



2019 Annual Report



President's Report

It is with pleasure that I present this report to the members of our club.

Firstly, I thank the Board of Directors for their continuing commitment to the management and success of our club. I offer particular thanks to our previous President, Doug Hawkins OAM, who retired during the year, having served the club with distinction over many years. I also offer the Board's thanks to our acting Secretary Manager Tina Allan and her staff for their hard work and efforts throughout the year. With the resignation of our previous manager Terrie Clark, and the short tenure of our replacement manager Grant Burn, Tina and her staff have continued to provide the service our members have a right to expect.

My congratulations go also to our motel staff who continue to provide an excellent service for our guests and that service is rightfully recognised by the awards won and the comments of our guests. In fact we have now been informed that a September review of our motel has seen its rating raised to 4 ½ stars, a remarkable achievement.

The Quirindi RSL Golf Club committee and our greenkeeper have continued their good work to provide the best possible facility in the face of some of the worst climatic conditions faced for many years and to bring visitors to that club.

Thank you also to the local organisations and sporting groups who support us as we support them, and we look forward to that continuing long into the future.

We are in the process of purchasing, from the RSL Sub-Branch, the remaining portion of the club premises not owned by the club, and will continue to provide office and meeting facilities, administrative support and travel assistance for the Sub-Branch and its members. The RSL name will be retained and the ode will continue to be played nightly. The display area for memorabilia will be maintained and enhanced to honour those who have served, and are still serving, our country in the armed forces.

To those members who have suffered bereavement during the year, on behalf of the Board and staff I offer our condolences.

I remind members that all positions on the Board become vacant at the AGM and any financial member is eligible to stand for any position on the Board.

In closing, I thank all members of the club for their support and trust that we can continue to provide you with the facilities, atmosphere and entertainment that makes our club a welcoming place to visit.

Regards,

Col Stewart OAM

President

Managers Report 2018-2019

It is a privilege to present the annual report for the year ending 30th June 2019. What a year it has been with changes in management, it has been a challenge to say the least. However, we have finished the year with a pre-tax trading profit of \$101,465 (2018 \$43,007).

It is with a great deal of pleasure that I am able to present my first annual report to the members of Quirindi RSL Club. Many thanks to our members who have supported us this year. We appreciate your loyalty and encourage and welcome your feedback. Negative or positive it is always welcome.

We are excited to progress the future of the Club to deliver new experiences to members and guests and ensure that we create and sustain an atmosphere favourable to all members.

The Quirindi RSL Club has had a very successful year and I would like to congratulate all involved.

Our Quirindi RSL Motel has had another fantastic year with great results, continuing to provide excellent service and facilities to our guests and our valued repeat corporate customers. Congratulations must be extended to the dedicated team for their outstanding efforts securing a 4 1/2 Star rating for our Motel. This is something that our whole community should be very proud of. Being able to offer this level of service in a small country town is outstanding.

I would personally like to thank the staff for their hard work, patience and diligence during the many changes that have occurred this year. The commitment, loyal dedication and support has not gone unnoticed and you are sincerely appreciated.

I give my highest thanks to the Board of Directors for their support, encouragement and leadership through at times challenging circumstances. I would also like to congratulate the Board for all of their hard work and commitment to the Club and for supporting the Club's management to achieve results that provide us with the opportunity to further expand the facilities for you the members and our town.

We have continued to support many local sporting and community events and charities, whilst being able to offer entertainment and modern facilities for all to enjoy.

In conclusion, I would like to express my heartfelt thanks to all members, who without you and your continued support we would not be able to achieve these excellent results. We are really excited for the year ahead and moving forward to be able to provide facilities that you all can be proud of.

Tina Allan

2019 Golf Club President's report.

Welcome everyone and it is with great pleasure I bring you my second report since taking over the presidency of our wonderful club.

Since this time last year golf has flourished with good numbers attending the weekly competitions. Vet's on Tuesday mornings, Ladies golf continues to move forward and the backbone of the club, the Saturday competition continues to offer a great challenge to both male and female participants with excellent prizes on offer week in and week out.

I won't harp on the drought as we all know it is a topic well discussed at all levels and hopefully the water issues we have at the course will resolve with both natural and non-natural intervention. I will say that your committee is committed to finding solutions and are constantly trying to seek government grants for the implementation of other water resources and watered fairways so this iconic local grass green course will continue to thrive and provide an amazing asset for the Liverpool Plains Shire.

Our course superintendent Gary Jones continues to work in trying conditions and we are doing our best to provide the best plant and resources for him so he can give us the best possible course week in and week out no matter what the weather conditions.

Other thanks must go to Beau Urquhart who continues to help at the course and I cannot thank him enough. Tim Hoswell for his assistance in building the new shed extension for our mowers and all our members who have given up their time to help with clean ups etc at the course or have volunteered in the clubhouse with major events, you're the quiet army who plod on without the fanfare and keep the place ticking.

On the clubhouse scene we now have the front looking magnificent with the new garden taking off, grass and restructure of the sandstone blocks. Great job Dessie and co and stay tuned to see more happening with plans for a nice shade sail to go over the outdoor setting and provide shaded areas for golfers or anyone going to functions at the club.

A new outdoor toilet block is also in the pipeline as we know the club is not open on most days and we would like to encourage more people to come along and use the course and putt putt facility. By providing a new outdoor toilet we hope to be able to cater for school kids using the place for sport as well as Tamworth Challenge services who want to use the putt putt and outdoor bbq area so we will continue to try and make this amenities block happen sooner rather than later.

Further leaps forward are in the works with the soon to be implemented new till which will also see the member RSL cards getting used. Instead of balls and/or other prizes being presented, members will be able to have points accrued on their card and then used to purchase stock such as gloves/balls/tees etc or make use of the facilities at the RSL club such as drinks or food.

As we move into the next golfing year I can honestly say I am excited to see what it brings. We have by far and away the best technology in our Miscore system which leaves other big course in our wake. Course changes and improvements are continuing which is an absolute

must for any course just like changes on committee and the injection of new and young members. To those who may not stand for committee or sub-committee positions in up and coming AGM meetings I thank you on behalf of all members and look forward to working with the new ones. Finally we will continue to work in with the RSL and all other stake holders and make the course and clubhouse a true investment and successful venue for both members of the RSL, town and shire.

Adam Hitchen

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Financial Statements

For the Year Ended 30 June 2019

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

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For the Year Ended 30 June 2019

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Directors' Report

For the Year Ended 30 June 2019

The directors present their report on Quirindi R.S.L. Sub Branch Club for the financial year ended 30 June 2019.

General information

Information on directors

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

Colin Stewart	President
Qualifications	Chartered Accountant
Experience	Company director / Previous board experience
Douglas Hawkins	President. Resigned 25 January 2019
Qualifications	Retired
Experience	Previous Club Board experience
Luke Scanlon	Vice President
Qualifications	Real Estate Business Principal
Experience	Business owner / Previous board experience
Paul Maher	Treasurer
Qualifications	Spare parts interpreter
Experience	Previous Club Board experience
Earl Kelaher	Resigned 7 October 2018
Qualifications	Company Director
Experience	Business Owner
James (Jim) Banister	
Qualifications	Company Director
Experience	Business Owner / Previous board experience
Amanda Potter	
Qualifications	Secretary
Experience	Previous board experience
Tim Hoswell	
Qualifications	Builder
Experience	Business Owner
Adam Hitchen	Resigned 20 June 2019
Qualifications	Police Officer
Experience	Director

Directors' Report

For the Year Ended 30 June 2019

Information on directors

Yvonne Wynne	Appointed 7 October 2018
Qualifications	Business Owner
Experience	Business Owner

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 Quirindi R.S.L. Sub Branch Club during the financial year was the operation of a licensed 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 objectives are to:

- continue the poker machine replacement program; and
- ensure the Club's facilities support the long term objectives.

Long term objectives

The Company's long term objectives are to:

- develop a more diverse income stream to enable the Club to continue to provide benefits to its members;
- ensure the board and management have the resources and capability to deliver goals and there is a common agreement on the benefits to the club of these objectives.

Strategy for achieving the objectives

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

- Ensure the Board and Management have the resources and capability to deliver these goals and there is common agreement on the benefits to the Club of these objectives.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- providing the resources to enable the objectives to be realised.

Directors' Report

For the Year Ended 30 June 2019

Performance measures

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

- Member satisfaction
- Gross profit margins
- Profitability
- Staffing levels
- Inventory levels

Members' guarantee

Quirindi R.S.L. Sub Branch Club 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 \$ 20 for members, subject to the provisions of the company's constitution.

At 30 June 2019 the collective liability of members was \$ 28,280 (2018: \$ 27,860).

Operating results and review of operations for the year

Company secretary

The following persons held the position of Company secretary during and at the end of the financial year:

Terrie Clark (Club Secretary and Manager) was the company secretary from 1st February 2016 to 15th February 2019.

Grant Burn (Club Secretary and Manager) was the company secretary from 1st April 2019 to 19th June 2019.

Tina Allan (Acting Club Secretary and Manager) is company secretary from 20th June to the date of signing these financial statements.

Directors' Report
For the Year Ended 30 June 2019

Meetings of directors

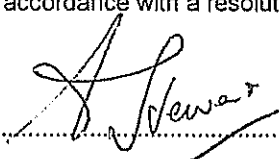
During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

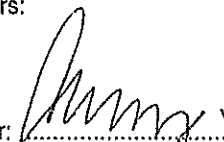
	Directors' Meetings	
	Number eligible to attend	Number attended
Colin Stewart	12	11
Douglas Hawkins	7	6
Luke Scanlon	12	11
Paul Maher	12	11
Earl Kelahe	3	3
James Banister	9	9
Amanda Potter	12	11
Adam Hitchen	5	2
Tim Hoswell	12	12
Yvonne Wynne	9	9

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2019 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Dated this 25th day of September 2019

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Quirindi R.S.L. Sub Branch Club

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



Margaret van Aanholt, Director

PKF NENW Audit & Assurance Pty Limited

Dated this 24th day of September, 2019

22-24 Bourke Street, Tamworth NSW

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
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approved under Professional
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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue	4	3,590,303	3,759,564
Other income	4	4,323	1,202
Cost of goods sold		(562,200)	(649,823)
Employee benefits expense	5	(1,113,302)	(1,322,602)
Depreciation and amortisation expense		(281,394)	(297,277)
Other expenses		(1,498,221)	(1,398,413)
Finance costs	5	(37,845)	(51,093)
Profit before income tax		101,663	41,557
Income tax expense	6	-	-
Profit for the year		101,663	41,557
Other comprehensive income, net of income tax		(198)	1,450
Total comprehensive income for the year		101,465	43,007

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Statement of Financial Position
As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	307,598	340,784
Trade and other receivables	8	21,244	13,205
Inventories	9	69,234	79,763
Other financial assets	10	85,089	124,856
Prepayments	11	44,077	28,054
TOTAL CURRENT ASSETS		527,242	586,662
NON-CURRENT ASSETS			
Trade and other receivables	8	5,000	5,000
Property, plant and equipment	12	5,079,902	5,180,505
Investment property	13	26,733	27,419
Intangible assets	14	108,500	33,500
TOTAL NON-CURRENT ASSETS		5,220,135	5,246,424
TOTAL ASSETS		5,747,377	5,833,086
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	115,976	216,543
Borrowings	16	79,085	83,500
Short-term provisions	17	29,238	30,542
Employee benefits	18	94,868	77,315
TOTAL CURRENT LIABILITIES		319,167	407,900
NON-CURRENT LIABILITIES			
Borrowings	16	747,074	846,286
Employee benefits	18	2,929	2,159
TOTAL NON-CURRENT LIABILITIES		750,003	848,444
TOTAL LIABILITIES		1,069,170	1,256,344
NET ASSETS		4,678,207	4,576,742
EQUITY			
Investment revaluation reserve		6,839	7,037
Retained earnings		4,671,368	4,569,705
TOTAL EQUITY		4,678,207	4,576,742

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2019

2019

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	4,569,705	7,037	4,576,742
Profit attributable to members of the entity	101,663	-	101,663
Revaluation increment (decrement)	-	(198)	(198)
Balance at 30 June 2019	<u>4,671,368</u>	<u>6,839</u>	<u>4,678,207</u>

2018

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	4,528,148	5,587	4,533,735
Profit attributable to members of the entity	41,557	-	41,557
Revaluation increment (decrement)	-	1,450	1,450
Balance at 30 June 2018	<u>4,569,705</u>	<u>7,037</u>	<u>4,576,742</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,905,401	4,116,347
Payments to suppliers and employees	(3,604,754)	(3,760,514)
Interest and dividends received	7,904	12,741
Finance costs	(37,845)	(51,093)
Rent received	10,945	8,250
Net cash provided by/(used in) operating activities	23 281,651	325,731
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant & equipment	5,000	-
Payment to acquire property, plant & equipment	(255,780)	(67,753)
Proceeds (to)/ from long term deposits	39,570	(621)
Net cash used by investing activities	(211,210)	(68,374)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(103,627)	(486,904)
Net cash used by financing activities	(103,627)	(486,904)
Net increase/(decrease) in cash and cash equivalents held	(33,186)	(229,547)
Cash and cash equivalents at beginning of year	340,784	570,331
Cash and cash equivalents at end of financial year	7 307,598	340,784

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2019

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

The functional and presentation currency of Quirindi R.S.L. Sub Branch Club is Australian dollars and rounded to the nearest dollar.

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 and the *Corporations Act 2001*.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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).

Sale of goods

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.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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 30 June 2019

2 Summary of Significant Accounting Policies

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(b) Income Tax

Due to the principle of mutuality, the Club's liability for income tax relates only to net revenue from non-members and income from outside investments, less a proportion of expenditure attributable to both members and non-members.

(c) 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.

(d) Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. 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.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a combination of reducing balance basis & prime cost over the assets useful life to the Company, commencing when the asset is ready for use.

Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(f) Property, Plant and Equipment

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

Fixed asset class	Depreciation rate
Freehold Land & buildings - RSL (at cost)	2.5% prime cost
Improvements	5% - 20% D.V.
Poker Machines	18% - 40% D.V.
Plant & Equipment	10% - 30% D.V.

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.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) 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 the G100 discount rates specifically developed for the purpose of discounting employee benefits under AASB 119. Changes in the measurement of the liability are recognised in profit or loss.

(i) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(j) 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 payable 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 statement of financial position.

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.

(k) Adoption of new and revised accounting standards

The Company has adopted all Australian Accounting Standards (AASB) which became effective for the first time at 30 June 2019, in particular AASB 9 *Financial Instruments*. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements For the Year Ended 30 June 2019

4 Revenue and Other Income

Revenue from continuing operations

	2019 \$	2018 \$
Sales revenue		
Bar and catering sales	966,317	1,170,101
Poker machine takings	1,738,842	1,681,918
Member subscriptions	42,569	63,163
Golf club fees and charges	71,747	74,806
	<u>2,819,476</u>	<u>2,989,987</u>
Finance income		
Interest revenue	7,629	12,472
Dividend income	275	270
	<u>7,904</u>	<u>12,742</u>
Other revenue		
Motel revenue	633,425	624,115
Rental revenue from investment property	9,950	7,500
Commissions	84,327	86,189
GST rebate	17,180	15,718
sundry income	18,041	23,313
	<u>762,923</u>	<u>756,835</u>
Total Revenue	<u><u>3,590,303</u></u>	<u><u>3,759,564</u></u>

	2019 \$	2018 \$
Other Income		
Insurance recoveries	-	1,214
Gain (loss) on disposal of assets	4,323	(12)
	<u>4,323</u>	<u>1,202</u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Expenses

The following expenses are included in the operating result for the year:

	2019	2018
	\$	\$
Finance Costs		
- Interest on bank overdrafts and loans	37,845	51,093
Total finance costs	37,845	51,093

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Employee benefits expense		
Wages and salaries	951,567	1,124,076
Superannuation contributions	86,828	107,686
Payroll tax	8,074	22,691
Workers Compensation	20,589	22,541
Leave entitlements	37,145	39,723
Other expenses	9,099	5,885
Total Employee benefits expense	1,113,302	1,322,602
Other expenses:		
Electricity and water	150,779	128,152
Poker Machine Duty Tax	240,974	233,354
Members Discounts, Amenities & Promotions	223,391	200,902
Repairs and maintenance	226,025	218,843
Depreciation expense	281,394	297,277
Insurance	51,042	51,215
Land rates	32,670	25,193
Advertising	40,896	35,735

Notes to the Financial Statements
For the Year Ended 30 June 2019

6 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2019	2018
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 27.5%)	27,957	11,428
Add:		
Tax effect of:		
- non-deductible expenses	77,383	87,058
	105,340	98,486
Less:		
Tax effect of:		
- deduction for decline in value of depreciating assets	(77,383)	(81,558)
- non-taxable member income arising from principle of mutuality	(26,830)	(17,561)
Losses(utilised)/carried forward	(1,127)	633
Income tax expense	-	-

Notes to the Financial Statements
For the Year Ended 30 June 2019

7 Cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand	78,900	78,900
Cash at bank	228,698	261,884
	<u>307,598</u>	<u>340,784</u>

8 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	6,095	9,359
	<u>6,095</u>	<u>9,359</u>
GST Receivable	5,334	-
Other receivables	9,815	3,846
	<u>21,244</u>	<u>13,205</u>

Total current trade and other receivables

	2019	2018
	\$	\$
NON-CURRENT		
Deposits	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

Total non-current trade and other receivables

9 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost:		
Stock on hand - bar	52,960	49,780
Non bar	16,274	29,983
	<u>69,234</u>	<u>79,763</u>

Notes to the Financial Statements
For the Year Ended 30 June 2019

10 Other financial assets

	2019	2018
	\$	\$
CURRENT		
Equity instruments at fair value through Other Comprehensive Income		
Shares in listed entities at fair value	6,839	7,037
Deposits at call		
Term deposits and online saver accounts	78,250	117,820
Total financial assets	<u>85,089</u>	<u>124,856</u>

11 Other non-financial assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	44,077	28,054
Total Prepayments	<u>44,077</u>	<u>28,054</u>

Notes to the Financial Statements
For the Year Ended 30 June 2019

12 Property, plant and equipment

	2019 \$	2018 \$
LAND AND BUILDINGS		
At cost	5,428,055	5,424,717
Accumulated depreciation	(1,492,656)	(1,361,563)
Total land and buildings	<u>3,935,399</u>	<u>4,063,154</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	<u>351,317</u>	<u>346,317</u>
Total capital works in progress	<u>351,317</u>	<u>346,317</u>
Plant and Equipment - RSL Club		
At cost	2,508,519	2,351,516
Accumulated depreciation	(1,880,147)	(1,770,477)
Total plant and equipment - RSL Club	<u>628,372</u>	<u>581,039</u>
Plant and Equipment - Golf Club		
At cost	154,652	154,652
Accumulated depreciation	(87,634)	(83,084)
Total Plant and Equipment - Golf Club	<u>67,018</u>	<u>71,568</u>
Plant and Equipment - Motel		
At cost	236,642	230,723
Accumulated depreciation	(138,845)	(112,295)
Total plant and equipment - Motel	<u>97,797</u>	<u>118,428</u>
Total plant and equipment	<u>1,144,504</u>	<u>1,117,352</u>
Total property, plant and equipment	<u><u>5,079,903</u></u>	<u><u>5,180,506</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Property, plant and equipment

(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:

	Capital Works in Progress	Land & buildings	Plant & Equipment - RSL Club	Plant and Equipment - Golf Club	Plant and Equipment - Motel	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2019						
Balance at beginning of year	346,317	4,063,154	581,039	71,568	118,428	5,180,506
Additions	5,000	-	166,624	3,053	5,919	180,596
Disposals - WDV	-	-	(677)	-	-	(677)
Depreciation	-	(129,222)	(118,460)	(6,290)	(26,550)	(280,522)
Balance at the end of the year	351,317	3,933,932	628,526	68,331	97,797	5,079,903

Quirindi R.S.L. Sub Branch

The Directors have resolved that all land & Buildings owned by Quirindi R.S.L. Sub-Branch Club is classified as Core Property with the exception of 4 Abbott Street, Quirindi, which is classified as Non-Core Property for the purposes of Section 41J of the Registered Clubs Act.

Quirindi Golf Club

The buildings owned by Quirindi R.S.L. Sub Branch Club located at the Quirindi Golf Club are classified as Core Property.

13 Investment Property

	2019	2018
	\$	\$
House - Abbot Street Quirindi (at cost)	79,860	79,860
Depreciation	(53,127)	(52,441)
Balance at end of the period	26,733	27,419

Notes to the Financial Statements
For the Year Ended 30 June 2019

14 Intangible Assets

	2019	2018
	\$	\$
Licenses		
Poker machine licences - at cost	108,500	33,500
Total Intangibles	<u>108,500</u>	<u>33,500</u>

15 Trade and other payables

	2019	2018
	\$	\$
Current		
Trade payables	35,851	95,122
GST payable	-	19,318
Sundry payables and accrued expenses	80,125	102,103
	<u>115,976</u>	<u>216,543</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

16 Borrowings

	2019	2018
	\$	\$
CURRENT		
Secured liabilities:		
Bank loan - current commitment	79,085	83,500
Total current borrowings	<u>79,085</u>	<u>83,500</u>

	2019	2018
	\$	\$
NON-CURRENT		
Secured liabilities:		
Bank loan - non current commitment	747,074	846,286
Total non-current borrowings	<u>747,074</u>	<u>846,286</u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Borrowings

16 Borrowings

(a) Defaults and breaches

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

(b) Mortgages, charges and securities

The Commonwealth Bank of Australia holds security as registered first mortgage over the club's land and buildings located at 88 Station Street & 132-134 Railway Street, Quirindi.

17 Provisions

	2019	2018
	\$	\$
CURRENT		
Bonus reward liability	17,956	22,014
Golf Hole In One Competition	11,282	8,528
	<u>29,238</u>	<u>30,542</u>

18 Employee Benefits

	2019	2018
	\$	\$
CURRENT		
Long service leave	28,465	22,572
Provision for annual leave	66,403	54,743
	<u>94,868</u>	<u>77,315</u>
NON-CURRENT		
Long service leave	2,929	2,159
	<u>2,929</u>	<u>2,159</u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

19 Commitments

	2019	2018
	\$	\$
Minimum rental payments under non-cancellable rental agreement:		
- not later than one year	3,368	3,368
- between one year and five years	3,890	7,258
	<u>7,258</u>	<u>10,626</u>

The company has a 60 month rental agreement with Fiji Xeron Finance for a photocopier and the minimum monthly payment is \$239.00. This rental agreement is due to cease in 2021. The company also has a lease for premises, expiring in 2020 with an option to renew to 2023 which the Company intends to take up.

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: Nil).

21 Key Management Personnel

The total remuneration paid to key management personnel of the Company during the year is \$ 170,573 (2018: \$ 169,312).

The above remuneration includes current and previous management personnel.

22 Related Parties

Transactions with related parties

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

Notes to the Financial Statements For the Year Ended 30 June 2019

23 Cash Flow Information

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

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Profit for the year	101,663	41,557
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	281,394	297,277
- net (gain)/loss on disposal of property, plant and equipment	(4,323)	12
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(6,551)	(4,709)
- (increase)/decrease in prepayments	(16,023)	11,183
- (increase)/decrease in inventories	10,529	(7,355)
- increase/(decrease) in trade and other payables	(102,055)	12,502
- increase/(decrease) in provisions	(1,304)	(30,458)
- increase/(decrease) in employee benefits	18,321	5,722
Cashflows from operations	<u>281,651</u>	<u>325,731</u>

24 Events Occurring After the Reporting Date

The financial report was authorised for issue on 25th September 2019 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 Company Details

The registered office and the principal place of business of the company is:

Quirindi R.S.L. Sub Branch Club
86 - 88 Station Street
Quirindi NSW 2343

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 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.

Director 

Director 

Dated this 25th day of September 2019

Independent Auditor's Report to the members of Quirindi R.S.L. Sub Branch Club

Qualified Opinion

We have audited the financial report of Quirindi R.S.L. Sub Branch Club (the Company), which comprises the statement of financial position as at 30 June 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

As it is common for organisations of this type, it is not practicable for the Club to maintain an effective system of internal control over some revenue activities such as raffles and bingo income until their initial entry in the account records. Accordingly, our audit in relation to the above was limited to the amounts recorded.

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Independence

We are independent of the company in accordance with 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.

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

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Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Independent Auditor's Report to the members of Quirindi R.S.L. Sub Branch Club

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Independent Auditor's Report to the members of Quirindi R.S.L. Sub Branch Club

We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide management 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.

PKF NENW Audit & Assurance Pty Ltd

Margaret van Aanholt

22-24 Bourke Street, Tamworth NSW

Dated this 25th day of September 2019

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