e. which party is deemed the "customer") and introduced the concept of "sufficiently specific" criterion when applying the five-step model.

Where a not-for-profit entity deems a contract to fail the sufficiently specific criterion, the entity does not treat the promises within a contract as a performance obligation, and instead is required to consider the applicability of other accounting standard, such as AASB 1058 Income for Not-for-Profit Entities.

This standard is not expected to have a material impact on the transactions and balances recognised in the financial statements as the Company's revenue is predominately generated from cash point of sale transactions.

##### (ii) AASB 1058 Income for Not-for-Profit Entities

AASB 1058 Income for Not-for-Profit Entities predominately supersedes accounting standard AASB 1004 Contributions. This standard aims to clarify the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15 Revenue from Contracts with Customers. The standard establishes principles over transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and the receipt of volunteer services.

The standard requires not-for-profit entities to recognise income immediately in the profit or loss for the excess of the initial carrying amount of an asset over the related amounts recognised under other applicable accounting standards.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies

##### (n) Adoption of new and revised accounting standards

###### (iii) AASB 16 Leases

AASB 16 Leases supersedes accounting standard AASB 117 Leases. This standard introduces a single, on-balance sheet lease accounting model for the lessee. Upon inception of a contract identified to contain a lease, the lessee is required to initially measure a right-of-use asset (reflecting the underlying asset) and a lease liability (reflecting the lessee's obligation to make lease payments).

Consequently, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability at either the interest rate implicit in the lease (where readily available) or the incremental borrowing rate, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

A lessee may elect to not apply these requirements to either short-term leases or low-value leases.

The Company has adopted this standard using the modified retrospective method with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The cumulative retrospective adjustment has been recognised in the Statement of Changes in Equity for \$17,338.

The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 July 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases at the date of initial application.

###### (iv) AASB 2018-3 Amendments to Australian Accounting Standards – RDR

This standard amends both AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities, introducing reduced disclosure requirements for entities applying Australian Accounting Standards – Reduced Disclosure Requirements in accordance with AASB 1057 Application of Australian Accounting Standards.

#### 2 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

##### Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost to sell or value-in-use calculations which incorporate various key assumptions.

##### Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 3 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank in hand	<u>626,186</u>	<u>839,624</u>
<b>Total cash and cash equivalents</b>	<u><b>626,186</b></u>	<u><b>839,624</b></u>

#### 4 Trade and Other Receivables

	2020	2019
	\$	\$
Trade receivables	40,814	40,556
ATO – JobKeeper receivable	186,429	-
ATO – Cashflow boost	50,000	-
<b>Total current trade and other receivables</b>	<u><b>277,243</b></u>	<u><b>40,556</b></u>

#### 5 Inventories

	2020	2019
	\$	\$
Inventory - Bar	45,982	28,757
Inventory - Bottle Shop	108,121	154,777
Inventory - Catering	21,773	16,337
Inventory - Other	12,113	21,414
<b>Total inventories</b>	<u><b>187,989</b></u>	<u><b>221,285</b></u>

#### 6 Property, Plant and Equipment

	2020	2019
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land		
At cost	75,606	75,606
<b>Total Land</b>	<u><b>75,606</b></u>	<u><b>75,606</b></u>
Buildings		
At cost	7,432,511	7,407,563
Accumulated depreciation	(3,368,260)	(3,179,733)
<b>Total buildings</b>	<u><b>4,064,251</b></u>	<u><b>4,227,830</b></u>
<b>Total land and buildings</b>	<u><b>4,139,857</b></u>	<u><b>4,303,436</b></u>
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	5,769,867	6,141,646
Accumulated depreciation	(4,222,853)	(4,268,684)
<b>Total plant and equipment</b>	<u><b>1,547,014</b></u>	<u><b>1,872,962</b></u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 6 Property, Plant and Equipment

Leasehold Improvements		
At cost	<b>421,755</b>	421,755
Accumulated amortisation	<b>(375,059)</b>	(358,199)
Total leasehold improvements	<b>46,696</b>	63,556
Total plant and equipment	<b>1,593,710</b>	1,936,518
<b>Total property, plant and equipment</b>	<b>5,733,567</b>	6,239,954

#### (a) Movements in Carrying Amounts

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

	Land \$	Buildings \$	Furniture, Plant and Equipment \$	Leasehold Improvements \$	Total \$
<b>Year ended 30 June 2020</b>					
Balance at the beginning of the year	75,606	4,227,830	1,872,962	63,556	6,239,954
Net reclassification to ROU	-	-	(197,540)	-	(197,540)
Additions	-	24,948	470,392	-	495,340
Disposals – WDV	-	-	(238,350)	-	(238,350)
Depreciation expense	-	(188,527)	(360,444)	(16,860)	(565,831)
<b>Balance at the end of the year</b>	<b>75,606</b>	<b>4,064,251</b>	<b>1,547,014</b>	<b>46,696</b>	<b>5,733,567</b>

#### 7 Intangible Assets

	2020 \$	2019 \$
Poker Machine Entitlements - at cost	<b>16,978</b>	16,978
Accumulated amortisation & impairment	<b>(8,645)</b>	(8,645)
<b>Net carrying value</b>	<b>8,333</b>	8,333

The poker machine entitlements are licenses purchased under current Government regulation that allow the club to increase the number of poker machines. It is considered that the life of the entitlements is indefinite, so the cost cannot be amortised. However, under the applicable accounting standards, these intangible assets must be tested annually for impairment.

Impairment on an asset occurs when the carrying amount exceeds the recoverable amount. Where this occurs, the value of the asset must be reduced to the lower amount with the resulting loss being shown in the Statement of Comprehensive Income.

Based on indicative market values, the impairment write-off for the year ended 30 June 2020 is \$Nil (2018: \$Nil). The total write-down recognised to date is \$8,645 as shown above.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 8 Other Assets

	2020	2019
	\$	\$
Prepayments	32,396	18,134
<b>Total prepayments</b>	<b>32,396</b>	<b>18,134</b>

#### 9 Leases

##### Right-of-use assets

	Land and Property	Plant and Equipment	Total
At Cost	575,799	797,854	1,373,652
Accumulated Depreciation	(28,267)	(354,373)	(382,640)
<b>As at 30 June 2020</b>	<b>547,531</b>	<b>443,481</b>	<b>991,012</b>

##### Movement in right-of-use assets

	Land and Property	Plant and Equipment	Total
<b>As at 1 July 2019</b>	73,071	522,421	595,493
Additions	502,727	225,396	728,123
Depreciation expense	(28,267)	(187,216)	(215,484)
Reclassify to PPE	-	(117,120)	(117,120)
<b>As at 30 June 2020</b>	<b>547,531</b>	<b>443,481</b>	<b>991,012</b>

##### Movement in lease liabilities

	Land and Property	Plant and Equipment	Total
<b>As at 1 July 2019</b>	73,071	354,265	427,336
Additions	502,727	225,396	728,123
Accretion of interest	-	2,075	2,075
Lease payments	(54,788)	(241,011)	(295,799)
<b>As at 30 June 2020</b>	<b>521,010</b>	<b>340,725</b>	<b>861,735</b>

The Company has lease contracts for various items of land and property, plant and equipment used in its operations. Leases under land and property reflect a term of approximately 18 years whilst those under plant and equipment generally reflect a lease term between 1 and 5 years. The Company has determined the present value of lease liabilities and corresponding right-of-use assets through applying a discount rate implicit within the lease, or where this rate is not readily identifiable, the Company's incremental borrowing rate. These rates range up to 4.3%.

The Company leases Crown land through the local Council governed by an agreement due to expire on 7 November 2021. The Company has recorded the present value of the remaining lease liability as at 1 July 2019 under the current agreement. The Company has prepared and signed a draft renewal agreement, which requires final approval by Council. It is deemed highly probable this lease will continue; hence the Company has recognised a right-of-use asset and corresponding lease liability during the current financial year. The new lease term is expected to be 18 years, commencing 8 November 2021.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 9 Leases

##### Lease liability maturity analysis

	2020 \$
Current	244,367
Non-Current	870,822
Less: Unexpired Interest	(253,454)
<b>Net future lease payments as at 30 June 2020</b>	<b>861,735</b>

##### Recognition of lease expense in profit or loss

	2020 \$
Right-of-use assets depreciation expense	215,484
Lease liabilities interest expense	2,075
Expense relating to short-term leases	-
Expense relating to low-value leases	-
Variable lease payments	-
<b>Total amount recognised in profit or loss</b>	<b>217,559</b>

#### 10 Trade and Other Payables

	2020 \$	2019 \$
CURRENT		
Trade payables	486,440	269,071
Annual Leave Entitlements	234,120	173,924
Other payables	344,592	354,214
<b>Total trade and other payables</b>	<b>1,065,152</b>	<b>797,209</b>

##### (a) Financial liabilities at amortised cost classified as trade and other payables

	2020 \$	2019 \$
Trade and other payables:		
Total current trade and other payables	1,065,153	797,209
Less: Annual leave entitlements	(234,120)	(173,924)
<b>Financial liabilities as trade and other payables</b>	<b>831,033</b>	<b>623,285</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 11 Borrowings

		2020	2019
		\$	\$
CURRENT			
Secured Bank loans		-	1,950,000
<b>Total current borrowings</b>	14	<u>-</u>	<u>1,950,000</u>

		2020	2019
		\$	\$
NON-CURRENT			
Secured Bank loans		1,950,000	-
<b>Total non-current borrowings</b>	14	<u>1,950,000</u>	<u>-</u>

#### (a) Bank Loans

On 17 January 2020, the Club renewed its secured bank loan facility, which has a limit of \$2,500,000, for a further three years. The loan is on an interest only basis, payable in arrears and the variable interest rate at 30 June 2020 was 3.8%. At the end of the financial year the loan balance was \$1,950,000 as a result of voluntary repayments made since inception of the loan, as a result, the Club is able to redraw funds up to the facility limit up to \$2,500,000 should the need arise.

The loan is secured by a registered first mortgage over the Club premises located at Nelson Street, Nambucca Heads, along with a fixed and floating charge over all present and future assets of the Club.

#### 12 Provisions

		2020	2019
		\$	\$
CURRENT			
Provision for Club Grants (Donations)		33,696	7,178
<b>Total provisions</b>		<u>33,696</u>	<u>7,178</u>

A liability has been provided for Club Grants (Donations) in lieu of payment of Poker Machine Duty. Subsequent to year-end, the Directors approved additional Club Grant requests of both Category One and Category Two, which has negated the requirement to lodge additional Poker Machine Duty as submitted in the annual lodgement.

#### 13 Employee Benefits

		2020	2019
		\$	\$
Employee benefits - current		182,404	156,625
Employee benefits - non-current		77,260	70,100
<b>Total employee benefits</b>		<u>259,664</u>	<u>226,725</u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 13 Employee Benefits

##### (a) Reconciliation of amounts in the statement of financial position

	2020	2019
	\$	\$
Beginning of the year	226,725	226,371
Current service cost	42,087	47,523
Benefits paid	(9,148)	(47,169)
<b>End of year</b>	<b>259,664</b>	<b>226,725</b>

#### 14 Financial Risk Management

The main risks Nambucca Heads RSL Club Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts.

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

	2020	2019
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	626,186	839,624
Trade and other receivables	277,243	40,556
<b>Total financial assets</b>	<b>903,429</b>	<b>880,180</b>
<b>Financial Liabilities</b>		
Trade and other payables	831,033	623,285
Borrowings	1,950,000	1,950,000
<b>Total financial liabilities</b>	<b>2,781,033</b>	<b>2,573,285</b>

#### 15 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the Company. At 30 June 2020 the number of members was 5,607 (2019: 5,783).

#### 16 Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Company is \$518,500 (2019: \$ 405,936).

#### 17 Contingent Liabilities and Contingent Assets

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



## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 18 Related Party Transactions

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

During the financial year, the Company transacted with Brian Hyslop for the provision of services to repair and upholster chairs and cushions. Brian Hyslop operates as a sole trader and is spouse to Terrie Hyslop, the President of Nambucca Heads RSL Club Limited. The Company expended a total of \$ 17,227 during the financial year in respect of these works with the amount charged at discount to normal commercial rates.

Other than those transactions stated, there are no additional related party transactions during the year.

#### 19 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

	2020	2019
	\$	\$
<b>Profit for the year</b>	<b>(358,460)</b>	<b>(94,562)</b>
Non-cash flows in profit:		
- depreciation	781,315	782,829
- loss on disposal of asset	41,409	73,018
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(238,957)	20,839
- (increase)/decrease in inventories	33,296	4,484
- increase/(decrease) in trade payables and other liabilities	300,663	31,458
- increase/(decrease) in employee benefits	32,938	354
<b>Cashflow from operations</b>	<b>592,204</b>	<b>818,421</b>

#### 20 Events after the end of the Reporting Period

The financial report was authorised for issue on 30 September 2020 by the Board of Directors.

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

#### 21 Capital Expenditure Commitments

On September 2020 the Company had accepted a quote dated 5 August 2020 to purchase new poker machines under Type 4 License Agreement with Artistocrat Technologies Australia Pty Ltd. Under the Type 4 License Agreement, the Company has agreed to pay \$ 4,380.00 ( ex. GST ) per month for 36 months. As at the date of this report, these machines have not been delivered or installed and payments have not commenced.

The Directors have determined that there are no other capital commitments as at the date of this report.

## Directors' Declaration

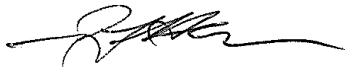
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
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 .....  
Terrie Hyslop



Director .....  
William Henderson

Dated 30 September 2020

## Independent Audit Report to the members of Nambucca Heads RSL Club Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Nambucca Heads RSL Club Limited, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - RDR and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as 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 obtained at the date of this auditor's report is included in the Annual Report and comprises of the Chairman's and Secretary'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.

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

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## Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLV Audit Pty Ltd

A handwritten signature in black ink, reading 'A. Hooykaas'.

Aart Hooykaas  
Director

Nambucca Heads

30 September 2020

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