

EXIES

2020

ANNUAL
REPORT

GRIFFITH EX-SERVICEMEN'S CLUB LIMITED
ABN 26 001 062 942

EXIES



EXIES
BAGTOWN

MOTEL & FUNCTION CENTRE





EXIES

2020 ANNUAL REPORT

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BOARD OF DIRECTORS



Eddy Mardon
Chairman



Gregory Collins
Vice Chairman



Lee Kimball
Treasurer



Andrew Scott



Matthew Geltsch



Mark Favell



Jamie Bennett



Ross Elliott



Garry Tucker
General Manager

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 48th Annual general meeting of the GRIFFITH EXSERVICEMEN'S CLUB LTD will be held in the Mirrool Function Centre at the premises of the Club at Jondaryan Avenue, Griffith on Monday 21st September 2020 at 7pm.

AGENDA:

- 1 Apologies
- 2 To confirm the minutes of the 47th Annual General meeting held Monday 23rd September 2019.
- 3 To receive reports from the Board of Directors.
- 4 To receive and consider the Balance Sheet, Statutory Profit and Loss, Statement of cash flows, Statement of Changes in Equity, Independent Audit report, Auditor's Independence Declaration, and associated notes.
- 5 To elect officers in accordance with the requirements of Articles 46, 47 and 48 of the articles of the Association of the Company.
- 6 Ordinary Resolution No:1.

That pursuant to the Registered Clubs Act, the members hereby approve and agree to the members of the board during the twelve (12) month period preceding the 2018 Annual General Meeting receiving the following benefits and the members further acknowledge that the benefits outlined in sub-paragraph (i) and (vii) are not available to members generally but only to those members who are elected Directors of the Club:

- i) A reasonable meal and refreshments to be associated with each Board meeting of the Club.
- ii) The right for Directors to incur reasonable expenses in travelling to and from Directors meetings or to other constituted meetings as approved by the Board from time to time on the production of invoices, receipts or other proper documentary evidence of such expenditure.
- iii) The reasonable cost of Directors attending the Clubs NSW and RSL and Services Clubs Association Annual General Meeting.
- iv) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
- v) The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and the method of

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NOTICE OF ANNUAL GENERAL MEETING *cont.*

operation provided such attendances are approved by the Board as being necessary for the benefit of the Club.

- vi) The provision of Blazers and associated apparel for the use of Club Directors when representing the Club.
- vii) The reasonable cost of Directors attending functions when representing the Club and at the Annual Directors / Life members' dinner.

7 Ordinary Resolution No: 2

That pursuant to the Registered Clubs Act, the members hereby approve and agree to the following honoraria being provided to the Board of Directors for the twelve (12) months period preceding the 2020 Annual General meeting as follows:

a) Chairmen	\$4,800.00
b) Vice Chairmen	\$3,000.00
c) Treasurer	\$3,000.00
d) Directors	\$1,200.00

Such honoraria to be paid monthly by equal instalments to the Directors.

.8 Ordinary Resolution No.3

Core and Non-Core property of the Club.

Pursuant to section 41J(2) of the Registered Clubs Act for the financial year ended June 30th 2020,

- a) the following properties are core property of the Club;
 - i) Griffith Ex-Serviceman's Club Ltd premises including car park at 6-12 Jondaryan Ave Griffith.
 - ii) Exies Sports Club premises including ovals at Speirs and Wakaden Street Griffith.
- b) the following properties are non-core property of the Club;
 - i) Exies Bagtown Motel and Function centre premises located at 2-4 Blumer Avenue Griffith.
 - ii) Premises located at 16-22 Yambil Street Griffith NSW 2680.

G N Tucker
General Manager

Dated 8th August 2020
By Direction of the Board.

CHAIRMAN'S REPORT 2020

I present my report to the members for your consideration and approval at the 48th Annual General Meeting of the Griffith Ex-Servicemen's Club.

The Exies has emerged from 2019/20 in a reasonable position, despite several outside influences that impacted on our trading result. The second stage of the Yambil St road works and the forced shutdown of trading for 10 weeks due to the Covid-19 pandemic, has impacted heavily on the bottom line. A total Club trading profit of just over \$634,000 was recorded for this financial year.

With the continued trading restrictions due to Covid-19 pandemic, we have had to put on hold the major renovations at the Main Club site for now, but I can assure members we will continue our commitment to provide and maintain up to date facilities for all to enjoy. Once the Board and management can see that the economy is showing consistent and positive signs of recovery, we will revisit the changes planned for the Dining, Admin, Gaming and TAB facilities of the Main Club site. Some of the completed projects in the past 12 months include the construction of the Exies Bowls office and storage facility at the Sports Club Complex and the installation of the new Main Club Mirrool Function room heating system.

Your club has supported and contributed towards Community Development and Charity events and local sporting organisations, and although this support was severely impacted by the shutdown of trading, we will certainly look forward to when things get back to normal. Our continuing support of charity and sporting organisations in the Griffith LGA area during 2019- 20 saw over \$250,000 donated.

I would like to take this opportunity to thank you, the members of the Club for your loyalty and support, which contributes to the continued success of the club. Our thoughts are also with the members who have suffered bereavement during the year, so may I on behalf of my fellow board members and management, express our deepest sympathy to all concerned.

I will conclude by saying thank you to all Club Directors and our Management and staff for their unrelenting confidence and support and input to our Club trading

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CHAIRMANS REPORT *cont.*

throughout 2019/20. They have given much to provide input and ideas to improve and maintain facilities of the Exies Clubs for the enjoyment of members and those that visit.



Eddie Mardon
Chairman of the Board
12th August 2020

GENERAL MANAGER'S REPORT 2020

We will remember 2020 for a long time as one of the toughest years for many in over a century, but despite these difficulties, I am pleased to announce that a profit of \$634,365.00 was recorded for the year in review. The shutdown of the Hospitality Industry due to Covid-19 for 10 weeks and the continued limited access to our Main Club site due to stage 2 of the Yambil Street upgrade, has impacted heavily on our bottom line, with a 60% drop in trading profit recorded. We have faced many challenges every day to produce the best possible outcome for the club and its members during Covid-19 Pandemic and these challenges will remain with us for some time if a cure is not found soon.

The restrictions placed on hosting Functions and events severely impacted not only the Club but the many community sports and charity events, with most winter sporting codes postponing their competitions altogether for 2020. However, a well-earned break for committee members, volunteers and players gives us all a chance to regroup so that we can bounce back bigger and better in 2021. We look forward to the "Exies" continuing to support these many organisations and events once restrictions imposed on us by our Governments due to Covid-19 are relaxed.

Members who have lost family members, friends and loved ones throughout the year, I pass on our condolences to you on behalf

2020 ANNUAL REPORT

CHAIRMANS REPORT *cont.*

of the Board, Management, and staff. It is important that despite the many hurdles we may all face in life that we take time to remember those that have worked hard to make our community a better place.

Thank you to our Chairmen Eddie for his leadership of the Board, and his fellow Board members for their input. They have gone above and beyond their duties, despite the restrictions that continue to prevent us from operating at full capacity, and I look forward in working with you in the 12 months ahead.

The Board is constantly reviewing our Club operations to provide the finest of facilities for our members. I am confident we will revisit our proposed renovations to the Main Club Gaming and Lounge areas, Bistro and Offices if there are no further shutdowns and the trading restrictions are lifted for our Functions and community events.

In closing I extend my gratitude to all our staff for their support and commitment throughout this difficult 12-month trading period. I appreciate immensely the work and efforts from you all in very difficult times. The service and commitment you provide to the Griffith Community and especially the Exies three sites, enables us to maintain our reputation as one of the Riverina's leading Club's.

Garry Tucker
General Manager

14th August 2020





EXIES

Financial statements for the
year ended 30th June 2020

2020

FINANCIAL STATEMENTS

GRIFFITH EX-SERVICEMEN'S CLUB LIMITED
ABN 26 001 062 942

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2020.

DIRECTORS

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

E. J. Mardon	M. R. Spears - Resigned 23/09/2019
M. L. Kimball	M. D. Geltch
G. D. Collins	R. A. Elliott
M. G. Favell	M. Jaffrey
A. J. Scott	J. S. Bennett - Appointed 23/09/2019

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

INFORMATION ON DIRECTORS

DIRECTOR	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
E. J. Mardon	Business Manager Director 21 years	Chairman
G. D. Collins	Irrigation Project Manager Director 12 years	Vice-Chairman
M. L. Kimball	Retired Regional General Manager Director 10 years	Treasurer
R. A. Elliott	Business Manager Director 11 years	
M. D. Geltch	Manager Director 12 years	
M. G. Favell	Administrator Director 10 years	
M. Jaffrey	Company Accountant Director 6 years	
A. J. Scott	Business Owner Director 5 years	
J. S. Bennett	Company Finance Director Director < 1 year	

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DIRECTORS REPORT *cont.*

MEETING OF DIRECTORS	ELIGIBLE	PRESENT	APOLOGY
E. J. Mardon	14	11	3
G. D. Collins	14	11	3
M. G. Favell	14	12	2
M. R. Spears	4	1	3
M. D. Geltch	14	14	0
R. A. Elliott	14	5	9
M. L. Kimball	14	12	2
M. Jaffrey	14	13	1
A. J. Scott	14	13	1
J. S. Bennett	10	6	4

During the financial year there were 12 monthly meetings and 2 special meetings.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Club are the encouragement of sport and the provision of recreational facilities for its members.

SHORT AND LONG TERM OBJECTIVES

The Board has established short and long term objectives as outlined in the Club's strategic plan which is reviewed on an annual basis. These objectives are both financial and non financial, and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the registered club industry.

STRATEGIES

To achieve its stated objectives, the company has adopted the following strategies:

Continued support to our staff through industry related seminars and conferences. Directors have also been attending seminars and events to keep in line with the legislation and governance procedures through our membership of Clubs NSW and the Clubs Directors Institute.

DIRECTORS REPORT *cont.*

Due to the Covid-19 hospitality industry lockdown, our plans for Main Club renovations were put on hold, but we will look at these again when we feel the economic climate is safe for us to do so. We will also continue to work hard on boosting the occupancy levels of our Motel but we will be hindered by the regulations imposed on us by Local, State and National Governments regarding the Covid-19 pandemic for the hosting of functions and events.

The Club is continuing to investigate further investment opportunities but with the uncertainty of the easing of restrictions and the future growth in our economy, we will see a very cautious approach taken by the Board over the next 12 months.

KEY PERFORMANCE MEASURES

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

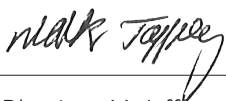
MEMBERS' GUARANTEE

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 entity. At 30 June 2020, the total amount that the members of the company are liable to contribute if the company is wound up is \$16,894 (2019: \$17,228).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 9 of the financial report.

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



Director - M. Jaffrey



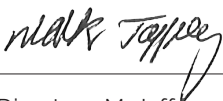
Director - M. L. Kimball

Dated this 12th day of August 2020

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2020

In accordance with a resolution of the directors of Griffith Ex-Servicemen's Club Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 10 to 24, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with *Australian Accounting Standards*; 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.



Director - M. Jaffrey



Director - M. L. Kimball

Dated this 12th day of August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIFFITH EX-SERVICEMEN'S CLUB LIMITED

Report on the Audit of the Financial Report

OPINION

I have audited the financial report of Griffith Ex-Servicemen's Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, 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 my opinion, the accompanying financial report of Griffith Ex-Servicemen's Club Ltd 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 then ended; and
- (ii) complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

BASIS FOR OPINION

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Griffith Ex-Servicemen's Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

INDEPENDENT AUDITOR'S REPORT *cont.*

INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I 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 relating 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 has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

INDEPENDENT AUDITOR'S REPORT *cont.*

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 this financial report.

As part of an audit in accordance with *Australian Auditing Standards*, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT *cont.*

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

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



JOHN P KEENAN CPA
Registered Company Auditor 156228
135 Yambil Street Griffith NSW 2680

Dated this 12th day of August 2020

**AUDITOR'S INDEPENDENCE
DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
GRIFFITH EX-SERVICEMEN'S CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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.



JOHN P KEENAN CPA
Registered Company Auditor 156228
135 Yambil Street Griffith NSW 2680

Dated this 12th day of August 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 (\$)	2019 (\$)
Revenues from ordinary activities	2	10,112,428	11,572,387
Employee benefits expense	3	(3,903,681)	(3,873,308)
Depreciation and amortisation expenses	3	(1,834,887)	(1,912,135)
Finance costs	3	(93,471)	(137,796)
Other expenses		(3,646,024)	(3,953,087)
Current year surplus (deficit) before tax		634,365	1,696,061
Income tax expense		-	-
Current year surplus (deficit) before tax		634,365	1,696,061
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains (losses) on financial assets at fair value through other comprehensive income		(2,507)	(3,567)
Total other comprehensive income for the year		(2,507)	(3,567)
Total comprehensive income for the year		631,858	1,692,494
Total comprehensive income attributable to members of the entity		631,858	1,692,494

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	NOTE	2020 (\$)	2019 (\$)
CURRENT ASSETS			
Cash and cash equivalents	4	3,189,625	1,372,611
Accounts receivable and other debtors	5	222,940	76,352
Inventories on hand	6	80,991	109,014
Other financial assets	8	3,954	6,461
Other current assets	7	3,263	7,967
TOTAL CURRENT ASSETS		3,500,773	1,572,404
NON-CURRENT ASSETS			
Property, plant and equipment	9	26,156,749	25,863,445
Investments	10	1,355,495	1,340,151
Intangibles	11	100,000	-
TOTAL NON-CURRENT ASSETS		27,612,245	27,203,596
TOTAL ASSETS		31,113,018	28,776,000
CURRENT LIABILITIES			
Accounts payable and other payables	12	1,175,882	735,805
Borrowings	13	213,998	252,826
Provisions	14	518,555	527,138
TOTAL CURRENT LIABILITIES		1,908,435	1,515,768
NON-CURRENT LIABILITIES			
Accounts payable and other payables	12	5,810	9,788
Borrowings	13	1,808,232	1,514,774
Provisions	14	41,204	34,382
TOTAL NON-CURRENT LIABILITIES		1,855,246	1,558,944
TOTAL LIABILITIES		3,763,682	3,074,712
NET ASSETS		27,349,336	25,701,288
EQUITY			
Asset Revaluation Reserve		2,854,270	1,838,558
Retained profits		24,495,065	23,862,730
TOTAL EQUITY		27,349,336	25,701,288

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained Earnings	Asset Revaluation Reserve	Total
Balance at 1 July 2018		22,170,372	1,934,055	24,104,427
Comprehensive income				
Surplus for the year attributable to members		1,696,060	-	1,696,060
Other comprehensive income		(3,567)	-	(3,567)
Prior year adjustment	16(a)	(136)	-	(136)
Revaluation of assets		-	(95,497)	(95,497)
Total comprehensive income attributable to members		1,692,358	(95,497)	1,596,861
Balance at 30 June 2019		23,862,730	1,838,558	25,701,288
Comprehensive income				
Surplus for the year attributable to members		634,365	-	634,365
Other comprehensive income for the year		(2,507)	-	(2,507)
Prior year adjustment	16(b)	477	-	477
Revaluation of assets		-	1,015,712	1,015,712
Total comprehensive income attributable to members		632,335	1,015,712	1,648,048
Balance at 30 June 2020		24,495,065	2,854,270	27,349,336

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 (\$)	2019 (\$)
Cash flows from operating activities			
Receipts from customers		59,462,779	72,726,243
Payments to suppliers and employees		(56,506,276)	(68,959,415)
Interest received		2,448	4,707
Finance costs		(93,471)	(137,796)
Net cash provided by operating activities		2,865,481	3,633,739
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		22,700	86,591
Payments for property, plant and equipment		(1,302,234)	(1,345,216)
Payments for investment property		(23,563)	(103,065)
Net cash provided by investing activities		(1,303,098)	(1,361,690)
Cash flows from financing activities			
Proceeds from borrowings		481,800	279,418
Repayment of borrowings		(227,170)	(2,436,811)
Net cash used in financing activities		254,630	(2,157,393)
Net increase in cash held		1,817,014	114,656
Cash at beginning of financial year		1,372,611	1,257,955
Cash at end of financial year	4	3,189,625	1,372,611

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

The financial statements cover Griffith Ex-Servicemen's Club Limited as an individual entity, incorporated and domiciled in Australia. Griffith Ex-Servicemen's Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on 12 August 2020 by the directors of the company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Donations and bequests are recognised when revenue is received.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS *cont.*

(b) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) 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 any impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

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

NOTES TO THE FINANCIAL STATEMENTS *cont.*

carrying amount is written down immediately to the estimated recoverable amount and impairment losses are 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 (refer to Note 1(f) for details of impairment).

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 in the financial period in which they are incurred.

Plant and equipment that have been contributed for no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity 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.

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

Land and Buildings	2.5%-20.0%
Plant and Machinery	7.5% - 100.0%
Plant and Equipment Under Lease	40%

The assets' residual values 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 recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

The entity holds poker machine licences either acquired through a past business combination or granted for no

NOTES TO THE FINANCIAL STATEMENTS *cont.*

consideration by the NSW government. AIFRS requires that licences outside of a pre-AIFRS transition business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to profit and loss to recognise the grant immediately as income. Until new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined the fair value at grant date for licences granted pre April 2002 to be zero. Licences granted to the entity post April 2002 are initially recognised at fair value. The entity has determined that the fair market for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

During 2020, the Club acquired additional poker machine licences. These licences are recorded at cost in the financial reports. The Directors have assessed that the market value of these licences has not changed from their acquisition cost.

(d) Investment Property

Investment property, comprising land and buildings situated at 16 - 22 Yambil Street, Griffith NSW 2680, is held to generate long-term rental yields and enable the Club to actively support community organisations. Part of the property is rented to local community organisations at a rate lower than the arm's length market value rental. The difference between the actual rental amount charged and the arm's length market value rental is a CDSE donation. Investment property is initially measured at cost and subsequently measured at fair value.

Investment properties are shown at cost including subsequent capital expenditure on improvements, less depreciation where applicable.

(e) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

NOTES TO THE FINANCIAL STATEMENTS *cont.*

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying value 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 it and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable value is recognised in profit or loss. Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where the assets are not held primarily for their ability to generate net cash inflows - that is, they are specialised assets held for continuing use of their service capacity - the recoverable amounts are expected to be materially the same as the fair value.

Where it is not possible to estimate the recoverable amount of an asset, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

(g) 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 before 12 months after the end of the annual reporting period in which the employees render the related service,

NOTES TO THE FINANCIAL STATEMENTS *cont.*

including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements 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.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its 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 provisions.

(h) 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.

(i) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. 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.

(j) Goods and Services Tax

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 Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS *cont.*

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(l) Provisions

Provisions are recognised when the entity 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.

(m) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(n) Accounts Payable and Other Payables

Accounts payable 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.

NOTES TO THE FINANCIAL STATEMENTS *cont.*

(o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements 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.

2 REVENUE

	2020 (\$)	2019 (\$)
Operating activities of the company:		
Sales revenue	2,595,533	3,163,147
Gaming revenue	5,918,166	7,091,524
Subscriptions and nominations	28,060	25,990
Interest received	2,448	4,707
Other revenue	1,545,521	1,200,428
	10,089,728	11,485,796
All interest received is from other corporations.		
Non-operating		
Proceeds from sale of non-current assets	22,700	86,591
	22,700	86,591
Total revenue	10,112,428	11,572,387

3 PROFIT FROM ORDINARY ACTIVITIES

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

2020 ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS *cont.*

	2020 (\$)	2019 (\$)
Expenses:		
Administration	2,549,458	2,902,656
Entertainment	28,787	35,737
Cost of goods sold	1,044,128	1,128,636
	3,622,373	4,067,029
Employee costs	3,919,740	3,903,309
Provision for employee entitlements	(16,059)	(30,001)
	3,903,681	3,873,308
Borrowing costs 3(a)	93,471	137,796
Depreciation & amortisation	1,834,887	1,912,135
Total expenses from ordinary activities	9,454,411	9,990,267
Non-operating activities:		
Net gain/(loss) on disposal of non-current assets	(23,651)	113,941

a) All borrowing costs are payable to other corporations.

4 CASH AND CASH EQUIVALENTS

	2020 (\$)	2019 (\$)
Cash on hand	3,189,625	1,372,611
	3,189,625	1,372,611

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2020 (\$)	2019 (\$)
Cash on hand	325,000	305,000
Current account	249,027	215,652
Maxi direct account	2,319,370	502,920
Staff leave account	229,416	228,458
Bagtown cheque account	66,812	120,581
	3,189,625	1,372,611

NOTES TO THE FINANCIAL STATEMENTS *cont.***5 ACCOUNTS RECEIVABLE AND OTHER DEBTORS**

	2020 (\$)	2019 (\$)
Trade debtors	66,759	68,816
Other debtors	156,182	7,536
	222,940	76,352

(i) Credit Risk - Accounts Receivable and Other Debtors

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's accounts receivable and other debtors exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Accounts Receivable	2020 (\$)	2019 (\$)
Gross amount		
Past due and impaired		
< 30	4,812	17,818
31-60	-	2,066
61-90	4,316	125
>90	4,335	5,329
Within initial trade terms	53,296	43,478
	66,759	68,816

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NOTES TO THE FINANCIAL STATEMENTS *cont.*

Other debtors	2020 (\$)	2019 (\$)
Gross amount		
Past due and impaired		
< 30	156,182	7,536
31-60	-	-
61-90	-	-
>90	-	-
Within initial trade terms	-	-
	156,182	7,536

6 INVENTORIES ON HAND

	2020 (\$)	2019 (\$)
At cost		
Inventory	80,991	109,014
	80,991	109,014

7 OTHER CURRENT ASSETS

	2020 (\$)	2019 (\$)
Prepayments	3,263	7,179
Borrowing Costs	-	787
	3,263	7,967

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

CURRENT	2020 (\$)	2019 (\$)
- Listed investments		
- shares in listed corporations-		
8(a)	3,954	6,461
	3,954	6,461

Investments in equity instruments are held for medium to long term planned purposes and are not held for trading. The Company elected to designate investments in equity instruments as at fair value through other comprehensive income. The Company's directors believe that recognising current shorter term fluctuations in these investments' fair value in profit or loss would not be in line with the Company's plan to hold them over a longer term.

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NOTES TO THE FINANCIAL STATEMENTS *cont.*

9 PROPERTY, PLANT AND EQUIPMENT

	2020 (\$)	2019 (\$)
Land and buildings		
Land and buildings at valuation	33,575,696	32,325,697
Accumulated depreciation	(10,705,068)	(10,261,972)
Total land and buildings	22,870,628	22,063,725
Plant and Equipment		
At cost	12,416,930	12,831,607
Accumulated depreciation	(9,717,579)	(9,407,225)
	2,699,352	3,424,383
Leased assets	1,598,913	1,125,873
Accumulated depreciation	(1,012,144)	(750,536)
	586,769	375,337
Total plant and equipment	3,286,121	3,799,721
Total property, plant and equipment	26,156,749	25,863,445

Movement in Carrying Amounts

2020	Land and Buildings	Plant and Equipment	Leased Assets
Balance at the beginning of the year	22,063,725	3,424,383	375,337
Additions at cost	259,010	470,184	473,040
Disposals		(89,756)	
Revaluation increment	990,989	24,723	
	23,313,724	3,829,535	848,377
Depreciation expense	(443,096)	(1,130,182)	(261,609)
Carrying amount at end of year	22,870,628	2,699,353	586,769

NOTES TO THE FINANCIAL STATEMENTS *cont.*

Movement in Carrying Amounts - 2020 Totals

Balance at the beginning of the year	25,863,445
Additions at cost	1,202,234
Disposals	(89,756)
Revaluation increment	1,015,712
	27,991,637
Depreciation expense	(1,834,887)
Carrying amount at end of year	26,156,750

Asset revaluations

The freehold land and buildings at the main club were independently valued at 30 June 2014 following the completion of the major renovations. The freehold land and buildings at the sports club were independently valued in 2019 following the completion of the major renovations and facility upgrades. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area, recent sales data for similar properties, and continuation of use of the land and buildings. During the year, the Club received an updated valuation for the Bagtown property. This valuation was prepared on a going concern basis. The updated valuation has been accounted for in these financial reports.

(a) Land

Under the *Registered Clubs Act 1976*, the company is required to distinguish between its core and non-core property.

(b) Core & Non-Core Property

Pursuant to Section 41J(2) of the *Registered Clubs Act 1976*, for the financial year ended 30 June 2020:

- (a) all property held by the company, excluding 2-4 Blumer Avenue, Griffith and 16-22 Yambil Street, Griffith is to be classified as core property; and
- (b) the properties at 2-4 Blumer Avenue, Griffith and 16-22 Yambil Street, Griffith are to be classified as non-core property.

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NOTES TO THE FINANCIAL STATEMENTS *cont.*

10 INVESTMENTS

	2020 (\$)	2019 (\$)
NON-CURRENT		
Investment property - 16-22 Yambil Street, Griffith NSW 2680	1,355,495	1,340,151
	1,355,495	1,340,151

11 INTANGIBLE ASSETS

	2020 (\$)	2019 (\$)
NON-CURRENT		
Poker Machine Licences	100,000	-
	100,000	-

12 ACCOUNTS PAYABLE AND OTHER PAYABLES

	2020 (\$)	2019 (\$)
NON-CURRENT		
Accounts payable	991,797	552,285
Accruals	144,645	145,970
Sporting group imprest accounts	11,001	7,384
Goods and services tax	(949)	(1,345)
Subscriptions in advance	29,388	31,511
	1,175,882	735,805
NON-CURRENT		
Subscriptions in advance	5,810	9,788
	5,810	9,788

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

Accounts and other payables		
- Total current	1,175,882	735,805
- Total non-current	5,810	9,788
Financial liabilities as accounts payable and other payables	1,181,692	745,593

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NOTES TO THE FINANCIAL STATEMENTS *cont.*

13 BORROWINGS

	2020 (\$)	2019 (\$)
Current	213,998	252,826
Non-current	1,808,232	1,514,774
	2,022,230	1,767,600
CURRENT		
Lease liabilities	213,998	252,826
	213,998	252,826
NON-CURRENT		
Lease liabilities	308,352	14,454
Bank loan liabilities	1,499,880	1,500,320
	1,808,232	1,514,774

Lease liabilities are secured by the underlying leased assets.

Borrowings are secured by a Fixed & Floating Charge over all assets and uncalled capital and a Mortgage over property located at Cnr Yambil Street & Jondaryan Avenue Griffith NSW 2680 and 16-22 Yambil Street Griffith NSW 2680.

14 PROVISIONS

	2020 (\$)	2019 (\$)
CURRENT		
Provision for annual & personal leave	240,810	230,981
Provision for long service leave	263,446	296,157
Provision for computer game bonus points	14,299	-
	518,555	527,138
NON-CURRENT		
Provision for long service leave	41,204	34,382
	41,204	34,382

NOTES TO THE FINANCIAL STATEMENTS *cont.*

15 CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

	2020 (\$)	2019 (\$)
Payable		
- minimum lease payments		
- not later than 12 months	213,998	252,826
- later than 12 months but not later than 5 years	308,352	14,454
- greater than 5 years	-	-
Minimum lease payments	522,350	267,280
Less future finance charges	-	-
Present value of minimum lease payments	522,350	267,280

16 RESERVES

(a) Revaluation Reserve

The revaluation reserve records the revaluation of non-current assets.

16 PRIOR YEAR ADJUSTMENT

(a) Prior year adjustment to retained earnings in 2019 due to correcting annual leave provisions for employees.

(b) Prior year adjustment to retained earnings in 2020 due to a discrepancy in depreciation expense.

EXIES



EXIES BAGTOWN

MOTEL & FUNCTION CENTRE





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