

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

Financial Statements

For the Year Ended 30 June 2020

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

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Dunoon & District Sports & Recreation Club Limited

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Directors' Report

30 June 2020

The directors present their report on Dunoon & District Sports & Recreation Club Limited for the financial year ended 30 June 2020.

1. General information

Information on directors

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

Brenda Reyes

Qualifications	Bank manager
Experience	Board member 2 years
Special responsibilities	President

Scott McNeil

Qualifications	Gardener
Experience	Board member 7 months
Special responsibilities	Vice President
Appointed	27 November 2019

Gareth Herman

Qualifications	Operations manager
Experience	Board member 7 months
Special responsibilities	Treasurer
Appointed	27 November 2019

Lynette Black

Qualifications	Schools assistant
Experience	Board member 4 years
Special responsibilities	Secretary

Trent Scanlan

Qualifications	Data analyst
Experience	Board member 7 months
Appointed	27 November 2019

James Waldron

Qualifications	Business owner
Experience	Board member 7 months
Appointed	27 November 2019

Robyn Waldron

Qualifications	Business support officer
Experience	Board member 7 months
Appointed	27 November 2019

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Directors' Report

30 June 2020

1. General information

Information on directors

Malcolm McClenaghan

Qualifications	Farmer
Experience	Board member 7 months
Appointed	27 November 2019
Resigned	14 April 2020

Ryan Swift

Qualifications	Teacher
Experience	Board member 7 months
Appointed	27 November 2019
Resigned	10 March 2020

Annabelle Crow

Qualifications	Retired
Experience	Board member 2 years
Resigned	11 February 2020

Andrew McColl

Qualifications	Roadworks supervisor
Experience	Board member 2 months
Appointed	27 November 2019
Resigned	11 February 2020

Trevor Black

Qualifications	Farming
Experience	Board member 2 years
Resigned	27 November 2019

Brendan Ware

Qualifications	Solicitor
Experience	Board member 2 years
Resigned	27 November 2019

Michael Berry

Qualifications	Insurance broker
Experience	Board member 5 years
Resigned	27 November 2019

Robert Gatt

Qualifications	Retired executive director - ADAS
Experience	Board member 2 years
Resigned	27 November 2019

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Directors' Report

30 June 2020

1. General information

Information on directors

Alison Wilson	
Qualifications	Business owner
Experience	Board member 1 year
Resigned	27 November 2019

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

Review of operations

The profit/(loss) of the Company after providing for income tax amounted to \$ (32,109)(2019: (\$16,341)).

The result was made up of the following:

	2020	2019
	\$	\$
Parent club operating profit/(loss)	(34,053)	(34,050)
Sub club operating profit/(loss)	1,944	17,709
	<u>(32,109)</u>	<u>(16,341)</u>

Principal activities

The principal activity of Dunoon & District Sports & Recreation Club Limited during the financial year was the provision of sporting and social activities to members.

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

Objectives

The Company's short and long term objectives are to ensure that the Company's financial position remains sound for both the short and long term, ensuring that members and patrons can enjoy their club for many years to come.

Strategy for achieving the objectives

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

- Carefully monitor income and expenditure to improve operating profit;
- Introduce new ideas that will attract more people to the club and improve income streams; and
- Promote the above objectives at every opportunity.

Dunoon & District Sports & Recreation Club Limited

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Directors' Report

30 June 2020

1. General information

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by providing the best facilities and by continually looking at ways to attract participants to both sporting and social activities. This has provided the Company with a source of income so the Company can continue to make improvements and remain viable into the future. The Company has to ensure that it continues to provide a quality venue for members and visitors to enjoy the facilities, both socially and through sport.

Members' guarantee

Dunoon & District Sports & Recreation Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 5 for members subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$ 1,535 (2019: \$ 2,315).

2. Other items

Real Property

The company's directors advise that all land and buildings have been identified as core property, as defined by section 41J of the *Registered Clubs Act (1976)*.

Dunoon & District Sports & Recreation Club Limited

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Directors' Report

30 June 2020

Meetings of directors

During the financial year, 13 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
Brendan Ware	5	5
Trevor Black	5	4
Robert Gatt	5	5
Michael Berry	5	5
Lynette Black	13	13
Annabelle Crow	9	8
Brenda Reyes	13	12
Alison Wilson	5	5
Gareth Herman	8	8
Malcolm McClenaghan	5	5
Andrew McColl	4	3
Scott McNeil	8	7
Trent Scanlan	8	7
Ryan Swift	4	3
James Waldron	8	8
Robyn Waldron	8	7

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 6 of the financial report.

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

Director:
Brenda Reyes

Director:
Gareth Herman

Dated 13 November 2020

Dunoon & District Sports & Recreation Club Limited
Auditor's Independence Declaration under section 307C of
the Corporations Act 2001

13 November 2020

The Board of Directors
Dunoon & District Sports & Recreation Club Limited
Cowley Road
DUNOON NSW 2480

This declaration is made in connection with our review of the financial report of the Dunoon & District Sports & Recreation Club Limited for the year ended 30 June 2020 and in accordance with the provisions of the Corporations Act 2001.

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

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

Yours faithfully,

wca audit & assurance services pty ltd
Authorised Audit Company

T. Kirkland

Tania L Kirkland
Director

**REGISTERED
COMPANY
AUDITORS**

GJ Smith
BBus, LLB, CA, DipFP

SI Trustum
BBus, CA, DipFP

TL Kirkland
BBus, CA

**SMSF
AUDITORS**

GJ Smith
BBus, LLB, CA, DipFP

SI Trustum
BBus, CA, DipFP

MJ Gahan
BBus, CA, DipFP

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Dunoon & District Sports & Recreation Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Income	4	386,876	562,955
Gain on disposal of intangible asset	4	-	30,000
Gain on disposal of fixed assets	4	36	-
Cost of sales		(108,231)	(176,615)
Depreciation expenses		(21,308)	(19,752)
Interest paid		(877)	(880)
Other expenses		(109,606)	(135,089)
Payroll expenses		(118,594)	(174,981)
Sub club expenses		(60,404)	(101,978)
Profit before income tax		(32,109)	(16,341)
Income tax expense		-	-
Profit for the year		(32,109)	(16,341)
Total comprehensive income for the year		(32,109)	(16,341)

The accompanying notes form part of these financial statements.

Dunoon & District Sports & Recreation Club Limited

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Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	149,250	177,323
Trade and other receivables	6	11,553	418
Inventories	7	9,028	16,278
Other financial assets	8	30	30
Other assets	11	853	1,632
TOTAL CURRENT ASSETS		<u>170,714</u>	<u>195,681</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	508,825	524,520
Intangible assets	10	60,000	60,000
TOTAL NON-CURRENT ASSETS		<u>568,825</u>	<u>584,520</u>
TOTAL ASSETS		<u>739,539</u>	<u>780,201</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	46,631	48,479
Employee benefits	14	19,558	24,396
Other financial liabilities	13	-	1,845
Other liabilities	15	34,513	34,535
TOTAL CURRENT LIABILITIES		<u>100,702</u>	<u>109,255</u>
TOTAL LIABILITIES		<u>100,702</u>	<u>109,255</u>
NET ASSETS		<u>638,837</u>	<u>670,946</u>
EQUITY			
Reserves		307,994	307,994
Retained earnings		330,843	362,952
TOTAL EQUITY		<u>638,837</u>	<u>670,946</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2019	362,952	307,994	670,946
Profit/(loss) for the year	(32,109)	-	(32,109)
Balance at 30 June 2020	330,843	307,994	638,837

2019

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2018	379,293	307,994	687,287
Profit/(loss) for the year	(16,341)	-	(16,341)
Balance at 30 June 2019	362,952	307,994	670,946

The accompanying notes form part of these financial statements.

Dunoon & District Sports & Recreation Club Limited

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	403,091	652,302
Payments to suppliers and employees	(422,867)	(644,094)
Interest received	1	140
Interest paid	(877)	(880)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	20 (20,652)	7,468
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	546	-
Proceeds from disposal of intangible asset	-	60,000
Purchase of property, plant and equipment	(6,122)	(6,107)
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	(5,576)	53,893
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(26,228)	61,361
Cash and cash equivalents at beginning of year	175,478	114,117
	<hr/>	<hr/>
Cash and cash equivalents at end of financial year	20(a) 149,250	175,478

The accompanying notes form part of these financial statements.

Dunoon & District Sports & Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2020

The financial report covers Dunoon & District Sports & Recreation Club Limited as an individual entity. Dunoon & District Sports & Recreation Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Dunoon & District Sports & Recreation Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 13 November 2020.

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*.

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

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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

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

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

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

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) 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).

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Receivables and payable are stated inclusive of GST.

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.

(d) Inventories

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

(e) 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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	20 - 40 years
Plant and Equipment	5 years
Sub club - plant and equipment	5 years
Furniture, Fixtures and Fittings	7 years
Motor Vehicles	5 years
Improvements	40 years
Poker machines	3 years

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.

(f) Financial instruments

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

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

Dunoon & District Sports & Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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

Classification

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

- amortised cost
- fair value through profit or loss - FVTPL

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- financial assets measured at amortised cost

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

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

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

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

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Dunoon & District Sports & Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial liabilities

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

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

(g) Intangibles

Poker machine entitlements

Poker machine entitlements have been recognised in the statement of financial position at their fair value at 1 July 2004 which has deemed to be their cost. Subsequent acquisitions of poker machine entitlements are recognised at cost.

Poker machine entitlements are assessed as being intangible assets with an indefinite useful life and have not been amortised. Poker machine entitlements continue to be carried at cost in the statement of financial position and are subject to an annual impairment test.

(h) 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.

(i) Employee benefits

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

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

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(j) Going concern

During the financial year ended 30 June 2020 the Company has experienced an operating loss of \$ (32,109) (2019: (\$16,341) loss). This performance reflected the continued difficult trading conditions suffered by the Company. The continuing viability of the Company and its ability to continue as a going concern is dependent upon the Company performing the following:

- Being successful in its efforts to continue to grow revenue.
- The sale of an additional poker machine licenses to provide a cash injection.
- Appropriately reducing expenditure if revenue continues to decline.

The Directors are confident that they will be able to achieve the above outcomes and therefore it is appropriate to prepare the financial statements on the going concern basis.

However, in the event that the Company is not able to successfully complete the outcomes referred to above, significant uncertainty would exist as to whether the Company will continue as a going concern, and therefore, whether the Company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

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Notes to the Financial Statements For the Year Ended 30 June 2020

3 Critical Accounting Estimates and Judgments

COVID-19 impact

As a result of the spread of COVID-19 pandemic, economic uncertainties have arisen which are likely to have a financial impact on the Entity. In the current period it has resulted in the club limiting operations during the government mandated lockdown period. There are additional financial impacts expected as a result of the spread of COVID-19 but these cannot yet be accurately measured.

4 Income

	2020	2019
	\$	\$
Operating revenue		
Sale of Goods		
- Bar sales	211,977	355,884
	<u>211,977</u>	<u>355,884</u>
Services:		
- Poker machine revenue	18,824	51,858
- Member subscriptions	5,352	4,950
	<u>24,176</u>	<u>56,808</u>
Non-operating revenue		
- Advertising income	7,549	6,976
- Cashflow boost	12,500	-
- Gain/(loss) on disposal of fixed asset	36	30,000
- Interest received	1	140
- Jobkeeper subsidy	27,000	-
- Other revenue	18,803	10,008
- Poker machine GST subsidy	2,498	4,565
- Raffle income	12,128	15,952
- Rental income	2,445	-
- State Government subsidy	10,000	-
- Sub club income	57,800	112,622
	<u>150,760</u>	<u>180,263</u>
Total Income	<u>386,913</u>	<u>592,955</u>

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Notes to the Financial Statements For the Year Ended 30 June 2020

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	21,417	30,660
Short-term deposits	-	20,073
Trading account	11,745	59
Gazette account	4,378	4,497
Community garden	1,270	1,260
Dunoon United Football Club	106,011	117,935
Tennis club	4,429	2,839
	<u>149,250</u>	<u>177,323</u>

6 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Sundry debtors	11,553	418
	<u>11,553</u>	<u>418</u>
Total current trade and other receivables	<u>11,553</u>	<u>418</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

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

7 Inventories

	2020	2019
	\$	\$
CURRENT		
At cost:		
Bar stock	9,028	16,278
	<u>9,028</u>	<u>16,278</u>

8 Other Financial Assets

(a) Financial assets at fair value through profit or loss

	2020	2019
	\$	\$
CURRENT		
Unlisted shares	30	30
	<u>30</u>	<u>30</u>
Total	<u>30</u>	<u>30</u>

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Notes to the Financial Statements For the Year Ended 30 June 2020

9 Property, plant and equipment

	2020	2019
	\$	\$
Freehold land		
At cost	190,000	190,000
Total Land	<u>190,000</u>	<u>190,000</u>
Buildings		
At cost	448,812	448,812
Accumulated depreciation	(166,107)	(154,492)
Total buildings	<u>282,705</u>	<u>294,320</u>
Plant and equipment		
At cost	178,538	179,127
Accumulated depreciation	(173,248)	(170,050)
Total plant and equipment	<u>5,290</u>	<u>9,077</u>
Furniture, fixtures and fittings		
At cost	129,087	129,087
Accumulated depreciation	(119,268)	(117,784)
Total furniture, fixtures and fittings	<u>9,819</u>	<u>11,303</u>
Motor vehicles		
At cost	8,182	8,182
Accumulated depreciation	(8,182)	(8,182)
Total motor vehicles	<u>-</u>	<u>-</u>
Poker machines		
At cost	111,300	111,300
Accumulated depreciation	(108,361)	(107,052)
Total poker machines	<u>2,939</u>	<u>4,248</u>
Sub Club - plant and equipment		
At cost	33,030	26,908
Accumulated depreciation	(14,958)	(11,336)
Total Sub Club - plant and equipment	<u>18,072</u>	<u>15,572</u>
Total property, plant and equipment	<u><u>508,825</u></u>	<u><u>524,520</u></u>

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Notes to the Financial Statements

For the Year Ended 30 June 2020

9 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:

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Improvements	Poker Machines	Sub Club - Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020									
Balance at the beginning of the year	190,000	267,976	9,077	11,303	-	26,344	4,248	15,572	524,520
Additions	-	-	-	-	-	-	-	6,122	6,122
Disposals	-	-	(509)	-	-	-	-	-	(509)
Depreciation	-	(10,914)	(3,278)	(1,484)	-	(701)	(1,309)	(3,622)	(21,308)
Balance at the end of the year	190,000	257,062	5,290	9,819	-	25,643	2,939	18,072	508,825

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

Notes to the Financial Statements For the Year Ended 30 June 2020

10 Intangible Assets

Poker machine entitlements		
Fair value	60,000	60,000
Total Intangibles	60,000	60,000

(a) Movements in carrying amounts of intangible assets

	Fair value \$
Year ended 30 June 2020	
Poker machine entitlements	60,000
Closing value at 30 June 2020	60,000

11 Other Assets

	2020 \$	2019 \$
CURRENT		
Prepayments	853	1,632
	853	1,632

12 Trade and Other Payables

	2020 \$	2019 \$
Current		
Trade payables	2,980	13,040
GST payable	1,517	791
Accrued expenses	15,840	13,197
Other creditors	3,400	3,250
PAYG payable	3,307	2,039
DUFC liabilities	18,751	15,016
Superannuation payable	834	1,144
	46,629	48,479

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Dunoon & District Sports & Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2020

13 Other Financial Liabilities

	2020	2019
	\$	\$
CURRENT		
Bank overdraft	-	1,845
Total	-	1,845

14 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Annual leave	5,375	11,591
Long service leave	14,183	12,805
	19,558	24,396

15 Other Liabilities

	2020	2019
	\$	\$
CURRENT		
Unexpended grants	32,220	32,220
Memberships in advance	2,293	2,315
	34,513	34,535

16 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 5 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 307 (2019: 463).

17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 17,600 (2019: \$ 60,449).

18 Contingencies

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

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

Notes to the Financial Statements For the Year Ended 30 June 2020

19 Related Parties

(a) **The Company's main related parties are as follows:**

Key management personnel - refer to Note 17.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **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.

The Company engages Dudgeon & Berry Insurance Consultants as insurance brokers. This is a related entity to director Michael Berry.

(c) **Loans to/from related parties**

	Opening balance	Closing balance
	\$	\$
Loans from KMP		
2020	3,000	3,000
2019	3,400	3,000

No interest is paid on the KMP loans.

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

Notes to the Financial Statements For the Year Ended 30 June 2020

20 Cash Flow Information

(a) Reconciliation of cash

	2020	2019
	\$	\$
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	149,250	177,323
Bank overdraft	-	(1,845)
	<u>149,250</u>	<u>175,478</u>

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

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

	2020	2019
	\$	\$
Profit for the year	(32,109)	(16,341)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	21,308	19,752
- net gain/loss on disposal of property, plant and equipment	(36)	-
- net (gain)/loss on disposal of intangible asset	-	(30,000)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(11,135)	1,167
- (increase)/decrease in other assets	779	1,577
- (increase)/decrease in inventories	7,250	720
- increase/(decrease) in other liabilities	(23)	32,120
- increase/(decrease) in trade and other payables	(1,848)	543
- increase/(decrease) in employee benefits	(4,838)	(2,070)
Cashflows from operations	<u>(20,652)</u>	<u>7,468</u>

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

Notes to the Financial Statements

For the Year Ended 30 June 2020

21 Events after the end of the Reporting Period

The financial report was authorised for issue on 13 November 2020 by the Board of Directors.

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

22 Statutory Information

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

Dunoon & District Sports & Recreation Club Limited
Cowley Road
Dunoon NSW 2480

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 25, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Brenda Reyes

Director

Gareth Herman

Dated

Celebrating 100 years!



Independent Review Report to the Members of
Dunoon & District Sports & Recreation Club Limited

Report on the Financial Report

We have reviewed the accompanying financial report of Dunoon & District Sports & Recreation Club Limited which comprises the statement of financial position at 30 June 2020, and the statement of profit or loss or other comprehensive income, statement of changes in equity, a statement of accounting policies, other selected notes and the directors declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Dunoon & District Sports & Recreation Club Limited is not in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ending on that date; and
- ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2(j) in the financial report which indicates that the company has earned an operating loss of \$32,109 for the year ended 30 June 2020, but only after consolidating profits generated by sub clubs totalling \$1,944. Further, as at 30 June 2020, net current assets total only \$70,014 including \$116,088 of sub club cash at bank. These conditions, along with other matters as set forth in Note 2(j), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Directors' Responsibility for the Financial Report

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

**REGISTERED
COMPANY
AUDITORS**

GJ Smith
BBus, LLB, CA, DipFP

SI Trustum
BBus, CA, DipFP

TL Kirkland
BBus, CA

**SMSF
AUDITORS**

GJ Smith
BBus, LLB, CA, DipFP

SI Trustum
BBus, CA, DipFP

MJ Gahan
BBus, CA, DipFP

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More than just Numbers

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Independent Review Report to the Members of
Dunoon & District Sports & Recreation Club Limited

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report - Company Limited by Guarantee, in order to state whether, on the basis of the procedures described, 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 30 June 2020 and its performance for the year ended on that date; and complying with the Australian Accounting Standards – Reduced Disclosure Requirements and Corporations Regulations 2001. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

WCA audit & assurance services pty ltd
Authorised Audit Company

Tania L Kirkland
Director

Date:

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More than just Numbers

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

For the Year Ended 30 June 2020

Detailed trading statements

	2020	2019
	\$	\$
Bar sales		
Sales revenue		
Sales	211,977	355,884
	<u>211,977</u>	<u>355,884</u>
Cost of sales		
Opening stock	16,278	16,999
Purchases	100,981	175,894
Closing stock	(9,028)	(16,278)
	<u>108,231</u>	<u>176,615</u>
Cost of goods sold		
	<u>108,231</u>	<u>176,615</u>
Gross profit	<u>103,746</u>	<u>179,269</u>
	48.94 %	50.37 %
Less: Direct expenses		
Wages	94,991	177,051
	<u>94,991</u>	<u>177,051</u>
Net profit / (loss)	<u>8,755</u>	<u>2,218</u>

Dunoon & District Sports & Recreation Club Limited

ABN 36 003 159 779

For the Year Ended 30 June 2020

Detailed trading statements

	2020	2019
	\$	\$
Poker machine income		
Income		
Poker machines	18,824	51,858
Poker machine GST reimbursement	2,498	4,565
	<u>21,322</u>	<u>56,423</u>
Less: Direct expenses		
Repairs and maintenance	1,101	1,560
	<u>1,101</u>	<u>1,560</u>
Net profit / (loss)	<u>20,221</u>	<u>54,863</u>