

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606

FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 30TH JUNE, 2020

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30th June, 2020.

DIRECTORS

The names of Directors in office at anytime during or since the end of the year are:

B.S. Grant, K.M. Clarke, J.A. McDonell (Appointed 24/11/19), M.A. Thurbon (Appointed 24/11/19), T.J. Wainwright (Appointed 24/11/19), C.R. Forbes (Appointed 24/11/19), A.R. Geer (Appointed 03/06/20), C. Clark (Resigned 01/05/20), M. Bartlett (Resigned 29/11/19), G.G. Morris (Retired 24/11/19), B.T. Lynch (Retired 24/11/19), D.W. Ruddock (Retired 24/11/19) and D. Heaps (Retired 24/11/19).

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of conducting a licensed Bowling Club and maintaining bowling greens and clubhouse for members. No significant change in the nature of those activities has occurred during the year.

SHORT TERM OBJECTIVES

The Company's short-term objectives include:

- To continue to promote and conduct the game of bowls and such other sports, games, amusements, recreation, entertainments and pastimes, indoor and outdoor, as the Club shall deem expedient;
- Maintaining strong financial growth and profitability in all areas of operations;
- To be recognised as a fun and friendly, family orientated entertainment and sporting venue;
- To be recognised as a leader in the community through its community activities and community partnerships.

LONG TERM OBJECTIVES

The Company's long-term objectives include:

- To expand the Club house to enable the provision of more facilities;
- To continue to build membership in line with population increases;
- To continue to promote and conduct the game of bowls and such other sports, games, amusements, recreation, entertainments and pastimes, indoor and outdoor, as the Club shall deem expedient;
- To maintain and continually update the gaming area including up to date machines and facilities;
- The provision of bar products which appeal to club patrons;
- To work with local sporting and other bodies to assist the local community and encourage utilisation of the Club facilities;
- To maintain and update facilities to provide a comfortable and pleasant environment for Club patrons;
- Continually monitor financial performance in comparison to budgets and targets.

MEASUREMENT OF PERFORMANCE

The Company measures its performance by reviewing financial results compared to budget including monitoring gross profit margins, wages as a percentage of sales and the net profit of the Company. These reviews are performed monthly by the board of Directors and management.

DIRECTORS' REPORT CONTINUED

OPERATING RESULTS

The profit/(loss) for the year was a loss of (\$121212) [2019: (\$50795) loss].

Depreciation charged for the year was \$58663 [2019: \$75841]. Impairment loss for the year was \$Nil [2019: \$Nil].

REVIEW OF OPERATIONS

	2020	2019
	\$	\$
Bar Sales	400188	487427
Poker Machines (Net of Jackpots & Payouts)	247280	305840
Bistro Sales	40307	-

The Directors report a loss for the year of \$121212, an increased loss of \$70417 when compared to the 2019 loss of \$50795. The result is to be expected considering the 2020 and the 2021 years will be like no others for the registered club industry, not since the indoor smoking ban in 2008 has the industry seen such a large decrease in revenue with clubs closed or under modified trading conditions since March 2020 due to the COVID-19 pandemic.

The following comments are then framed taking account of this major change in trading conditions.

Turnover from trading activities decreased \$105492 when compared to the 2019 year. Bar sales decreased by \$87239, while poker machine clearances also decreased by \$58560, however bistro sales increased by \$40307 as the contract caterer resigned during the crisis and the club took the catering in-house again. The gross profit percentage for the bar decreased by 2.14% due to the difficult trading conditions.

The decrease in turnover from trading was offset by an increase in other income of \$70930. The main increase being in COVID-19 assistance from both the state and federal government which equated to \$88398 to the 30th June, split between jobkeeper \$36000, cashflow boost \$32398 and COVID small business grants \$20000. All other income streams decreased in line with the changed trading conditions.

Overall expenses decreased by \$47294 when compared to the 2019 year. Employee Benefits Expense increased by \$7772 compared to 2019 as reduced hours of work for staff was offset by the payment of jobkeeper to staff who qualified. Other expenditure reduced in line with the changed trading conditions.

The cash flow generated by operating activities during the year was a positive cash flow of \$16308 (2019: cash outflow \$76768). This positive cash flow along with existing cash holdings of \$41319 and proceeds from financing of \$50000, enabled the club to fund necessary net plant and equipment purchases of \$17533 and repay borrowings of \$39485.

Unfortunately the current year trading loss coupled with the loss in 2019, 2018, 2017 and 2016 has continued to create a material uncertainty regarding the ability of the Club to continue as a going concern. This is outlined at Note 2 to the financial statements. In addition, the 2020 review opinion contains a modification in relation to this inherent uncertainty.

The appointment of Mr Shane Globits as general manager in February 2020 by the Board has had a positive impact on the Club and it's trade into the 2021 year. The Board along with general manager will continue to review the Club's income and expenditure to continue developing a business model with a view to ensuring the long term future of the Club.

DIRECTORS' REPORT CONTINUED

MEMBERS GUARANTEE

In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 913 members (2019: 1012 members).

DIRECTORS' MEETINGS

The number of Directors' meetings (including special meetings and meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Directors Meetings	
	No. of Meetings Attended*	No. Meetings Held**
B.S. Grant	15	16
K.M. Clarke	14	16
J.A. McDonell	8	9
M.A. Thurbon	9	9
T.J. Wainwright	8	9
C.R. Forbes	7	9
A.R. Geer	1	1
C. Clark	10	13
M. Bartlett	7	8
G.G. Morris	6	7
B.T. Lynch	7	7
D.W. Ruddock	3	7
D. Heaps	7	7

* Reflects the number of meetings attended during the time the Director held office during the year

** Reflects the number of meetings held during the time the Director held office during the year.

During the year the following Directors were granted a leave of absence: Nil

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Bradley Grant	Sales Manager Chairperson Board Member	1 Year 8 Months
Kirsten Clarke	Development Officer Vice Chairperson Finance Committee Chairwomen Board Member	1 Year 8 Months
John McDonell	Retired Royal Australian Air Force Former Chairperson Former Board Member Board Member	8 Months

DIRECTORS' REPORT CONTINUED

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONTINUED

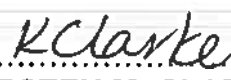
Martine Thurbon	Retired Board Member	8 Months
Terry Wainwright	Retired Board Member	8 Months
Cheryl Forbes	Retired Board Member	8 Months
Andrew Geer	Sale Manager Former General Manager Board Member	1 Month

REVIEWERS INDEPENDENCE DECLARATION

A copy of the Reviewers independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5.

Signed at Hallidays Point this 22nd Day of December, 2020 by B.S. Grant and K.M. Clarke on behalf of the Board and in accordance with a Resolution passed by the Directors.


.....
BRADLEY S. GRANT
DIRECTOR


.....
KIRSTEN M. CLARKE
DIRECTOR



HARRISON, MAIN & McARTHUR

ACCOUNTANTS, TAX AGENTS AND AUDITORS

A.B.N. 70 470 802 504

ROSS HARRISON
B.Bus. CA

ANDREW McARTHUR
B.Fin Admin, CA

ROD NORTHEY
Dip. Bus, PNA, FTIA, JP

REVIEWER'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BLACK HEAD BOWLING CLUB LIMITED

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

- (i) No contraventions of the reviewer's independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) No contravention of any applicable code of professional conduct in relation to the review.

HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER
REGISTERED COMPANY AUDITOR

12-16 Wallis Street, Forster

22nd December, 2020



HARRISON, MAIN & McARTHUR

ACCOUNTANTS, TAX AGENTS AND AUDITORS

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INDEPENDENT AUDITORS' REVIEW REPORT

To The Members
Black Head Bowling Club Limited

Report on the Financial Statements

Conclusion

We have reviewed the accompanying financial report of Black Head Bowling Club Limited, which comprises the Statement of Financial Position as at 30th June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant Accounting Policies and the Directors' Declaration as set out on pages 9 to 29.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Black Head Bowling Club Limited does not comply with the Corporations Act 2001, including:

- a) Giving a true and fair view of the Company's financial position as at 30th June, 2020 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting interpretations) and the Corporations Regulations 2001.

Basis for Our Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Review 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 30th June 2020 but does not include the financial report and our auditor's review report thereon.

Our conclusion 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 review 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 review or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30th June 2020 and its performance for the year ended on that date, and complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting interpretations) and the *Corporations Regulations 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

Emphasis of Matter - Material Uncertainty Regarding Continuation as a Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net trading loss excluding insurance recoveries of \$133976 during the year ended 30 June 2020, \$64119 for the 2019 year, \$227847 for the 2018 year, \$160008 for the 2017 year and \$132932 for the 2016 year and as at the 30th June 2020, the Company's current liabilities exceeded its current assets by \$155969. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our review opinion is not modified in respect of this matter.



**HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER
REGISTERED COMPANY AUDITOR**

12-16 Wallis Street, Forster

22nd December, 2020


BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
DIRECTORS' DECLARATION

The Directors of Black Head Bowling Club Limited, declare that:

1. The financial statements and notes, as set out on pages 10 to 29 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 30th 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.

Signed at Hallidays Point this 22nd Day of December, 2020 by B.S. Grant and K.M. Clarke on behalf of the Board and in accordance with a Resolution passed by the Directors.


.....
BRADLEY S. GRANT
DIRECTOR


.....
KIRSTEN M. CLARKE
DIRECTOR

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)

A.B.N. 18 001 038 606

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2020

	Note	2020 \$	2019 \$
Revenue	3(a)	930515	1047666
Insurance Recovery	3(b)	12764	13324
Profit/(Loss) on Disposal of Fixed Assets	4(b)	-	-
Revenue via Sub Clubs Including Greens Fees	1(i)	-	-
Expenses via Sub Clubs Excluding Internal Green Fees	1(i)	-	-
Changes in Inventories of Finished Goods	4(a)	(183681)	(212707)
Employee Benefits Expense	4(a)	(356287)	(348515)
Depreciation & Amortisation Expense	4(a)	(58663)	(75841)
Finance Costs	4(a)	(8595)	(11289)
Impairment Loss	9	-	-
Other Expenses		<u>(457265)</u>	<u>(463433)</u>
Profit/(Loss) Before Income Tax		(121212)	(50795)
Income Tax Expense	1(c)	<u>-</u>	<u>-</u>
Profit/(Loss) for the Year		<u>(121212)</u>	<u>(50795)</u>
Other Comprehensive Income After Income Tax:			
Net Gain On Revaluation of Non-Current Assets		<u>-</u>	<u>-</u>
Other Comprehensive Income for the Year, Net of Tax		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u>(121212)</u>	<u>(50795)</u>
Total Comprehensive Income Attributable to: Members of the Entity		<u>(121212)</u>	<u>(50795)</u>

The Statement of Profit or Loss and Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts set out on page 14 to 29.

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2020

	Retained Earnings \$	Note	Asset Revaluation Reserve \$
Balance at 1st July, 2018	322874		-
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	<u>(50795)</u>		<u>-</u>
Balance at 30th June, 2019	<u>272079</u>		<u>-</u>
Balance at 1st July, 2019	272079		-
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	<u>(121212)</u>		<u>-</u>
Balance at 30th June, 2020	<u>150867</u>		<u>-</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts set out on page 14 to 29.

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)

A.B.N. 18 001 038 606

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	5	50609	41319
Trade & Other Receivables	6	31347	16981
Inventories	7	19574	10662
Other Assets	8	-	37387
TOTAL CURRENT ASSETS		101530	106349
NON-CURRENT ASSETS			
Property, Plant & Equipment	9	278211	317973
Intangible Assets	10	86328	87696
TOTAL NON-CURRENT ASSETS		364539	405669
TOTAL ASSETS		466069	512019
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	11	125137	63445
Borrowings	12	104440	129485
Short Term Provisions	13	22921	37817
Other Liabilities	14	5001	5001
TOTAL CURRENT LIABILITIES		257499	235748
NON-CURRENT LIABILITIES			
Trade & Other Payables	11	20000	-
Borrowings	12	35560	-
Long Term Provisions	13	2143	4191
Other Liabilities	14	-	-
TOTAL NON-CURRENT LIABILITIES		57703	4191
TOTAL LIABILITIES		315202	239939
NET ASSETS		150867	272079
EQUITY			
Reserves		-	-
Retained Profits		150867	272079
TOTAL EQUITY		150867	272079

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts set out on page 14 to 29.

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2020

	Note	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		1003436	1173979
Interest Received		1	1
Payments to Suppliers and Employees		(978534)	(1239459)
Finance Costs		(8595)	(11289)
		<hr/>	<hr/>
Net Cash Generated from Operating Activities		16308	(76768)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		-	-
Payment for Intangible Assets		-	-
Payment for Property, Plant & Equipment		(17533)	(5976)
		<hr/>	<hr/>
Net Cash used in Investing Activities		(17533)	(5976)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		50000	119485
Repayment of Borrowings		(39485)	(36416)
Proceeds from Hire Purchase		-	-
Repayment Hire Purchase		-	-
Sub Club Funds Received		-	-
		<hr/>	<hr/>
Net Cash used in Financing Activities		10515	83069
Net Increase/(Decrease) in Cash Held		9290	325
Cash and Cash Equivalents at 1 st July 2019		<hr/>	<hr/>
		41319	40994
Cash and Cash Equivalents at 30th June 2020	5(a)	<hr/>	<hr/>
		50609	41319

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts set out on page 14 to 29.

BLACK HEAD BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 18 001 038 606
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020

The financial report is for Black Head Bowling Club Limited as an individual Company, incorporated and domiciled in Australia. Black Head Bowling Club Limited is a Company limited by guarantee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

The financial statements, except for the cash flow information, have been prepared on the accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets (if applicable), financial assets and financial liabilities (if applicable). The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 22nd December 2020 by the Directors of the Company.

Accounting Policies

a) Inventories

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

b) Property, Plant & Equipment

Property, plant and equipment are carried at cost or at fair value, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the fair value of the assets less cost to sell or the depreciable replacement cost of these assets.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour and borrowing costs. 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 charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings, and leasehold improvements but excluding freehold land, are depreciated on a straight line and/or diminishing value basis over their useful lives to the Company, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 4%
Plant and Equipment	7.5% - 40%
Bowling Greens	4%
Car Parks etc	2%
Leased Assets	17%
Greens Irrigation Equipment	10%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

c) Income Tax

In accordance with Section 50.45 of the Income Tax Assessment Act, the Company has been notified by the Australian Taxation Office that its income is not subject to income tax.

d) Employee entitlements

1. Short Term Employee Benefits

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

The Company's obligation for short term employee benefits is recognised as part of provisions in the Statement of Financial Position.

2. Long Term Employee Benefits

The Company classifies employees' long service leave and certain annual leave entitlements as long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for long term employee benefits, which are measured at the present value of the expected future payments to be made to employees including future wage and salary levels and on costs. The movement in this provision is recognised on the profit or loss under employee benefits expense.

The Company's obligation for long term employee benefits is recognised as part of non-current provisions in the Statement of Financial Position unless the Company cannot defer settlement for 12 months then they are classified as current provision.

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

e) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Revenue is recognised net of the amount of goods and services tax (GST)

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payable in the Statement of Financial Position are shown inclusive of GST.

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

g) Intangibles

Computer software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It is being written off over the useful life of the software to the Company.

Poker Machine entitlements are at cost less any impairment losses. Poker machine entitlements have an indefinite life and are assessed annually for impairment.

h) Leases

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

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

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.

Lease payments for finance leases which are considered low value are charged as expenses on a straight line basis over the lease term.

In accordance AASB: 116 Property Plant and Equipment, any rectification clauses in operating leases will be recognised and measured in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, only if the probable outflow is not remote and can be reliably measured.

i) Sub Clubs

Under the Club's Constitution, the Directors may allow an affiliated Sub Club to operate within the confines of the main club. Even though the Directors of the Club do not take part in day to day operations of the affiliated sub clubs per the constitution, the main club is ultimately responsible for all the assets and liabilities of the affiliated sub clubs. As a result, for the 2017 and future financial years, the financial report incorporated these assets and liabilities and the income and expenses generated by those sub clubs excluding transactions between the sub clubs and the main club.

j) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use or the depreciable replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

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 it is not possible to estimate the recoverable amount of an asset class, the Company estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect to 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.

Impairment testing is performed annually for intangible assets with indefinite lives

k) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are expensed to profit or loss immediately.

Classification & Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amounts for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. The amount at which the financial asset or liability is measured at initial recognition;
- ii. Less principal repayments;
- iii. Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method;
- iv. Less any reduction for impairment

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Loans & Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date, these are included in non-current assets.

Held to Maturity Investments

Held to Maturity Investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to Maturity Investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, these are included in current assets.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the profit and loss.

l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m) Government Grants – Irrigation Equipment

The Company entered into an agreement with the Commonwealth of Australia, Australian Community Water Grants (CWG) Programme. As part of that agreement a grant of \$50000 GST inclusive was received by the Club in the 2007 financial year. The project was finalised in April 2008. In accordance with AASB 1004 Contributions the grant funds have been brought to account when the Club has received control of the funds. The depreciation associated with the water tanks will be recognised over their useful life.

n) Comparative Figures

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

When the Company applies an accounting policy retrospectively, makes 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.

o) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and with the Company.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

p) New and Revised Standards that are Effective for these Financial Statements

The following Australian Accounting Standards are effective and have been applied in the preparation of these financial statements:

AASB 9: Financial Instruments (December 2014) and associated Amending Standards

AASB 16: Leases

AASB 15: Revenue from Contracts with Customers

AASB 1058: Income of Not-for-Profit Entities

NOTE 2 – MATERIAL UNCERTAINTY REGARDING CONTINUATION AS A GOING CONCERN

The Company incurred a net trading loss excluding insurance recoveries of \$133976 for the 2020 year, \$64119 for the 2019 year, \$227847 for the 2018 year, \$160008 for the 2017 year and \$132932 for the 2016 year and as at the 30th June 2020 the Company's current liabilities exceeded its current assets by \$155969. The current year trading loss coupled with the significant losses in the 2019, 2018, 2017 and 2016 years has placed significant strain on the Club's finances and a result there is a material uncertainty regarding the Clubs ability to continue as a going concern, and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The ability of the Club to continue as a going concern is contingent upon:

- The ability of the Club to generate targeted income levels and restrict expenditure in line with budgets;
- The support of the Men's, Women's Bowling Sub Clubs and Social Members and Guests;
- The continued support of National Australia Bank including the extension of the market rate facility due which expired on the 30th August 2020;
- The ability of the Club to raise funds by other means including the sale of assets if required.

NOTE 3 – REVENUE

	Note	2020 \$	2019 \$
(a) Operating Revenue			
Turnover from Trading Activities		699585	810874
Non-Operating Revenue			
Members Subscriptions		15456	17268
Green Fees – Men's, Women's & Social		21710	34769
Sponsorship/Advertising		3000	7036
Keno & Tab Commission		15180	18484
Commission/Rebates Received/Sundry Income		15397	27617
GST on Poker Machines Credit		17180	17180
Grant Funds/Jobkeeper/Cash Flow Boost		88399	15000
Raffles & Promotion Income		51564	94719
Courtesy Bus Expense Recovery		3044	4719
		<u>930515</u>	<u>1047666</u>

	Note	2020 \$	2019 \$
(b) Insurance Recoveries			
Insurance Proceeds		12764	13324

During the prior years the Club received insurance recoveries of \$13324 and \$262230 with regards to storm damage sustained to Greens, Clubhouse and equipment including the roof, Solar panels and business interruption. At the date of this report only a small proportion of these funds had been expended on rectification of the damage done.

NOTE 4 – PROFIT/(LOSS) FOR YEAR

a) Expenses

Changes in Inventories of Finished Goods

Main Bar		183681	212707
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Depreciation and Amortisation

Buildings, Improvements, Car Parks & Greens		15718	25141
Plant and Equipment		41577	49332
Motor Vehicles – Courtesy Bus		-	-
Intangibles		1368	1368
		58663	75841

Finance Costs

Interest Paid		8595	11289
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Rental Expense on Operating Leases

Minimum lease payments		16466	(5062)
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Employee Benefits

Employee Entitlements		(16944)	(27047)
Salaries & Wages		346978	346372
Employee Benefits		-	-
Fringe Benefits Tax		-	-
Superannuation		26253	29190
		356287	348515

b) Significant Revenue and Expenses

Gain on Disposal of Non Current Assets		-	-
Loss on Disposal of Non Current Assets		-	-

NOTE 5 – CASH & CASH EQUIVALENTS

Cash On Hand		20000	25050
Cash at Bank – Main Club		30609	16269
Cash at Bank and On Hand – Sub Clubs		-	-
	5(a), 18	50609	41319

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to Items in the Statement of Financial Position as follows:

Cash and Cash Equivalents		50609	41319
Bank Overdrafts	12	-	-
		50609	41319

NOTE 6 – TRADE & OTHER RECEIVABLES

	Note	2020 \$	2019 \$
Current			
Trade Receivables		5916	3547
Provision for Impairment		-	-
		<u>5916</u>	<u>3547</u>
Other Receivables		13022	-
GST Receivable		12409	13434
	6(a)	<u>31347</u>	<u>16981</u>
(a) Financial Assets classified as loans and receivables:			
Trade & Other Receivables			
- Current	18	<u>31347</u>	<u>16981</u>

NOTE 7 - INVENTORIES

	Note	2020 \$	2019 \$
Bar		14981	7926
Bowls Accessories		4593	2736
		<u>19574</u>	<u>10662</u>
			<u>37387</u>

NOTE 8 - OTHER ASSETS

Prepayments

-

NOTE 9 – PROPERTY, PLANT & EQUIPMENT

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
Year Ended 30th June, 2020				
Buildings, Plant & Equipment, Furniture & Fittings	1850718	1151095	446314	253309
Plant & Equipment – Kitchen	146223	123430	-	22793
Bowling Greens	95454	94091	1363	-
Greens Equipment	27306	25197	-	2109
Car Park	83196	23356	59840	-
Irrigation Equipment	46682	46682	-	-
Motor Vehicle – Courtesy Bus	50224	50224	-	-
	<u>2299803</u>	<u>1514074</u>	<u>507517</u>	<u>278211</u>

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
Year Ended 30th June, 2019				
Buildings, Plant & Equipment, Furniture & Fittings & Fittings	1837233	1098618	446314	292301
Plant & Equipment - Kitchen	142173	119807	-	22366
Bowling Greens	95454	94091	1363	-
Greens Equipment	27306	24000	-	3306
Car Park	83196	23356	59840	-
Irrigation Equipment	46682	46682	-	-
Leased Motor Vehicle – Courtesy Bus	50224	50224	-	-
	<u>2282268</u>	<u>1456778</u>	<u>507517</u>	<u>317973</u>

RECOVERABLE AMOUNT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

The recoverable amount of Property, Plant & Equipment and Intangible Assets has been determined in accordance with AASB 116: Property, Plant & Equipment, AASB 138 Intangible Assets and AASB 136: Impairment of Assets. The following information outlines the basis for impairment losses recognised during the current and prior year.

Impairment Indicators

The Directors noted the following impairment indicators at 30th June, 2020:

Internal – Continued generation of Trading Losses in the 2016, 2017, 2018, 2019 and 2020 financial years as well as negative cashflows from trading activities for the 2017, 2018 and 2019 years.

Cash Generating Unit

The Directors identified buildings, general plant and equipment, furniture and fittings, car parks, bowling greens, poker machines and poker machine entitlements as one cash generating unit as each of these assets is not capable of operating independently of each other.

Assessment of Recoverable Amount

The recoverable amount of the above cash generating unit has been determined on fair value of the assets in question less any costs of disposal that may be incurred. The Directors of the Club have assessed the fair value of general plant & equipment on the price that could be achieved via an orderly sale process, whilst independent valuations were obtained for the fair value of poker machines and poker machine entitlements. A value in use calculation was not performed as Directors believed the projected cashflows that would be used in the calculation would lead to a value in use figure that was less than the fair value basis.

Impairment Loss Recognised

Having determined the recoverable amount of these assets the Directors recognised an impairment loss as follows:

	Note	2020 \$	2019 \$
Impairment Loss in Income Statement		-	-

Movement in Carrying Amount of Property, Plant & Equipment

	2020 Property, Plant & Equipment \$	2019 Property, Plant & Equipment \$
Opening Written Down Value	317973	386471
Add: Additions	17533	5975
Less: Disposals	-	-
Less: Depreciation	(57295)	(74473)
Add: Revaluation Increment	-	-
Less: Revaluation Decrement	-	-
Less: Impairment Losses	-	-
Closing Written Down Value	278211	317973

CORE ASSETS OF THE CLUB

The current Directors disclose under the provisions of the Registered Clubs Act that the core assets of the Club are the Clubhouse at Black head including bowling greens and car park.

LAND & EQUIPMENT - RIGHT OF USE ASSETS

AASB 16: Leases has an application date of 1st January 2019. This standard requires the Club to recognise a right of use asset and corresponding lease liability when it has the right to control the use of an identified asset for a period of time. As a result of the application of the standard the Club could have recognised a right of use asset for the Land currently being leased from Crown Lands NSW of \$285487 at 30th June 2020. Given the poor trading results and above impairment analysis the Right of Use Asset hasn't been recognised at the 1st July 2019. The corresponding Lease liability similarly hasn't been reflected at Note 12 Borrowings.

NOTE 10 – INTANGIBLE ASSETS

	Cost	Accum	Written
	\$	Amort'n/ Impair't	Down
		\$	Value
			\$
30th June, 2020			
Computer Software	6840	4951	1889
Poker Machine Entitlements	115107	30668	84439
	<u>121947</u>	<u>34251</u>	<u>86328</u>
	Cost	Accum	Written
	\$	Amort'n/ Impair't	Down
		\$	Value
			\$
30th June, 2019			
Computer Software	6840	3583	3257
Poker Machine Entitlements	115107	30668	84439
	<u>121947</u>	<u>34251</u>	<u>87696</u>

Movement in Carrying Amount of Intangible Assets

	2020	2019
	\$	\$
Opening Written Down Value	87696	89064
Add: Additions	-	-
Less: Disposals	-	-
Less: Amortisation	(1368)	(1368)
Add: Revaluation Increment	-	-
Less: Revaluation Decrement	-	-
	<u>86328</u>	<u>87696</u>

NOTE 11 – TRADE & OTHER PAYABLES

	2020	2019
	\$	\$
Current		
Trade Payables	89766	20160
Contribution Plan of Management MCC	5000	-
Accrued Expenses	13469	21867
GST Payable	16902	21418
	<u>125137</u>	<u>63445</u>
11(a)		
Non-Current		
Contribution Plan of Management MCC	20000	-

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

Trade & Other Payables			
- Current		125137	63445
- Non-Current		20000	-
		<u>145137</u>	<u>63445</u>
Less Income In Advance		-	-
Financial Liabilities as Trade & Other Payables	18	<u>145137</u>	<u>63445</u>

NOTE 12 – BORROWINGS

	Note	2020 \$	2019 \$
Current			
Bank Overdraft – NAB	12(b)	-	-
Market Rate Facility – NAB	12(b) & (c)	90000	90000
Business Support Loan (COVID19) – NAB	12(b)	14440	-
Insurance Loan		-	39485
		<u>104440</u>	<u>129485</u>
Non-Current			
Market Rate Facility – NAB	12(b) & (c)	-	-
Business Support Loan (COVID19) – NAB	12(b)	35560	-
		<u>35560</u>	<u>-</u>
Total Borrowings	18	<u>140000</u>	<u>129485</u>

a) Total current and non-current secured liabilities:

	Note	2020 \$	2019 \$
Bank Overdraft – NAB		-	-
Market Rate Facility – NAB		90000	90000
Business Support Loan (COVID19) – NAB		50000	-
		<u>140000</u>	<u>90000</u>

b) The carrying amount of current and non-current assets pledged as security are:

Buildings and Plant & Equipment	278211	317973
Floating Charge:		
Cash & Cash Equivalents	50609	41319
Trade & Other Receivables	31347	16981
Inventories	19574	10662
Other Current Assets	-	37387
Intangible Assets	86328	87696
	<u>466069</u>	<u>512019</u>

c) Securities Given

i. The bank debt is secured by:

- Registered Mortgage Debenture over the whole of Black Head Bowling Club assets including goodwill and uncalled capital and called but unpaid capital together with relative insurance policy assigned to the National Australia Bank Ltd;

Covenants imposed by the bank are as follows:

- Annual audited financial statements provided within 120 days of end of financial year;
- Copy of business insurances noting National Australia Bank Ltd as an interested party;

d) The Company currently has undrawn facilities with the NAB and others as follows:

Facility	Facility Limit	Amount Drawn	Undrawn Facility
	\$	\$	\$
Bank Overdraft	30000	-	30000
Insurance Loan	-	-	-
Business Support Loan	50000	50000	-
Market Rate Facility	100000	90000	10000

The Club has also provided guarantees to TAB NSW of \$5000.

The marker rate facility with the NAB expire on the 30th August 2020 and is currently being renewed.

NOTE 13 – PROVISIONS

	Annual Leave Prov'n	Long Service Leave Prov'n	Total
	\$	\$	\$
Opening Balance at 1 st July 2019	28301	13707	42008
Additional provisions raised during year	14200	-	14200
Amounts used	(31144)	-	(31144)
Balance at 30 th June 2020	11357	13707	25064

Analysis of Total Provisions

	Note	2020	2019
		\$	\$
Current			
Annual Leave		11357	28301
Long Service Leave		11564	9516
		<u>22921</u>	<u>37817</u>
Non-Current			
Long Service Leave		2143	4191

Provision for Long Service Leave

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(d) of the financial statements.

NOTE 14 – OTHER LIABILITIES

	Note	2020	2019
		\$	\$
Current			
Caterers Bond		-	-
Subscriptions in Advance		5001	5001
Income/Grants in Advance		-	-
		<u>5001</u>	<u>5001</u>
Non-Current			
Income/Grants in Advance		-	-

NOTE 15 - CONTINGENT LIABILITIES & ASSETS

Contingent Liabilities - Clubhouse & Bowling Greens

A contingent liability exists for the rectification of the leased Clubhouse site and bowling greens at Black Head in accordance with the lease agreement between the club and Department of Lands. The Club at this time does not believe any amount will be payable for the completion of rectification works.

Contingent Liability – Poker Machine Jackpots

The Club has a contingent liability at the 30th June 2020 being the payment of poker machine jackpots accrued. The payment of the jackpot is contingent upon the winning combination being spun or upon the decommissioning of a machine which is not replaced and/or the jackpot accrued not being transferred to another machine. The potential liability is \$9928.

Contingent Liabilities – Memorial Wall Collapse

During the 2017 year a tragic accident within the Club's grounds was the subject of a coroners' investigation. The coroner's investigation was finalised in the 2019 year. The club has been served with a statement of claim as a result of the incident. This claim is being handled by the Club's insurers. The potential financial effect, if any, on the Club of this claim is unknown.

Contingent Asset – Promotional Fund

The club has only one contingent asset at the 30th June 2020 being the maintenance of a promotional fund by Toohey's under the current trading agreement. Under the agreement between the Club and Toohey's an amount is set aside based on the litres purchased by the Club to be used on promotional activity agreed to by both parties. The maintenance of the fund is contingent upon a valid trading agreement between the Club and Toohey's remaining in place.

NOTE 16 - LEASING & CAPITAL COMMITMENTS

Finance Lease Commitments

Club House Land

The lease of Clubhouse land with the Department of Lands runs in perpetuity. The Department of Lands has calculated the market rental of that land at \$20412 however have set our annual commitment of \$16330 after adjustment for CPI and application of Registered Clubs Category 3b rebate of 20%. During the year the Department of Lands at the request of the Club redetermined the market rent from \$57090 to \$20000 effective 28th October 2017 resulting in a credit of \$48312.30 being received by the Club in the 2019 year.

Photocopier Rental

The Club entered into an agreement on 3rd September 2019 for 60 months with Viatek for the rental of a Colour Photocopier. The rental liabilities are detailed below.

Keno Maintenance

The Club pays a daily maintenance fee to Keno for the terminals used by the Club. The daily fee is \$4.56 GST exclusive.

Phone System Rental

The Club entered into an agreement in January 2019 for 60 months with Telstra for the rental of the Club's phone system. The rental liabilities are detailed below.

The Club's annual rental liabilities are as follows:

	Photo-Copier	Phone System	Keno	Foxtel	Sky Channel	Total
	\$	\$	\$	\$	\$	\$
Not Later Than 12 months	2952	3048	1664	21600	16824	48088
Later Than 12 months but Not Later Than 2 years	2952	3048	-	-	-	6000
Later Than 2 years but Not Later Than 5 years	3444	4826	-	-	-	8270
Later Than 5 Years	-	-	-	-	-	-

Capital Commitments

There are no material capital commitments at the 30th June 2020.

NOTE 17 - SUPERANNUATION COMMITMENT

The Company is committed to paying superannuation for all employees who fall within the ambit of the Superannuation Guarantee Legislation. Contributions are calculated as a percentage of employees' ordinary wages under the definition of ordinary time's earnings under the award.

NOTE 18 – FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings from financial and non financial institutions.

The Company does not have any derivative instruments at the 30th June, 2020.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 Carrying Value \$	2020 Net Fair Value \$	2019 Carrying Value \$	2019 Net Fair Value \$
Financial Assets					
Cash & Cash Equivalents	5	50609	50609	41319	41319
Loans & Receivables	6(a)	31347	31347	16981	16981
Total Financial Assets		81956	81956	58300	58300
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade & Other Payables	11(a)	145137	145137	63445	63445
Borrowings	12	140000	140000	129485	129485
Total Financial Liabilities		285137	285137	192930	192930

Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the table at the beginning of Note 18 and can be compared to their carrying value as presented in the Statement of Financial Position. Fair value is determined in accordance with the accounting policy at Note 1(k) in the Financial Statements and Notes.

The fair values disclosed in the table at the beginning of Note 18 have been determined on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.
- (ii) Borrowings fair values are determined using discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will not differ materially to their carrying value.

Financial Instruments Measured at fair Value

There are no financial instruments that need to be recognised at fair value in the Statement of Financial Position using the fair value hierarchy as outlined in AASB 7.

NOTE 19 – KEY MANAGEMENT PERSONNEL COMPENSATION

At the 30th June, 2020 the Company had nine current and seven former key management personnel including Directors of the Company.

Compensation Paid to Key Management Personnel (Excluding Directors)

	Short Term Benefits \$	Post Employ't Benefits \$	Long Term Benefits \$	TOTAL \$
2020				
Total Compensation	106913	9574	15	116502
2019				
Total Compensation	124167	11620	30799	166586

Compensation Paid to Key Management Personnel (Directors)

	Short Term Benefits \$	Post Employ't Benefits \$	Long Term Benefits \$	TOTAL \$
2020				
Total Compensation	-	-	-	-
2019				
Total Compensation	-	-	-	-

NOTE 20 – RELATED PARTY TRANSACTIONS

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

There were no transactions with related parties during the year ended 30th June 2020.

NOTE 21 - MEMBERS GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 913 members (2019: 1012 members).

NOTE 22 – EVENTS AFTER THE REPORTING DATE

Events After The Reporting Date

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 except for.

1. The ongoing affects of the COVID-19 pandemic including the compliance with health guidelines which have modified trading conditions for the foreseeable future. The Club entitlement to jobkeeper will cease on the 28th September 2020;
2. The Club commencing a pay by the month agreement in September 2020 associated with the renewal of the Clubs annual insurance. The agreement is for 12 months and payments are \$3424 per month;
3. The Club entering into negotiations with the NAB for the renewal of the market rate facility which expired on the 31st August 2020. The Club anticipates the facility to be renewed with monthly repayments to commence in January 2021, with term of 10 years;
4. The Board approving the purchase of various poker machine upgrades from IGT, Ainsworth & Mid Coast Gaming, total purchases approved are \$33000 plus GST and payment terms are 12 months, interest free.

Future Developments

The Board has engaged a construction consultant to undertake preliminary drawings and design concept for the future renovations of the Clubhouse. The nature and timing of any such renovations will depend on the future trading of the Club and the availability of funds.

Apart from any matters outlined above, it is proposed to continue Company operations in a similar manner to the past financial year, with focus being on reduction of the Club's expenditure and the undertaking of improvements, wherever possible and within the constraints of available funds.