

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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

Principal Activities

The company's principal activities are the operation of a Licensed Club and the promotion of golf.

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
M Baker	President	Appointed 8 November 2012	Self employed Contract Builder. Director for 8 years with previous board experience at golf club.
P Ross	Vice President	Appointed 26 October 2001	Self employed in the building trade for 24 years. A club director for 19 years.
K Kempton	Director	Appointed 8 November 2012	Self employed qualified electrician/company owner. Director for 8 years with previous board experience at golf club.
C Wallbridge	Director	Appointed 25 November 2018	Superintendent NSW Rural Fire Service, 21 years service. 8 years Treasurer Glen Innes Sporting Shooters Association, President Gem and Mineral Club.
A Culbert	Director	Appointed 25 November 2018	Retired Police Officer, 29 years service. President Glen Innes Rugby League Club.
J Crowhurst	Director	Appointed 5 February 2020	Manager of Notleys Wool Store. Previous Club director.
P Evans	Director	Appointed 18 March 2020	Wool buyer
J Urquhart	Director	Appointed 17 November 2016 Resigned 5 February 2020	Retired contractor and Justice of the Peace with 19 years Board experience. Held position of President until resignation.

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Meetings of Directors

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

	Directors' Meetings	
	Eligible to attend	Number attended
M Baker	12	12
P Ross	12	11
K Kempton	12	11
C Wallbridge	12	3
A Culbert	12	11
J Crowhurst	4	3
P Evans	3	3
J Urquhart	8	8

Short Term Objectives of the Company

The company has identified the following short term objectives:

- To provide services to members commensurate with industry needs and regulatory requirements
- To promote the club
- To meet financial viability and accountability requirements
- To provide a workplace that is compliant with industry standards and the Fair Work Act

The company has adopted the followings strategies in order to achieve these short term objectives:

- The preparation of a business and strategic plan that identifies the future for the club and the initiatives that will need to be implemented to promote the club
- The preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors
- The review of the company compliance with workplace health and safety and compliance with employment law including the Fair Work Act

Long Term Objectives of the Company

The company has identified the following long term objectives:

- To ensure a sustainable club
- To continue to be financially secure
- To continue to grow the company operations

The company has adopted the followings strategies in order to achieve these long term objectives:

- The preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable club
- The preparation of a marketing plan to communicate and promote the club
- The preparation of long term budgets that consider the member service needs, infrastructure needs, service delivery, employment costs and maintaining prudent levels of working capital and liquidity in investment of funds surplus to current needs

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Profit, after income tax expense, for the financial year was \$60,574 compared to 2019 profit of \$89,925
- Cash flow from operating activities for the financial year was \$555,248
- Membership for the financial year was 2,613 compared to 2,658 in 2019
- the company has complied with all Workplace, Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies.

Disruption of trade COVID-19

During the year the World Health Organisation declared a global pandemic. As a result the Australian Government imposed strict restrictions on Registered Clubs imposing a forced closure. These restrictions were eased in June 2020.

The Glen Innes & District Services Club Ltd was unable to trade between 23 March 2020 and 1 June 2020.

Membership Details

The Glen Innes & District Services Club Ltd is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
General Members	2,598	\$ 1	\$ 2,598
Life Members	7	\$ 1	\$ 7
Junior Members	8	\$ 1	\$ 8
Total	2,613	\$ 1	\$ 2,613

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to

Signed in accordance with a resolution of the Board of Directors



M Baker
President



K Kempton
Director

Dated: 2 September 2020

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2020 there has 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.

CROWE CENTRAL NORTH



Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 2 September 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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GLEN INNES & DISTRICT SERVICES CLUB

ABN 91 000 970 516

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

	Note	2020 \$	2019 \$
Revenue	2	3,937,239	4,758,288
Other income	3	332,206	83,830
Interest revenue calculated using the effective interest method		8,482	13,423
Cost of goods sold		(536,959)	(623,588)
Occupancy expenses		(391,397)	(496,021)
Employee benefits expense		(1,349,562)	(1,422,745)
Gaming expenses		(495,343)	(583,980)
Depreciation expense	4	(523,268)	(474,511)
Advertising and marketing expenses		(486,698)	(742,592)
Administration expenses		(106,657)	(113,650)
Golf club expenses		(320,906)	(297,549)
Other expenses		(2,015)	(7,852)
Borrowing costs		(4,548)	(3,128)
Profit before income tax expense		60,574	89,925
Income tax expense	1(a)	-	-
Profit after income tax expense		60,574	89,925
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		60,574	89,925
Total comprehensive income attributable to members of the entity		60,574	89,925

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	993,653	1,000,165
Trade and other receivables	6	99,590	20,219
Inventories	7	93,784	109,120
Other current assets	8	57,100	51,021
TOTAL CURRENT ASSETS		1,244,127	1,180,525
NON CURRENT ASSETS			
Property, plant and equipment	9	8,380,820	8,324,008
Investment property	10	250,000	250,000
Intangible assets	11	78,500	78,500
TOTAL NON CURRENT ASSETS		8,709,320	8,652,508
TOTAL ASSETS		9,953,447	9,833,033
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	276,685	207,190
Provisions	14	194,391	288,751
Other liabilities	15	2,800	46,062
Contract liabilities	16	131,195	-
TOTAL CURRENT LIABILITIES		605,071	542,003
NON CURRENT LIABILITIES			
Provisions	14	-	3,228
TOTAL NON CURRENT LIABILITIES		-	3,228
TOTAL LIABILITIES		605,071	545,231
NET ASSETS		9,348,376	9,287,802
EQUITY			
Reserves	19	4,700,054	4,700,054
Retained earnings		4,648,322	4,587,748
TOTAL EQUITY		9,348,376	9,287,802

The accompanying notes form part of these financial statements.

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2018	4,497,823	4,700,054	9,197,877
Profit for the year	89,925	-	89,925
Other comprehensive income for the year	-	-	-
Transfers to/(from) reserves	-	-	-
Balance at 30 June 2019	<u>4,587,748</u>	<u>4,700,054</u>	<u>9,287,802</u>
Profit for the year	60,574	-	60,574
Other comprehensive income for the year	-	-	-
Transfers to/(from) reserves	-	-	-
Balance at 30 June 2020	<u>4,648,322</u>	<u>4,700,054</u>	<u>9,348,376</u>

GLEN INNES & DISTRICT SERVICES CLUB

ABN 91 000 970 516

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,544,491	5,273,953
Payments to suppliers and employees		(3,993,177)	(4,771,573)
Interest received		8,482	13,422
Finance costs		(4,548)	(3,128)
Net cash provided by operating activities		<u>555,248</u>	<u>512,674</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		18,320	17,076
Purchase of property, plant and equipment		(580,080)	(411,401)
Net cash (used in) investing activities		<u>(561,760)</u>	<u>(394,325)</u>
Net increase in cash held		(6,512)	118,349
Cash at the beginning of the financial year		<u>1,000,165</u>	<u>881,816</u>
Cash at the end of the financial year	5 (a)	<u>993,653</u>	<u>1,000,165</u>

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Glen Innes & District Services Club Ltd as an individual entity. Glen Innes & District Services Club Ltd is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (m).

The financial statements were authorised for issue on 2 September 2020 by the directors of the company.

Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liability are calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relates to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The mutuality principle has been applied to the income tax calculation of the Club.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

(b) Revenue

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of Goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of Services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

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

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

(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 losses.

Property

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

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

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

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of profit or loss and other comprehensive income, which is based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

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

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

Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings and Improvements	2.5-10%
Plant & Equipment, Furniture & Fittings	5-33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(f) Investments and Other Financial Assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(g) Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

(h) Intangibles

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the club. The company holds other poker machine entitlements that have a market value. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

(i) 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.

(j) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(k) 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 principle 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 interest. 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.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed on a gross basis.

(m) 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.

Revenue from Contracts with Customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Income Tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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.

(n) New, revised or amending Accounting Standards and Interpretations adopted

New of amended Accounting Standards and Interpretations Adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of Adoption

AASB 15 and AASB 1058 have all been adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	Carrying amount at 30 June 2019 \$	Reclassification \$	Carrying amount at 1 July 2019 \$
Provisions - current	288,751	(91,144)	197,607
Other liabilities	46,062	(29,562)	16,500
Contract liabilities	-	120,706	120,706
Total	334,813	-	334,813

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Note 2: Revenue		
Revenue from contracts with customers		
Bar sales	926,442	1,103,968
Other sales	42,981	139,531
Bingo and raffles	155,190	190,123
Commissions - KENO and TAB	129,352	153,821
Commissions - Other	24,582	26,355
Membership subscriptions	64,673	68,767
Poker machine revenue	2,406,248	2,853,987
Sponsorships	16,455	16,200
Equipment and room hire	13,894	18,323
Green and competition fees	150,557	164,114
Sundry revenue	4,810	19,899
	<u>3,935,184</u>	<u>4,755,088</u>
Total revenue from contracts with customers		
Other revenue		
Donations received	1,107	393
Sundry revenue	948	2,807
	<u>2,055</u>	<u>3,200</u>
Total other revenue		
Total revenue	<u>3,937,239</u>	<u>4,758,288</u>
Disaggregation of revenue		
Timing of revenue recognition		
Goods transferred at a point in time	3,703,151	-
Service transferred over time	246,972	-
	<u>3,950,123</u>	<u>-</u>

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Note 3: Other income		
Government subsidies and rebates	263,345	19,454
Rental income	50,541	48,376
Profit on disposal of assets	18,320	16,000
Total other income	<u>332,206</u>	<u>83,830</u>
Note 4: Expenses		
Profit before income tax includes the following specific expenses:		
Depreciation	523,268	474,511
Electricity and gas	140,359	182,977
Members promotions	184,309	240,369
Repairs and maintenance	52,257	100,002
Superannuation	120,471	121,061
Wages	1,110,837	1,173,449
	<u>2,131,501</u>	<u>2,292,369</u>
Note 5: Cash and Cash Equivalents		
Cash on hand	158,605	150,000
Cash at bank	835,048	850,165
	<u>993,653</u>	<u>1,000,165</u>
(a) Reconciliation of cash and cash equivalents		
Cash and cash equivalents 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	<u>993,653</u>	<u>1,000,165</u>
	<u>993,653</u>	<u>1,000,165</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Note 6: Trade and Other Receivables			
CURRENT			
Trade receivables		1,899	1,528
Other receivables		97,691	18,691
		<u>99,590</u>	<u>20,219</u>
Note 7: Inventories			
CURRENT			
Stock on hand		93,784	109,120
		<u>93,784</u>	<u>109,120</u>
Note 8: Other Assets			
CURRENT			
Prepayments		52,163	51,021
Deposits paid		4,937	-
		<u>57,100</u>	<u>51,021</u>
Note 9: Property, Plant & Equipment			
Land and Buildings (at valuation)			
Club and Golf Club		7,157,823	7,157,823
Less: Accumulated depreciation		(268,700)	(134,350)
		<u>6,889,123</u>	<u>7,023,473</u>
Improvements (at cost)		109,340	56,539
Less: Accumulated depreciation		(12,146)	(7,713)
		<u>97,194</u>	<u>48,826</u>
Total Land and Buildings		<u>6,986,317</u>	<u>7,072,299</u>
Plant and Equipment (at cost)			
Plant and equipment		4,251,032	4,033,828
Less: Accumulated depreciation		(2,856,529)	(2,782,119)
Total Plant, Equipment and Fittings		<u>1,394,503</u>	<u>1,251,709</u>
Total Property Plant and Equipment		<u>8,380,820</u>	<u>8,324,008</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
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(a) Movements in carrying amounts

Movements in carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	7,072,299	1,251,709	8,324,008
Additions	52,801	527,279	580,080
Disposals	-	-	-
Revaluation	-	-	-
Depreciation expense	<u>(138,783)</u>	<u>(384,485)</u>	<u>(523,268)</u>
Carrying amount at the end of the year	<u>6,986,317</u>	<u>1,394,503</u>	<u>8,380,820</u>

The basis of the valuation of land and buildings is fair value being the amounts which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last valued on 26 and 27 June 2018 by MJ Williams (AAPI, FREAV) Certified Practising Valuer No 619.

(b) Operating leases

Property Plant & Equipment includes the clubs kitchen space, and various portions of unoccupied land which is leased to third parties. The leases have been classed as operating leases.

Although the risks associated with rights that the Company retains in underlying assets are not considered to be significant, the Company employs strategies to further minimise these risks.

Future minimum lease rentals are as follows:

Within 1 year		
1 - 2 years	43,564	43,564
2 - 3 years	43,564	43,564
3 - 4 years	31,272	43,563
4 - 5 years	31,272	31,272
More than 5 years	<u>191,748</u>	<u>223,021</u>
Total	<u>341,420</u>	<u>384,984</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Note 10: Investment Property			
80 Oliver street - at valuation		<u>250,000</u>	<u>250,000</u>
		<u>250,000</u>	<u>250,000</u>

The basis of the valuation of investment property is fair value being the amounts which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last valued on 27 June 2018 by MJ Williams (AAPI, FREAV) Certified Practising Valuer No 619. The directors do not believe that there has been a material movement in fair value since the revaluation date.

The investment property is rented on a week by week basis through a managing agent. Weekly rental payments are \$260/wk. The lease has been classified as an operating lease.

Note 11: Intangible Assets

Poker machine entitlements (at cost)		<u>78,500</u>	<u>78,500</u>
		<u>78,500</u>	<u>78,500</u>

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 1 to the financial statements.

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing was conducted at 30 June 2020.

Note 12: Trade and Other Payables

CURRENT

Unsecured liabilities;

Trade payables		<u>67,007</u>	69,850
Sundry payables and accrued expenses		<u>209,678</u>	<u>137,340</u>
		<u>276,685</u>	<u>207,190</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Note 13: Borrowings			
The Club currently has no borrowings in place, however the Westpac Bank still holds the mortgage over the property for 80 Oliver Street and 120 Grey Street Glen Innes, NSW.			
Note 14: Provisions			
CURRENT			
Provision for annual leave		88,140	87,192
Provision for long service leave		106,251	110,415
Provision for members points		-	41,482
Provision for poker machine jackpots		-	49,662
		<u>194,391</u>	<u>288,751</u>
NON CURRENT			
Provision for long service leave		-	3,228
		<u>-</u>	<u>3,228</u>
(a) Aggregate employee benefits liability		<u>194,391</u>	<u>200,835</u>

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and 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 has been included in note 1 to this report.

Note 15: Other Liabilities

CURRENT			
Member subscriptions received in advance		-	29,562
Other current liabilities		2,800	16,500
		<u>2,800</u>	<u>46,062</u>

Note 16: Contract Liabilities

CURRENT			
Member subscriptions received in advance		22,991	-
Provision for members points		43,448	-
Provision for poker machine jackpots		64,756	-
		<u>131,195</u>	<u>-</u>

Note 17: Events After the End of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 18: Related Party Transactions

Other 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.

Transactions with related parties were:

J Urquhart - rented the house in Oliver St owned by the Club at market rates

K Kempton - amounts paid to ASK Electrical

M Baker - amounts paid to MI & GM Baker

C Lonergan - amounts paid as remuneration

Key Management Personnel remuneration

Number of key management personnel

12,056	1,145
17,069	17,083
14,469	9,815
385,392	387,635
11	12

Note 19: Reserves

Revaluation Reserves

The revaluation surplus records the revaluation of non-current assets. Where revaluations are deemed to represent profits of a permanent nature.

Note 20: Ancillary Sporting Clubs

The economic entity which is the Glen Innes & District Services Club Ltd comprises of the Club and its ancillary sporting clubs. At balance date four sporting clubs existed: the Glen Innes Services Indoor Bowls Club, Glen Innes District Veteran Golfers, Servies Darts Club and Glen Innes Golf Club Ladies Account. These Clubs had assets totalling \$9,990 (2019 \$8,695). Given the level of operation of these Clubs, the Directors are of the opinion that it is impractical to consolidate their operations due to materiality with those of the main Club and accordingly the financial report only reflects the operations of the Glen Innes & District Services Club Ltd for the year ended 30 June 2020 and the previous year.

Note 21: Income Tax

Income tax is not payable on the company's net profit but only on the taxable income derived from sources other than members (i.e. visitors, investments, etc). The provision for income tax has accordingly been calculated upon a taxable income so determined. At balance date the Club had a carry forward tax losses of \$1,508,405 (2019: \$1,380,566). This is not accounted for in the statement of financial position and there is not certainty that the Club will utilise these losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 22: Fair Value Measurement

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

	Level 1 \$	Level 2 \$
Financial assets		
Investment property	-	250,000
Property, plant and equipment	-	8,380,820
	<hr/>	<hr/>
	-	8,630,820
	<hr/>	<hr/>
Financial assets		
Investment property	-	250,000
Property, plant and equipment	-	8,380,820
	<hr/>	<hr/>
	-	8,630,820
	<hr/>	<hr/>

Note 23: Capital Commitments

As at 30 June 2020 the company had no capital commitments.

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

In the directors' opinion

1. The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
3. 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 in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



M Baker
President



K Kempton
Director

Dated: 2 September 2020

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

Opinion

We have audited the financial report of Glen Innes & District Services Club Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

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

We 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 report.

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

Emphasis of Matter

We draw attention to Note 17 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, 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 – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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.
- 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 communicate with the directors 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 the audit.

CROWE CENTRAL NORTH



Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 4 September 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**DISCLAIMER
TO THE MEMBERS OF
GLEN INNES & DISTRICT SERVICES CLUB LIMITED**

ABN 91 000 970 516

The additional financial data presented on pages 29 - 32 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Glen Innes & District Services Club Limited) in respect of such data, including any errors of omissions therein however caused.

CROWE CENTRAL NORTH



Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
115 Meade St
GLEN INNES NSW 2370

Dated: 4 September 2020

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GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Bar Trading		
Sales	471,277	556,930
Less: Cost of goods sold	<u>(251,475)</u>	<u>(270,017)</u>
Net Profit	<u>219,802</u>	<u>286,913</u>
Gross profit percentage to sales	<u>47%</u>	<u>52%</u>
Bottle Trading		
Sales	390,242	473,376
Less: Cost of goods sold	<u>(234,881)</u>	<u>(292,451)</u>
Net Profit	<u>155,361</u>	<u>180,925</u>
Gross profit percentage to sales	<u>40%</u>	<u>38%</u>
Poker Machines		
Poker machine revenue	2,417,621	2,853,987
Poker machine GST assistance	17,180	17,180
Less: Jackpot liability expenses	(15,094)	(8,930)
Less: Poker machines expenses	<u>(474,357)</u>	<u>(551,025)</u>
Net profit	<u>1,945,350</u>	<u>2,311,212</u>
Confectionary and Sundry Sales		
Sales	5,030	10,070
Less: Cost of goods sold	<u>(2,564)</u>	<u>(5,708)</u>
Net Profit	<u>2,466</u>	<u>4,362</u>
Golf Club Bar Sales		
Sales	64,924	73,663
Less: Cost of goods sold	<u>(35,819)</u>	<u>(40,869)</u>
Net profit	<u>29,105</u>	<u>32,794</u>
Gross profit percentage to sales	<u>45%</u>	<u>45%</u>
Golf Club Sales		
Sales	5,741	7,039
Less: Cost of goods sold	<u>(4,464)</u>	<u>(4,733)</u>
Net Profit	<u>1,277</u>	<u>2,306</u>
Golf Club Confectionary & Food		
Sales	8,188	10,597
Less: Cost of goods sold	<u>(7,757)</u>	<u>(9,810)</u>
Net Profit	<u>431</u>	<u>787</u>

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
TAB		
Commissions	57,142	76,177
Less: TAB expenses	<u>(11,412)</u>	<u>(15,587)</u>
Net Profit	<u>45,730</u>	<u>60,590</u>
Keno		
Commissions	72,210	77,644
Less: Keno expenses	<u>(5,853)</u>	<u>(8,437)</u>
	<u>66,357</u>	<u>69,207</u>
Income		
Services Club Income		
Bar net profit	219,802	286,913
Poker Machine net profit	1,945,350	2,311,212
Bottle net profit	155,361	180,925
Confectionary and sundry trading gross profit	2,466	4,362
ATM rebate	22,924	24,245
Diesel fuel rebate	406	523
Interest income	8,482	13,422
Keno profit	66,357	69,207
Members subscriptions	21,100	22,067
Rent received net - Oliver street	13,780	10,340
Rent received net - restaurant	9,221	11,025
Renewable Energy Certificate	-	12,206
Sundry income	17,102	23,567
TAB profit	<u>45,730</u>	<u>60,590</u>
Total Services Club Income	<u>2,528,081</u>	<u>3,030,604</u>
Golf Club Income		
Net profit - bar sales	29,105	32,794
Net profit - golf sales	1,277	2,306
Net profit - confectionary and food	431	787
Advertising and sponsorship income	6,000	6,200
Buggy shed rent	13,636	12,989
Cart hire	9,428	11,004
Competition fees income	120,400	125,637
Diesel rebate	2,259	1,751
Green fees	22,673	26,905
Club house and course hire	(595)	(0)
Pro pin income	7,484	11,572
Rent received	3,117	3,082
Members subscriptions	43,573	46,700
Sundry income	<u>16,066</u>	<u>15,980</u>
Total Golf Club Income	<u>274,854</u>	<u>297,314</u>
Government Subsidies received	<u>243,500</u>	<u>-</u>
Total Income	<u>3,046,435</u>	<u>3,327,918</u>

This statement is to be read in conjunction with the attached disclaimer.

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Expenditure		
<u>Golf Club Expenses</u>		
Affiliation fees	11,273	9,935
Cleaning	1,791	1,815
Electricity	12,706	13,012
Freight	-	25
Fuel and oil	6,922	5,903
Insurance	5,647	5,149
Printing and stationery	1,762	1,550
Rates	8,527	8,306
Repairs and maintenance	61,213	58,518
Security	1,096	1,413
Subscriptions	430	1,118
Superannuation	15,379	14,830
Telephone and internet	3,909	4,267
Trophies	12,740	11,418
Wages	164,943	152,393
Sundry expenses	8,531	7,897
	<u>316,869</u>	<u>297,549</u>
<u>Administration expenses</u>		
Accountancy fees	2,500	2,500
Audit fees	17,175	16,650
Cash shortages	230	376
Computer software and training	13,918	15,866
Conference and travel expenses	10,440	1,930
Directors remuneration	3,150	3,600
Legal expenses	4,037	912
Postage	2,777	7,079
Printing and stationery	15,314	20,407
Subscriptions	25,232	28,670
Telephone	15,922	15,661
	<u>110,695</u>	<u>113,651</u>
<u>Occupancy expenses</u>		
Amenities	14,737	25,062
Cleaning and waste disposal	37,284	36,065
Electricity and gas	140,359	182,977
Fuel and lubricants	4,112	5,467
Insurance	81,019	80,521
Pest control	-	522
Plant hire	4,485	9,895
Rates	25,414	27,092
Replacements	14,509	9,539
Repairs and maintenance	52,257	100,002
Security	17,220	18,878
	<u>391,396</u>	<u>496,020</u>

This statement is to be read in conjunction with the attached disclaimer.

GLEN INNES & DISTRICT SERVICES CLUB
ABN 91 000 970 516

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<u>Borrowing expenses</u>		
Bank charges	4,548	3,128
	<u>4,548</u>	<u>3,128</u>
<u>Employee expenses</u>		
Payroll tax	22,352	38,190
Provision expense - employee entitlements	93,485	87,772
Superannuation	120,471	121,061
Uniform	2,416	2,274
Wages	1,110,837	1,173,449
	<u>1,349,561</u>	<u>1,422,746</u>
<u>Advertising and marketing expenses</u>		
Advertising	35,622	62,602
Donations	27,170	54,495
Entertainment	25,772	30,540
Members promotions	184,309	240,369
Member taxi service	5,844	8,436
Raffles and bingo net	5,263	12,002
Sky channel expenses	20,508	28,269
Sport and recreation expenses	1,341	1,822
	<u>305,829</u>	<u>438,535</u>
<u>Other expenses</u>		
Freight	86	323
Sundry expenses	1,929	7,530
	<u>2,015</u>	<u>7,853</u>
(Profit)/loss on sale of assets	(18,320)	(16,000)
Depreciation	523,268	474,511
Total Expenditure	<u>2,985,861</u>	<u>3,237,993</u>
Net Operating Profit Before Income Tax	<u>60,574</u>	<u>89,925</u>