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# **Corrimal R S L Memorial Club Ltd**

ABN 83 000 872 033

## **Financial Statements**

**For the Year Ended 31 December 2019**

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## Financial Statements

For the Year Ended 31 December 2019

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## Directors' Report

31 December 2019

The directors present their report on Corrimal R S L Memorial Club Ltd for the financial year ended 31 December 2019.

### Information on directors

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

<u>Name</u>	<u>Position</u>	<u>Qualifications</u>	<u>Resigned/Appointed</u>
Neil McLean	President	Former Regimental Police Officer	
Morris Gallina	Treasurer	Former NSW Police officer	
Ian Warren	Director	Training Consultant	
Angela Dyer	Director	Superannuation Quality Assurance Officer	
Jaclyn Percy	Director	Australian Defence Force Reservist	
Paul Boulwood	Director	Community Leader	Appointed 25/2/19
Michael Hough	Director	Professorial Fellow, University of Wollongong	Appointed 29/7/19
John Hobbs	Director	Former Technical Services Officer	Resigned 29/4/19

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

### Review of operations

The profit of the Company after providing for income tax amounted to \$145,793 (2018: \$330,868).

### Principal activities

The principal activity of Corrimal R S L Memorial Club Ltd during the financial year was to operate a registered club for its members and their guests including all of the usual facilities of a club.

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

### Short term objectives

The Company's short term objective is to provide facilities to members and guests that exceed their expectations.

## **Directors' Report**

**31 December 2019**

### **Long term objectives**

The Company's long term objectives are to:

- ensure the company is a viable club for use by members and guests for many years; and
- repay the Company's loans.

### **Strategy for achieving the objectives**

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

- implement cost cutting measures to areas that are deemed non value added; and
- membership drives to increase the Company's membership base.

### **Performance measures**

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

- ability to generate positive operating cash flows;
- overall result for the year; and
- quality of the service and facilities provide to members and guests.

### **Members' guarantee**

Corrimal R S L Memorial Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5, subject to the provisions of the Company's constitution.

At 31 December 2019 the collective liability of members was \$ 38,575 (2018: \$ 34,170).

## Directors' Report

31 December 2019

### Meetings of directors

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Neil McLean	12	12
Morris Gallina	12	11
Ian Warren	12	10
Angela Dyer	12	11
Jaclyn Percy	12	10
Paul Boulwood	10	8
Michael Hough	5	4
John Hobbs	5	5

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2019 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:



Neil McLean  
Director

Dated 24 February 2020

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Corrimal R S L Memorial Club Ltd

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

  
Daley Audit

  
Stephen Milgate  
Partner

24 February 2020

Wollongong

Liability limited by a Scheme approved under Professional Standards Legislation.

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**CHARTERED ACCOUNTANTS**  
AUSTRALIA & NEW ZEALAND



## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue	4	4,428,390	4,440,383
Other income	4	98,450	91,499
Changes in inventories of finished goods and work in progress		(474,434)	(431,540)
Employee benefits expense		(1,272,583)	(1,160,954)
Club operation expense		(1,280,594)	(1,378,346)
Poker machine expense		(643,758)	(648,742)
Depreciation expense		(291,161)	(427,052)
Finance expenses		(15,712)	(35,565)
Rental property expenses		(17,112)	(19,955)
Other expenses		(108,599)	(86,843)
Lease expenses *	11	(280,881)	-
<b>Profit before income tax</b>		<b>142,006</b>	<b>342,885</b>
Income tax benefit/(expense)	6	3,787	(12,017)
<b>Profit for the year</b>		<b>145,793</b>	<b>330,868</b>

The accompanying notes form part of these financial statements.

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
<b>Profit for the year</b>		<b>145,793</b>	330,868
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Revaluation changes for property, plant and equipment	12(a)	41,304	-
Income tax relating to these items	6(c)	(11,359)	-
Other comprehensive income for the year		<u>29,945</u>	-
<b>Total comprehensive income for the year</b>		<u><b>175,738</b></u>	<u>330,868</u>

\* The Company has initially applied *AASB 16 - Leases*, using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using *AASB 117 - Leases* and related interpretations. Refer to note 26 regarding the change in accounting policy note.

The accompanying notes form part of these financial statements.



**Balance Sheet**

As at 31 December 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	208,174	197,848
Trade and other receivables	8	34,677	40,589
Inventories	9	33,268	31,582
Other financial assets		750	750
Other assets	10	42,869	87,869
<b>TOTAL CURRENT ASSETS</b>		<b>319,738</b>	<b>358,638</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	4,617,219	4,837,452
Intangible assets	13	420,000	420,000
Right-of-use assets *	11	723,756	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,760,975</b>	<b>5,257,452</b>
<b>TOTAL ASSETS</b>		<b>6,080,713</b>	<b>5,616,090</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	255,658	227,707
Borrowings	15	-	214,366
Lease liabilities *	11	209,229	-
Employee benefits	16	150,438	113,029
<b>TOTAL CURRENT LIABILITIES</b>		<b>615,325</b>	<b>555,102</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15	573	246,144
Deferred tax liabilities	18	406,715	399,143
Lease liabilities *	11	495,617	-
Employee benefits	16	20,871	11,778
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>923,776</b>	<b>657,065</b>
<b>TOTAL LIABILITIES</b>		<b>1,539,101</b>	<b>1,212,167</b>
<b>NET ASSETS</b>		<b>4,541,612</b>	<b>4,403,923</b>

The accompanying notes form part of these financial statements.

## Balance Sheet

As at 31 December 2019

	Note	2019 \$	2018 \$
<b>EQUITY</b>			
Reserves	23	1,213,957	1,184,012
Retained earnings		<u>3,327,655</u>	<u>3,219,911</u>
<b>TOTAL EQUITY</b>		<u><b>4,541,612</b></u>	<u><b>4,403,923</b></u>

\* The Company has initially applied *AASB 16 - Leases*, using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using *AASB 117 - Leases* and related interpretations. Refer to note 26 regarding the change in accounting policy note.

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The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 December 2019

		Retained Earnings	Asset Revaluation Surplus	Total
		\$	\$	\$
<b>Balance at 1 January 2019</b>		<b>3,219,911</b>	<b>1,184,012</b>	<b>4,403,923</b>
Change in accounting policy	26	(38,049)	-	(38,049)
Result for the year		145,793	-	145,793
Revaluation increment - net of tax	12(a)	-	29,945	29,945
<b>Balance at 31 December 2019</b>		<b>3,327,655</b>	<b>1,213,957</b>	<b>4,541,612</b>
<b>Balance at 1 January 2018</b>		<b>2,889,043</b>	<b>1,184,012</b>	<b>4,073,055</b>
Result for the year		330,868	-	330,868
<b>Balance at 31 December 2018</b>		<b>3,219,911</b>	<b>1,184,012</b>	<b>4,403,923</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	4,954,972	4,927,507
Payments to suppliers and employees	(4,145,341)	(4,182,636)
Interest received	-	7
Finance costs	(52,560)	(35,565)
Net cash provided by operating activities	<u>757,071</u>	<u>709,313</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	7,950
Purchase of property, plant and equipment	(268,719)	(385,144)
Purchase of intangible assets	-	(140,000)
Net cash used by investing activities	<u>(268,719)</u>	<u>(517,194)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from/(repayment of) borrowings	(228,699)	7,343
Repayment of lease liabilities (2018: Finance leases) - principal repayments	(249,327)	(218,199)
Net cash (repayment by)/provided by financing activities	<u>(478,026)</u>	<u>(210,856)</u>
Net movement in cash and cash equivalents held	10,326	(18,737)
Cash and cash equivalents at beginning of year	197,848	216,585
Cash and cash equivalents at end of financial year	7 <u>208,174</u>	<u>197,848</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers Corrimal R S L Memorial Club Ltd as an individual entity. Corrimal R S L Memorial Club Ltd is a not-for profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Corrimal R S L Memorial Club Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### *Revenue from contracts with customers - from 1 January 2019*

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.



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (a) Revenue and other income (Continued)

##### *Revenue from contracts with customers - from 1 January 2019 (Continued)*

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

##### **Specific revenue streams**

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

##### *Bar sales and poker machine income*

Revenue is recognised at the point the customer purchases the goods and services at the venue. Payment of the transaction price is due immediately at the time of purchase.

##### *Commissions*

Commissions income is recognised over the period in which the related services are rendered.

##### *Membership subscriptions*

Membership services requires the annual subscription payment to be made upfront. A contract liability is recognised on receipt of the payment and recognised on a straight-line basis as revenue as the services are provided.

##### *Interest revenue*

Interest is recognised using the effective interest rate method.

##### *Rental income*

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



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (a) Revenue and other income (Continued)

##### *Sale of goods - accounting policy applied prior to 1 January 2019*

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

#### (b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (b) Income Tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

#### (c) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### (d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (e) Leases

##### *Leases - accounting policy applied from 1 January 2019*

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

This involves an assessment of whether:

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

##### *Lessee accounting*

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

#### (i) Right-of-use asset

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.

#### (ii) Lease liability

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.



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (e) Leases (Continued)

##### (ii) Lease liability (Continued)

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.

#### *Leases - accounting policy applied prior to 1 January 2019*

Leases of assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (g) Inventories

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

Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

#### (h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

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

#### Financial Assets

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

#### *Classification*

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

- amortised cost; or
- fair value through profit or loss (FVTPL)

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

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (h) Financial instruments (Continued)

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

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

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

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

Interest income and impairment are recognised in profit or loss.

Gain or loss on derecognition is recognised in profit or loss.

##### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest income are 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.

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.



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (h) Financial instruments (Continued)

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

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

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

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

#### *Trade receivables*

Impairment of trade receivables has 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 contract asset and multiplied this by the amount of the expected loss arising from default.

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

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

#### *Other financial assets measured at amortised cost*

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

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (h) Financial instruments (Continued)

##### Financial liabilities

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

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

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

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (j) Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment of losses.

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings are measured using the revaluation model.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

#### Depreciation

Property, plant and equipment, is depreciated on either a straight-line or diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2 - 20%
Plant and equipment	9 - 30%
Poker machines	25 - 50%
Leasehold improvements	2.5%
Kitchen/bistro equipment	6 - 20%
Bar equipment	6 - 20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Summary of Significant Accounting Policies (Continued)

#### (k) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (l) Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In the last five years the Company has managed to achieve operating surpluses, which have been underpinned by strong operating cash inflows (as reported in the Statement of Cash Flows) Notwithstanding these results, as at 31 December 2019 there was a deficiency in net current assets of \$295,587 (2018: \$196,464).

It is noted that there are \$150,438 (2018: \$113,029) in employee entitlement provisions which, although expected to be partly realised as non-current liabilities, have been recorded as 'current' under the requirements of the Australian Accounting Standards, given the Company does not have the unconditional right to defer them beyond 12 months from balance date.

#### (m) Mortality fund payments

Payments relating to mortality fund are recognised as an expense in the period that they are paid.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of the 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.

#### *Key estimates - useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

#### *Key estimates - employee entitlements*

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 after taking into account a range of possible outcomes, probabilities and assumptions and will vary as further information is obtained.

#### *Key judgments - Deferred tax assets*

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 4 Revenue and Other Income

	2019	2018
	\$	\$
<b>Revenue from contracts with customers</b>		
- Poker machine revenue	2,912,179	2,995,222
- Bar sales revenue	1,166,842	1,107,807
- Raffle income	138,234	125,475
- Member subscriptions	32,458	31,029
- Function income	15,646	15,144
- Commissions	138,331	143,541
- Bingo income	24,700	22,165
	<u>4,428,390</u>	<u>4,440,383</u>
<b>Other revenue</b>		
- Rental income	74,717	74,312
- GST gaming rebate	17,180	17,180
- Other income	6,553	7
	<u>98,450</u>	<u>91,499</u>

#### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated and the following table shows this breakdown:

	2019
	\$
<b>Timing of revenue recognition</b>	
- At a point in time	4,395,932
- Over time	<u>32,458</u>
<b>Revenue from contracts with customers</b>	<u>4,428,390</u>



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 5 Result for the Year

#### Expenses

	2019	2018
	\$	\$
Superannuation contributions	92,610	93,869
Rental expense on operating leases minimum lease payments *	-	93,544

\* Refer to note 11 for further information on lease payments in 2019.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 6 Income Tax Expense

(a) The major components of tax expense (benefit) comprise:

	2019	2018
	\$	\$
Current tax expense		
Local income tax	-	-
Deferred tax expense		
Recognition of previously unrecognised tax losses	<u>(3,787)</u>	12,017
<b>Total income tax expense/(benefit)</b>	<u><b>(3,787)</b></u>	<u>12,017</u>

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 27.5%)	<b>38,342</b>	92,579
Tax effect of:		
- Non-deductible member only income	<b>73,103</b>	60,779
- Income and expenditure subject to mutuality and not assessable	<b>(121,647)</b>	(140,194)
- Sundry items	<u>6,415</u>	<u>(1,147)</u>
Income tax expense/(benefit)	<u><b>(3,787)</b></u>	<u>12,017</u>

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity.

Net deferred tax expense - revaluation of land and buildings	<u><b>11,359</b></u>	-
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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 7 Cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand	112,200	112,200
Cash at bank	95,974	85,648
	<u>208,174</u>	<u>197,848</u>

### 8 Trade and other receivables

Other receivables	<u>34,677</u>	<u>40,589</u>
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The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses incorporate forward looking information.

### 9 Inventories

Inventories	<u>33,268</u>	<u>31,582</u>
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### 10 Other non-financial assets

Prepayments	<u>42,869</u>	<u>87,869</u>
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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 11 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

#### Right-of-use assets

	Buildings \$	Plant and Equipment \$	Total \$
<b>Year ended 31 December 2019</b>			
Balance at beginning of year	504,997	401,932	906,929
Depreciation charge	(73,012)	(171,021)	(244,033)
Additions to right-of-use assets	-	166,203	166,203
Transfer to property, plant and equipment	-	(105,343)	(105,343)
<b>Balance at end of year</b>	<b>431,985</b>	<b>291,771</b>	<b>723,756</b>

#### Lease liabilities

	2019 \$	1 January 2019 \$
Current	209,229	285,666
Non-current	495,617	557,001
	<b>704,846</b>	<b>842,667</b>

#### Extension options

A number of the building leases contain extension options which allow the Company to extend the lease term by the original non-cancellable period of the lease.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 11 Leases (Continued)

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	<b>2019</b>
	<b>\$</b>
Depreciation of right-of-use assets	244,033
Interest expense on lease liabilities	<u>36,848</u>
	<u><b>280,881</b></u>

#### Statement of Cash Flows

Total cash outflow for leases	<u><b>286,175</b></u>
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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 12 Property, plant and equipment

	2019	2018
	\$	\$
Land and buildings		
At fair value	2,000,000	1,975,000
Accumulated depreciation	-	(8,154)
	<u>2,000,000</u>	<u>1,966,846</u>
Plant and equipment		
At cost	689,091	693,718
Accumulated depreciation	(335,979)	(393,243)
	<u>353,112</u>	<u>300,475</u>
Poker machines		
At cost	1,577,881	1,795,573
Accumulated depreciation	(1,250,940)	(1,201,293)
	<u>326,941</u>	<u>594,280</u>
Leasehold improvements		
At cost	3,717,755	3,696,744
Accumulated amortisation	(1,905,956)	(1,808,729)
	<u>1,811,799</u>	<u>1,888,015</u>
Kitchen/bistro equipment		
At cost	349,181	297,649
Accumulated depreciation	(274,575)	(264,511)
	<u>74,606</u>	<u>33,138</u>
Bar equipment		
At cost	187,979	187,979
Accumulated depreciation	(137,218)	(133,281)
	<u>50,761</u>	<u>54,698</u>
<b>Total property, plant and equipment</b>	<u><u>4,617,219</u></u>	<u><u>4,837,452</u></u>



**Notes to the Financial Statements**

For the Year Ended 31 December 2019

**12 Property, plant and equipment (Continued)**

**(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 and Buildings	Plant and Equipment	Poker machines	Leasehold improvements	Kitchen/ bistro equipment	Bar equipment	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2019</b>							
Balance at the beginning of year	1,966,846	300,475	594,280	1,888,015	33,138	54,698	4,837,452
Net transfers due to change in accounting policy - right-of-use assets	-	-	(286,355)	-	-	-	(286,355)
Additions	-	123,634	121,933	23,943	51,589	-	321,099
Disposals - written down value	-	(4,662)	(256)	(202)	-	-	(5,120)
Depreciation expense	(8,150)	(66,335)	(102,661)	(99,957)	(10,121)	(3,937)	(291,161)
Fair value adjustment recognised in equity	41,304	-	-	-	-	-	41,304
<b>Balance at the end of the year</b>	<b>2,000,000</b>	<b>353,112</b>	<b>326,941</b>	<b>1,811,799</b>	<b>74,606</b>	<b>50,761</b>	<b>4,617,219</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 12 Property, plant and equipment (Continued)

#### (b) Core and non-core property

As required under section 41J of the *Registered Clubs Act 1976*, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Directors consider as core property the leased licensed premises from which the Club operates at 168 Princes Highway, Corrimal, including all freehold land referred to in the title deeds of the main licensed premises site (predominantly the car parking area).

The properties at 148 & 152 Princes Highway, Corrimal, are not considered to be core properties of the Club given that they are not the defined premises of the Club, nor any facility provided to the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by the majority of the members present at a general meeting of the ordinary members of the Club.

#### (c) Revaluation of land and buildings

The Company engages independent and qualified valuers to determine the fair value of the Company's land and buildings at least every three years. As at 31 December 2019 the fair value of land and buildings have been determined by independent valuation, with a fair value increase of \$41,304 recognised in equity.

The Directors believe that this continues to represent fair value.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 13 Intangible Assets

	2019	2018
	\$	\$
<b>Gaming machine entitlements</b>		
Cost	420,000	420,000
Accumulated amortisation and impairment	-	-
	<u>420,000</u>	<u>420,000</u>

#### (a) Movements in carrying amounts of intangible assets

	Gaming machine entitlements \$
<b>Year ended 31 December 2019</b>	
Balance at the beginning of the year	<u>420,000</u>
<b>Closing value at 31 December 2019</b>	<u>420,000</u>

#### (b) Gaming machine entitlement held at nil cost

In addition to the gaming machine entitlements noted above, the Company has 60 gaming machine entitlements which are held at nil cost.

### 14 Trade and other payables

Trade payables	88,448	86,640
GST payable	9,358	7,083
Employee benefits	810	19,567
Other payables	<u>157,042</u>	<u>114,417</u>
	<u>255,658</u>	<u>227,707</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 15 Borrowings

	Note	2019 \$	2018 \$
Secured liabilities:			
Lease liability*	17	-	214,366
<b>NON-CURRENT</b>			
Secured liabilities:			
Lease liability*	17	-	71,569
Bank loans		<b>573</b>	174,575
		<b>573</b>	246,144

\* - Leased liabilities are secured by the underlying leased assets.

#### Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

#### Mortgages, charges and securities

During the year, there was a mortgage held over 148-152 Princes Highway, Corrimal NSW, as security for the borrowings.

### 16 Employee Benefits

<b>CURRENT</b>			
Long service leave		<b>34,933</b>	27,446
Other employee benefits		<b>115,505</b>	85,583
		<b>150,438</b>	113,029
<b>NON-CURRENT</b>			
Long service leave		<b>20,871</b>	11,778



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 17 Capital and Leasing Commitments

#### (a) Finance Leases

	2019	2018
	\$	\$
Minimum lease payments:		
- not later than one year	-	218,736
- between one year and five years	-	74,459
	<u>-</u>	<u>293,195</u>

Finance leases are in place for recreational assets and normally have a term between 2 and 3 years.

#### (b) Operating Leases

Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	98,115
- between one year and five years	-	94,608
	<u>-</u>	<u>192,723</u>

Operating leases have been taken out for the premises and general office equipment. Lease payments are increased on an annual basis to reflect market rentals.

Refer to note 11 for information on leases for 2019.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 18 Tax assets and liabilities

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
<b>Deferred tax liability</b>				
Property, plant and equipment	449,108	-	-	449,108
Deferred tax assets attributable to tax losses	(61,982)	12,017	-	(49,965)
<b>Balance at 31 December 2018</b>	<u>387,126</u>	<u>12,017</u>	-	<u>399,143</u>
Property, plant and equipment	449,108	-	11,359	460,467
Deferred tax assets attributable to tax losses	(49,965)	(3,787)	-	(53,752)
<b>Balance at 31 December 2019</b>	<u>399,143</u>	<u>(3,787)</u>	<u>11,359</u>	<u>406,715</u>

### 19 Key Management Personnel Disclosures

Remuneration paid to key management personnel of the Company was \$ 151,711 (2018: \$ 136,756).

Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Company's business. These costs are not considered to be remuneration and hence have not been included in this disclosure; notwithstanding that they are within the approved limits set by members at the Annual General Meeting for each term of the Board.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 20 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on land and buildings within property, plant and equipment

#### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Company:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>31 December 2019</b>				
<b>Recurring fair value measurements</b>				
<b>Property, plant and equipment</b>				
Land and buildings	-	2,000,000	-	2,000,000
<b>31 December 2018</b>				
<b>Recurring fair value measurements</b>				
<b>Property, plant and equipment</b>				
Land and buildings	-	1,966,886	-	1,966,886

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 20 Fair Value Measurement (Continued)

#### Level 2 measurements

The Company obtains independent valuations for its freehold land and buildings related to (classified as property, plant and equipment) at least every three years.

At the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Directors consider information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- discounted cash flow projections based on reliable estimates of future cash flows; and
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The level 2 fair value of land held for resale has been derived using the sales comparison approach.

#### Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

### 21 Contingencies

#### *Contingent Liabilities*

Corrimal R S L Memorial Club Ltd has a bank guarantee of \$5,000 at 31 December 2019 (2018: \$5,000). This bank guarantee is in respect of guarantees to third parties arising out of normal business.

### 22 Related Parties

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



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 23 Reserves

#### Asset revaluation surplus

The property, plant and equipment asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings, see accounting policy note 2(j) for details.

### 24 Events Occurring After the Reporting Date

The financial report was authorised for issue on 24 February 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.

### 25 Financial Risk Management

The main risks Corrimal RSL Memorial Club Ltd are 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, accounts receivable, borrowings and accounts payable.

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:

	Note	2019 \$	2018 \$
<b>Financial Assets</b>			
Cash and cash equivalents	7	208,174	197,848
Trade and other receivables	8	34,677	40,589
<b>Total financial assets</b>		<b>242,851</b>	<b>238,437</b>
<b>Financial Liabilities</b>			
Lease liabilities	11	704,846	-
Trade and other payables	14	255,658	227,707
Borrowings	15	573	460,510
<b>Total financial liabilities</b>		<b>961,077</b>	<b>688,217</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 26 Change in Accounting Policy

On 1 January 2019 the Company adopted the following new accounting standards that were mandatory for the first time:

- AASB 15 *Revenue from contracts with customers*
- AASB 16 *Leases*
- AASB 1058 *Income for Not-for-Profit Entities*

All standards have been applied to the year ended 31 December 2019, however, as allowed, comparatives have not been restated.

AASB 15 and AASB 1058 resulted in changes to accounting policies, however no adjustments were required to be recognised in the financial statements.

The following changes were required to be made a result of adopting AASB 16:

	Previously stated \$	1 January 2019 Adjustments \$	Restated \$
<b>Balance Sheet (Extract)</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4,837,452	(391,709)	4,445,743
Right-of-use assets	-	910,392	910,392
Total non-current assets	<u>5,257,452</u>	<u>515,230</u>	<u>5,772,682</u>
Total assets	<u>5,616,090</u>	<u>515,230</u>	<u>6,131,320</u>
<b>Current liabilities</b>			
Lease liabilities	-	285,666	285,666
Borrowings	214,366	(214,366)	-
Total current liabilities	<u>555,102</u>	<u>71,300</u>	<u>626,402</u>
<b>Non-current liabilities</b>			
Lease liabilities	-	557,001	557,001
Borrowings	246,144	(71,569)	174,575
Total non-current liabilities	<u>657,065</u>	<u>484,832</u>	<u>1,141,897</u>
Net assets	<u>4,403,923</u>	<u>(38,049)</u>	<u>4,365,874</u>
Retained earnings	<u>3,219,911</u>	<u>(38,049)</u>	<u>3,181,862</u>
<b>Total equity</b>	<u>4,403,923</u>	<u>(38,049)</u>	<u>4,365,874</u>

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 40, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 31 December 2019 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.



Neil McLean  
Director

Wollongong  
Dated 24 February 2020

## Independent Audit Report to the members of Corrimal R S L Memorial Club Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Corrimal R S L Memorial Club Ltd (the Company), which comprises the balance sheet as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

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ABN 43152 844 291

Liability limited by a  
Scheme approved under  
Professional Standards  
Legislation.





## **Independent Audit Report to the members of Corrimal R S L Memorial Club Ltd**

### **Other Information**

The Directors are responsible for the other information. The other information comprises the Director's Report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Directors for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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.



## Independent Audit Report to the members of Corrimal R S L Memorial Club Ltd

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditors report.

  
Daley Audit

  
Stephen Milgate  
Partner

Wollongong

24 February 2020

Liability limited by a Scheme approved under the Professional Standards Legislation.