



North Beach Recreation & Bowling Club Ltd

ABN 87 001 060 322

ACN 001 060 322



ANNUAL REPORT & BALANCE SHEET

2018 - 2019

NORTH BEACH RECREATION & BOWLING CLUB LTD

ABN 87 001 060 322 ACN 001 060 322

ANNUAL GENERAL MEETING

Notice is hereby given that the ANNUAL GENERAL MEETING of Members of the North Beach Recreation & Bowling Club Ltd will be held at the Clubhouse, 429 Mylestom Drive Mylestom on Sunday 10th November 2019 commencing at 10:00am

AGENDA

1. Apologies
2. Confirmation of the minutes of the Annual General Meeting held on Sunday 28th October 2018.
3. To receive, consider and adopt the reports of the President and General Manager for the year ended 30 June 2019.
4. To receive, consider and adopt the Financial Report for the year ended 30 June 2019 and to receive and consider the Auditors Report.
5. To consider and, if thought fit, to pass the Ordinary Resolution(s) detailed below of which proper notice has been given.
6. To deal with any valid business of which due notice has been given.
7. To deal with general business as approved by the Chairperson or as approved by the meeting.

Ordinary Resolution(s)

1. The Members hereby approve expenditure by the Club in a sum not exceeding \$10,000.00 over the following twelve months for the following expenses subject to approval by the Board of Directors.
 - a. The reasonable cost of a meal and beverage for each Director before or after a Board or Committee Meeting, on the day of that meeting when this coincides with a normal mealtime.
 - b. Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
 - c. Reasonable expenses of Directors attending functions with spouses where appropriate and required to represent the Club.
 - d. The provision of blazers and associated apparel for the use of Club Directors when representing the Club.

1. That pursuant to Section 10(6) (b) of the Registered Clubs Act, 1976 the Members agree to the payment of the following honorarium for the period until the next Annual General Meeting:
 - a. President \$250 per month (\$3,000 pa)

The members acknowledge that the benefits above are not available to Members generally but only for those who are Directors of the Club.

2. That pursuant to Section 10(6) (b) of the Registered Clubs Act, 1976 the Members agree to the payment of the following honorarium for the period until the next Annual General Meeting:
 - a. Men's Bowls President \$200 per annum.
 - b. Men's Bowls Secretary \$1,000 per annum.
 - c. Men's Bowls Organiser \$1,400 per annum.

The members acknowledge that the benefits above are not available to Members generally but only for those who are Committee Members of the Men's Bowling Club.

NOTE TO MEMBERS

Members are asked to submit to the General Manager in writing at least seven (7) days prior to the Annual General Meeting any item they wish to have discussed at the Annual General Meeting to enable an informed response.

Additionally, any member with questions about the Annual Report to be answered by the Auditor or the Chairperson is requested to submit their question in writing to the General Manager at least seven (7) days prior to the Annual General Meeting.

Richard Moore
General Manager

For and on behalf of the Board of Directors

Contact: mail@northbeachbowls.com.au
02 6655 4293
429 Mylestom Dr, Mylestom NSW 2454

PRESIDENT'S REPORT

I am proud and honored to present my first annual report as our club's President. The results for the year ending 30th June 2019 are not as good as I would have hoped but nevertheless we have enjoyed a successful year in so many other ways. Full details of our results can be found in the General Manager's report and financial statements.

Good financial results are essential to our ongoing viability and success and while the club has several issues to overcome I am confident that we now have a framework in place that will improve our financial performance in the years ahead.

Despite any financial difficulties we endeavor to maintain a focus on providing members with a club they can be proud of. Modern facilities, great food and friendly, professional staff are utmost in our thoughts and we aim to achieve this in a safe, pleasant atmosphere for all to enjoy.

As a new Board responsible for the club's governance we found ourselves without a General Manager for 4½ months and this proved to be a particularly difficult and stressful time for both Directors and staff. Despite the difficulties we did get through it but I know we all breathed a huge sigh of relief when our new General Manager, Richard Moore took up his appointment in late April this year.

I would like to thank and pay tribute to my fellow Directors for their support, loyalty and dedication to their role during what has been a very challenging year. In addition, a personal and heartfelt thanks to our Vice President Kai Elliott, without Kai's guidance my role would have been impossible and for that I am sincerely grateful.

I am extremely excited about our new community support scheme that will commence shortly. Not only will this scheme provide financial support to our community I am hopeful it will help to galvanize the community and allow us to achieve common goals. I urge all our members to get on board and support this initiative.

The club has many hurdles to overcome in the next few years but I have strong confidence that under the leadership and management of our General Manager, Richard Moore and the continued support and loyalty of our members the club will return to the prosperity experienced in the past.

Tim Kearney – **President**

GENERAL MANAGERS REPORT

Well it appears that dreams can come true. I first came to Mylestom 5 years ago for a holiday and dreamed of one day getting the club managers job and living in paradise. Well here I am proudly presenting my first report as General Manager of our wonderful club.

I would like to thank all those I've met since arriving. Everyone (well mostly) has been warm, welcoming and supportive which has made settling into my new role so much easier and enjoyable. In particular I would like to thank Tim, Kai and the Directors for their guidance and understanding. I can assure you that our governing body is strong, cohesive and dedicated to their role.

I have been fortunate to develop solid working relationships with club staff who have joined me in my vision for this club's future. Despite my many years of experience in this industry understanding the workings of a new club is always difficult and without the assistance of key senior staff it becomes even harder.

I could not have asked for a better "wingman" than Peta Veitch, the club's Administration Supervisor. Peta has endured my questions and propped me up with enthusiasm and understanding, she has a wealth of knowledge about this place and I certainly recognise her as my key support person as we begin to move the club forward.

I would be remiss if I didn't thank Richard Neal, our Operations Supervisor. Richard sat in the chair as acting General Manager for several months prior to my arrival during what was a very difficult time for the club. Since then Richard has had some changes to his role and I'm happy to say he has adapted to his new role extremely well. In fact, all our staff should be congratulated for their efforts, they are keen to achieve their best for the club and I am confident that we are a solid team working toward the same objectives.

Having commenced in late April of this year I am not in a position to take ownership of the club's performance during 2018/19. I can however, make some observations which may assist in a better understanding of where we are.

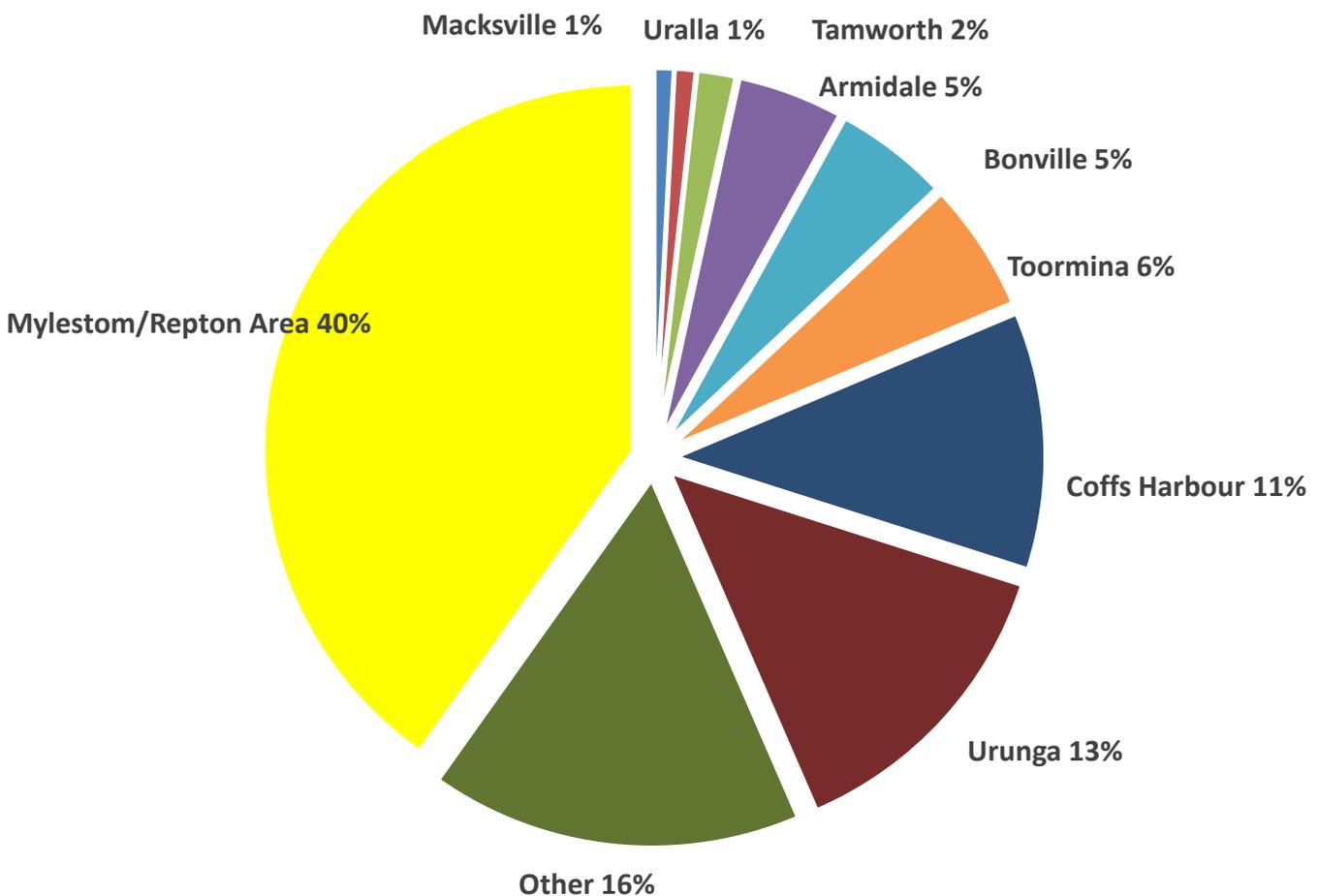
Finance and Membership

Clearly the posted loss of \$79,478 is not a desired result. There are several negatives contributing to this loss but there are also several positives that we should not lose sight of. On the downside bar revenue has dropped and several expense items have increased, however poker machine revenue increased by almost \$39k (8.3%) and the club still achieved a positive cash flow of nearly \$67k. Full details of our financial results can be found later in this report.

Those of you who attended my presentation on 16th June 2019 may remember my focus on looking forward and not back. The issues affecting the clubs finances are being addressed and at the end of August 2019 positive signs are already emerging. Gaming turnover has increased by \$238k (25.3%) and should this trend continue it could generate around \$125k additional revenue over a full year.

Major expense items such as wages, insurance and promotional costs are all reducing and I am hopeful of returning a much better result at the end of this financial year.

Our members are without doubt the biggest asset we have and with your support the club will achieve great things. Membership figures remain steady at around 1,300 which is very healthy for a community this size.



The above chart shows the demographic breakup of our membership. Clearly we rely heavily on members living outside our immediate community and gaining further members and visitors from these areas is part of our growth strategy.

As the new General Manager I have received and welcomed many comments and questions about the club's future. Several of these comments relate to concerns that bowling activity in the club is a financial liability. Accordingly I have conducted extensive analysis of our financial data to gain an understanding of the financial impact bowling activity has on the club's results.

I am not a bowler (yet) so I have no agenda to prove a point one way or the other but I can certainly allay any concerns that bowls has a negative impact on the club, quite the opposite. Analysis of the hard data relating to greens expenses, wages, maintenance, green fees, profit from bowling members bar sales, fundraising etc indicates a profit of around \$400. It's not much but its not a liability to the club.

The analysis does not include revenue received from other streams like gaming, Keno and TAB as individual player data is not available. We do know however that many bowling members partake in some or all of these activities so we can assume that some additional profit could be added to the above figure.

Equipment and Capital Works

Around \$87k was directed to capital works which includes the replacement or upgrade of equipment. The details of our capital expenditure is summarised as follows:

Air conditioning main lounge area	\$19k
Gaming machines link from Club Urunga	\$20k
Gaming machines general	\$36k
Bar point of sale equipment	\$ 7k
Gardens & Grounds equipment	<u>\$ 5k</u>
Total	<u>\$87k</u>

In addition to capital expenditure, nearly \$44k was expended on repairs and maintenance to our existing plant and equipment.

Restaurants

Magazines and other publications about our industry espouse the importance of food in a successful club. It is now well accepted that food plays a very important role in all clubs but I'm pretty sure we all new that about 20 years ago.

Our club and our community are blessed to have not only one but two great food outlets in the one place. I am grateful to both of our caterers for their efforts and as we continue to work together on improving our food experience I look forward to great things in the years ahead.

You may have noticed some changes to the seating and décor as the first part of a facelift for the shared food area. I think you'll like the finished product which should be completed before December this year.

Capital Planning and Development

Our clubhouse and facilities are in good order and well resourced. Accordingly there are no immediate capital needs and our community should feel blessed to have such a wonderful facility on their doorstep.

I anticipate that any major capital development will be deferred until our outstanding loan has been substantially reduced. As a matter of priority all surplus funds will be diverted to the outstanding loan balance and we have also recommenced regular monthly instalments.

What we will see however will be some cosmetic changes to give the club a bit of new life. These changes will be achieved at minimum cost and I am so pleased that many of our members have volunteered to assist in these projects.

Community Support

In August this year I put forward a discussion paper to the Board of Directors titled "Engaging & Supporting Our Community". The document examined the need for our club to be more involved and supportive of the various community and sporting groups that operate in our community. A recommendation to introduce a new community support model was adopted by the Board and establishing the framework for the scheme has commenced.

I am confident that the scheme will be rewarding for all involved and create partnerships essential to the wellbeing of the community. Details of the scheme and nomination forms were sent to members recently and we are aiming to commence the scheme by the end of December this year.

Next Year 2019/20 and Beyond

The big clubs are thriving, the small clubs are struggling, that's the way it's been for many years and we continue to see record numbers of clubs closing or seeking amalgamation to survive. Since January 2018 over 40 clubs in NSW have closed or sought amalgamation and it's a trend that doesn't appear to be improving.

Despite this our club has survived and while we have several issues to address the club has a vibrant future. Trading figures from 10 years ago prove the club can thrive and nothing exists now that suggests we can't become successful again.

Prudent financial management, careful planning and stable governance will ensure our future viability. With the continued support and loyalty of our members this club will prosper and remain for all the community to enjoy.

Richard Moore – **General Manager**

North Beach Recreation & Bowling Club Ltd

Policy on Responsible Service of Alcohol

Purpose

The purpose of this policy is to ensure all employees are aware of our legal and moral obligations in relation to the responsible service of alcohol. We aim to foster responsible service of alcohol practices amongst our patrons and employees. This is achieved by implementing and maintaining various harm minimisation and consumer protection measures as outlined in this policy.

Scope

This policy applies to all employees.

Policy Statement

Responsible Service of Alcohol (RSA) refers to the service, consumption and promotion of alcoholic products in a manner that minimizes the potential harm that may be caused by alcohol consumption to individuals, their families and the community generally.

- We recognise that it is against the law to serve any person to intoxication
- We recognise that it is against the law to serve or supply alcohol to any person under the age of 18
- We recognise that it is against the law to allow intoxicated, disruptive or violent behaviour to occur on the premises
- Additionally we seek to ensure that no harm comes to patrons as a result of our service of alcohol.

Procedure

Employees must comply with following general policies and measures to fulfil our stated responsible service of alcohol commitment:

- We offer a range of drinks on premises including a range of non-alcoholic beverages and low alcohol beers
- We discourage excessive drinking. We do not serve shots
- Chilled water is provided free of charge
- We seek to create an environment that discourages drunken, disruptive, violent or anti-social behavior
- We do not seek to encourage rapid or excessive consumption of alcohol through pricing
- We seek identification from persons who appear under age and follow procedures to detect and deter under age persons entering the premises for illegal purposes
- We refuse entry or service to intoxicated persons
- We discourage drink driving and promote our courtesy bus facilities, willingness to arrange transport and to hold keys in a safe place
- Employees have been acquainted with this policy
- Our Club displays all required RSA signs
- We are a member of the Manning Valley Liquor Consultative Committee

All employees are responsible for identifying situations which may contravene our responsible service of alcohol commitment. In the event that this occurs the employee should take necessary action by refusing service, requesting the person to leave or notifying their supervisor or the General Manager. If a patron fails to leave when asked the police should be called and the patron may be fined.

Any incidents that relate to our responsible service of alcohol, regardless of whether they seem minor, must be recorded in the incident register and reported to the supervisor.

Any employee in breach of this policy may be subject to disciplinary action, including termination.

Policy Approved by Board of Directors on 29/05/2019

North Beach Recreation & Bowling Club Ltd

Policy on Responsible Conduct of Gaming

Purpose

The purpose of this policy is to ensure all employees are aware of our legal and moral obligations in relation to the responsible conduct of gambling. We aim to foster responsible gambling practices amongst our patrons and employees. This is achieved by implementing and maintaining various measures as outlined in this policy.

Scope

This policy applies to all employees.

Policy Statement

Responsible Conduct of Gambling (RCG) refers to the delivery of gaming and wagering services in a manner that minimises the potential harm that may be caused by gambling to individuals, their families and the community generally.

Liquor and Gaming NSW oversees the regulatory framework for gambling activities across NSW, including gaming, wagering, lotteries, and community-based lottery activities and competitions.

Procedure

Employees must comply with following policies and measures to fulfil our legislative and moral obligations in relation to gambling:

- Providing information to members and their guests on counselling services
- Providing specific consumer information including:
 - Chance of winning notices
 - Gaming machines notice of the dangers of gambling
 - Player information brochures
 - Automatic teller machine signage

- ensuring that all signs on gaming machines and automatic telling machines have not been removed or defaced
- Not cashing third party cheques
- Not offering gambling inducements
- Not providing cash prizes in poker machine promotions
- Limiting the prize value of poker machine promotions to \$1,000
- Not engaging in gaming machine advertising off the premises
- Ensuring that there is no external gaming machine signage and that any internal signage cannot be seen from outside the venue
- Producing player activity statements
- Operating a self-exclusion scheme
- Maintaining links with a problem gambling counselling service
- Enforcing the law relating to cheque cashing facilities, credit gambling and the location of automatic teller machines
- Ensuring there are no credit card advances from EFTPOS and ATM terminals
- Paying any prizes won on a gaming machine, over the value of \$2,000 by cheque or EFT
- Enforcing laws prohibiting minors from being involved in gambling activities
- Installing clocks in gaming areas to provide a reality check to players
- Ensuring designated employees complete an approved course in Responsible Conduct of Gambling
- Applying of Responsible Conduct of Gambling policies to Keno and any other gambling areas
- Participation in the ClubSafe program
- Not permitting employees to play poker machines while on shift (including breaks) or in uniform
- Not permitting staff to play Keno while on shift except during an approved break.

All employees are responsible for identifying situations which may contravene this policy and should immediately notify their supervisor or the General Manager where a breach is identified.

Any incidents that relate to our responsible conduct of gambling, regardless of whether they seem minor, must be recorded in the incident register and reported to the supervisor.

Any employee in breach of this policy may be subject to disciplinary action, including termination.

Policy Approved by Board of Directors on 29/05/2019

North Beach Recreation & Bowling Club Limited

87 001 060 322

Financial Statements

For the Year Ended 30 June 2019

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General information

The financial statements cover North Beach Recreation & Bowling Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is North Beach Recreation & Bowling Club Limited's functional and presentation currency.

North Beach Recreation & Bowling Club Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office & Principal place of business

429 Mylestom Drive
Mylestom NSW 2454

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2019. The directors have the power to amend and reissue the financial statements.

The directors present their report on North Beach Recreation & Bowling Club Limited for the financial year ended 30 June 2019.

Directors

The following persons were directors (in no particular order) of the company during the whole of the financial year and up to the date of this report, unless otherwise stated are:

Names	Position	Appointed/Resigned
T Kearney	President	Appointed October 2018
K Elliot	Vice President	Appointed October 2018
Terry Titmuss	Director	Ongoing
L Scarlett	Director	Appointed October 2018
D Tarr	Director	Appointed October 2018
R Maxwell	Director	Appointed October 2018
L Saunders	Director	Appointed October 2018 - Resigned April 2019
K Rees	President (until October 2018)	Resigned October 2018
L Cumming	Vice President (Until October 2018)	Resigned October 2018
R Tomlin	Director	Resigned October 2018
R Cowley	Director	Resigned October 2018
Alex Borsato	Director	Resigned October 2018

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

Objectives

The Company's short term & long term objectives are to:

- In the short term the company will continue to promote the game of lawn bowls and other such games, entertainment, pastimes and recreational activities, both indoor and outdoor, as the club sees fit. It also aims to provide modern and comfortable quality facilities and services for the benefit of its members and their guests
- In the long term it will continue to update the club's facilities and amenities to ensure the ongoing profitability and future viability of the company

Strategy for achieving the objectives

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

The strategy to achieve the short and long term objectives of the club is through the provision of effective corporate governance including:

- Making decisions that are consistent with the club's role/purpose and the interests of members.
- Ensuring the club's business is conducted ethically and transparently.
- Compliance with any relevant legislative industrial and administrative requirements.
- Through support of the community.

- Measuring/Monitoring the profitability and efficiency of core trading activities.
- Obtaining value for club money spent by avoiding waste and extravagance in the use of club resources.
- Providing value for money to members and guests.
- Providing a safe, healthy and discrimination-free club environment.
- Retaining quality staff, by promoting a culture of continuous professional development and training

Principal activities

The principal activity of North Beach Recreation & Bowling Club Limited during the financial year consisted of promotion of the game of bowls and conducting a licensed club.

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

Performance measures

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

As per ClubsNSW code of practice guidelines for assessing club performance and benchmarking. Including but not limited to:

- Assessing profitability through EBITDA
- Membership numbers
- Revenue centre profit benchmarking such as GP%
- Wage as a percentage of sales
- Assessing return on investment with regards to all expenditure.

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Richard Moore who has been in the Registered Club industry for almost 18 years and has been the company secretary since 4 June 2019. Prior to this role, Richard was the Secretary Manager of a small / medium size Registered Club and before this the Director of Finance & Operations with a NSW government department.

Members guarantee

North Beach Recreation & Bowling Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, ordinary members are required to contribute a maximum of \$2

The total amount that members of the company are liable to contribute if the company is wound up is \$1,704 (2018: \$1,908), based on 852 (2018: 954) current ordinary members.

Information on directors

The details of each director in office at the end of the financial period are as follows (In no particular order):

T Kearney	President
Qualifications	Retired Hotelier
Experience	Appointed October 2018
K Elliot	Vice President
Qualifications	Retired Retail Manager
	Appointed 25 October 2018 (Previous Director)
Experience	
T Titmus	Director
Qualifications	Retired Bank Manager
Experience	Director since 2017
L Scarlett	Director
Qualifications	Retired Assistant School Principal
Experience	Appointed October 2018
D Tarr	Director
Qualifications	Retired Business Proprietor
Experience	Appointed October 2018
R Maxwell	Director
Qualifications	Retired Business Proprietor
Experience	Appointed October 2018
L Saunders	Director
Qualifications	Retired Shopping Centre Manager
	Appointed October 2018 - Resigned April 2019
Experience	

Meetings of directors

10 general meetings (excluding the AGM and Special) of the company's Board of Directors ('the Board') were held during the year ended 30 June 2019. The number of meetings attended by each director (in no particular order) are represented below:

Directors' Meetings		
	Number eligible to attend	Number attended
T Kearney	6	6
K Elliot	6	6
T Titmuss	10	10
L Scarlett	6	6
D Tarr	6	4
R Maxwell	6	6
L Saunders	4	1
K Rees	4	4
L Cummings	4	2
R Tomlin	4	4
R Cowley	4	4
A Borsato	4	4

Auditor's independence declaration

A copy of the lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors:

Director:

K Elliot

Dated: 28 August 2019

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

.....
Murray McDonald
Director Audit & Assurance
Moore Stephens - Audit (QLD & Northern NSW)

.....
Moore Stephens
Chartered Accountants

28 August 2019

	Note	2019 \$	2018 \$
Revenue	3	917,372	1,008,007
Cost of sales		<u>(432,794)</u>	<u>(460,603)</u>
Gross profit		484,578	547,404
Other revenue	3	813,238	811,670
Employee benefits expense		(531,244)	(499,831)
Borrowing expenses		(51,566)	(51,490)
Depreciation and amortisation expense		(146,055)	(138,479)
Subsidiary club expenses		(53,555)	(63,125)
Poker machine expenses		(56,447)	(32,995)
Net courtesy bus expenses		(15,052)	(8,392)
Insurance		(55,962)	(45,627)
Repairs and maintenance		(43,167)	(41,453)
Social, entertainment, and promotions		(41,520)	(67,352)
Cleaning		(53,089)	(46,621)
Utilities and phone		(65,570)	(61,029)
Printing, postage, and stationary		(11,808)	(7,394)
Raffles, bingo and competition expenses		(144,848)	(126,458)
Other expenses		<u>(107,411)</u>	<u>(120,080)</u>
Surplus before income tax expense		(79,478)	48,748
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members		<u>(79,478)</u>	<u>48,748</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income attributable to members of the entity		<u>(79,478)</u>	<u>48,748</u>

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	114,421	152,399
Trade and other receivables	5	12,000	8,258
Inventories	6	44,381	39,379
Other assets	9	-	7,132
TOTAL CURRENT ASSETS		<u>170,802</u>	207,168
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,261,883	2,359,912
Intangible assets	8	300	300
TOTAL NON-CURRENT ASSETS		<u>2,262,183</u>	2,360,212
TOTAL ASSETS		<u>2,432,985</u>	2,567,380
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	114,361	133,414
Borrowings	11	90,963	104,004
Employee benefits	12	56,842	81,247
TOTAL CURRENT LIABILITIES		<u>262,166</u>	318,665
NON-CURRENT LIABILITIES			
Borrowings	11	803,984	802,489
Employee benefits	12	6,575	6,488
TOTAL NON-CURRENT LIABILITIES		<u>810,559</u>	808,977
TOTAL LIABILITIES		<u>1,072,725</u>	1,127,642
NET ASSETS		<u>1,360,260</u>	1,439,738
EQUITY			
Retained earnings		<u>1,360,260</u>	1,439,738
TOTAL EQUITY		<u>1,360,260</u>	1,439,738

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	1,439,738	1,439,738
Profit attributable to members of the entity	(79,478)	(79,478)
Balance at 30 June 2019	1,360,260	1,360,260

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	1,390,990	1,390,990
Profit attributable to members of the entity	48,748	48,748
Balance at 30 June 2018	1,439,738	1,439,738

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,726,868	1,819,304
Payments to suppliers and employees		(1,651,388)	(1,625,811)
Net cash provided by (used in) operating activities	18	75,480	193,493
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of property plant and equipment		-	909
Purchase of property, plant and equipment		(53,056)	(25,919)
Net cash used by investing activities		(53,056)	(25,010)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		35,000	-
Repayment of bank loans		(40,000)	(101,277)
Repayment of leases		(55,402)	(44,518)
Net cash used by financing activities		(60,402)	(145,795)
Net increase (decrease) in cash and cash equivalents held		(37,978)	22,688
Cash and cash equivalents at beginning of year		152,399	129,711
Cash and cash equivalents at end of financial year	4	114,421	152,399

1 Summary of Significant 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.

New, revised or amending Accounting Standards and Interpretations adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. The company's assessment is that these new standards and interpretations will have no material impact on the company's financial statements.

(a) Basis of Preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared for the purposes of complying with the *Corporations Act 2001* requirements to prepare and distribute financial statements to the members of North Beach Recreation & Bowling Club Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of North Beach Recreation & Bowling Club Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*, as appropriate for not-for-profit oriented entities.

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 2.

(b) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

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

Interest

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

Other revenue

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

(c) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(d) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(e) 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 current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve 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 twelve months after the reporting period. All other assets are classified as non-current.

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

(f) 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.

(g) Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any provision for impairment.

(h) Property, 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.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

Buildings	40 Years
Plant and Equipment	3 - 30 Years
Poker machines	4 - 7 Years
Improvements	40 Years

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.

(i) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit

(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 wholly within 12 months of the reporting date 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 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.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

(l) Leases

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

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

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

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

(m) Inventories

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

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

2 Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Employee benefits provision

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

3 Revenue

	2019 \$	2018 \$
Sales revenue		
- Bar sales	910,039	999,332
- Sale of cigarettes and tobacco	7,333	8,675
	<u>917,372</u>	<u>1,008,007</u>
Other revenue		
Poker machine receipts	505,284	466,648
Subsidiary club income	48,202	71,415
Raffle income	145,293	110,875
Keno income	40,488	67,919
Recoveries	4,600	2,656
Other income	68,248	90,984
Tennis club donation & income	1,123	1,173
	<u>813,238</u>	<u>811,670</u>
4 Cash and cash equivalents		
Cash on hand	45,329	45,408
Cash at bank	69,092	106,991
	<u>114,421</u>	<u>152,399</u>
5 Trade and other receivables		
CURRENT		
Deposits	5,000	5,000
Sundry debtors	7,000	3,258
	<u>12,000</u>	<u>8,258</u>
6 Inventories		
CURRENT		
At cost:		
Inventory	<u>44,381</u>	<u>39,379</u>

7 Property, plant and equipment

	2019 \$	2018 \$
Freehold land		
Land at cost	9,400	9,400
Bowling greens at cost	18,157	18,157
Total freehold land	<u>27,557</u>	<u>27,557</u>
Buildings		
At cost	2,993,889	2,993,889
Accumulated depreciation	(1,113,149)	(1,052,576)
Total buildings	<u>1,880,740</u>	<u>1,941,313</u>
Total land and buildings	<u>1,908,297</u>	<u>1,968,870</u>
Plant and equipment		
At cost	1,419,946	1,484,602
Accumulated depreciation	(1,066,360)	(1,093,560)
Total plant and equipment	<u>353,586</u>	<u>391,042</u>
Total property, plant and equipment	<u>2,261,883</u>	<u>2,359,912</u>

(a) Movements in carrying amounts of property, plant and equipment

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

Year ended 30 June 2019

Balance at the beginning of year	27,557	1,941,313	391,042	2,359,912
Additions	-	-	54,257	54,257
Disposals - written down value	-	-	(6,231)	(6,231)
Depreciation expense	-	(60,573)	(85,482)	(146,055)
Balance at the end of the year	<u>27,557</u>	<u>1,880,740</u>	<u>353,586</u>	<u>2,261,883</u>

Year ended 30 June 2018

Balance at the beginning of year	27,557	2,002,992	335,082	2,365,631
Additions	-	-	136,387	136,387
Disposals - written down value	-	-	(3,627)	(3,627)
Depreciation expense	-	(61,679)	(76,800)	(138,479)
Balance at the end of the year	<u>27,557</u>	<u>1,941,313</u>	<u>391,042</u>	<u>2,359,912</u>

8 Intangible Assets

	2019 \$	2018 \$
Formation costs	300	300

9 Other assets

Prepayments	-	7,132
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10 Trade and other payables

CURRENT

Trade payables	37,392	60,930
GST payable	15,976	17,044
Other payables	60,993	55,440
	114,361	133,414

11 Borrowings

CURRENT

BCU Bank Loan		46,239	48,324
Lease liability secured	13	44,724	55,680
		90,963	104,004

NON-CURRENT

BCU Bank Loan		787,094	741,153
Lease liability	13	16,890	61,336
		803,984	802,489

Assets pledged as security

The bank loan is secured by a first mortgage over the consolidated entity's land and buildings. Finance leases including operating leases that have been capitalised are secured against equipment.

12 Employee Benefits

Current liabilities

Provision for employee benefits	56,842	81,247
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Non-current liabilities

Provision for employee benefits	6,575	6,488
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13 Leasing Commitments

Finance Leases

	2019	2018
	\$	\$
Minimum lease payments:		
- not later than one year	44,724	55,680
- between one year and five years	16,890	61,336
Minimum lease payments	<u>61,614</u>	<u>117,016</u>
Present value of minimum lease payments	<u>61,614</u>	<u>117,016</u>

Finance leases (including capitalised operating leases) are in place for operational equipment as well as poker machines and the remaining terms are between 12 and 24 months.

14 Remuneration of Auditors

Remuneration of the auditor (including accrued amounts) of the Company for:

- auditing or reviewing the financial report	11,885	11,650
- preparation of annual statutory accounts	1,850	1,810
	<u>13,735</u>	<u>13,460</u>

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018:None).

16 Commitments

The Company had no commitments for expenditure as at 30 June 2019 and 30 June 2018.

17 Events after the reporting period

The financial report was authorised for issue on 28 August 2019 by the board of directors.

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

18 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

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

	2019	2018
	\$	\$
Profit for the year	(79,478)	48,748
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	146,055	138,479
- net loss on disposal of property, plant and equipment	5,030	3,923
- capitalised interest	48,856	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(3,742)	(373)
- (increase)/decrease in prepayments	7,132	(7,132)
- (increase)/decrease in inventories	(5,002)	670
- increase/(decrease) in trade and other payables	(19,053)	24,141
- increase/(decrease) in provisions	(24,318)	(14,963)
Cashflow from operations	<u>75,480</u>	<u>193,493</u>
(a) Non-cash financing and investing activities		
Acquisition of assets by means of finance leases	<u>-</u>	<u>111,672</u>

In the directors opinion:

1. the accompanying financial statements and notes, are in accordance with the *Corporations Act 2001*, including:
 - (a) comply with Australian Accounting Standards to the extent described in Note 1, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
2. 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 directors.

Director

K Elliot

Dated 28 August 2019

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of North Beach Recreation & Bowling Club Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Notes to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' Report], (but does not include the financial report and our auditor's report thereon).

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

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

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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.
- 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 our audit.

.....
Murray McDonald
Director Audit & Assurance
Moore Stephens - Audit (QLD & Northern NSW)

.....
Moore Stephens
Chartered Accountants

IMPORTANT INFORMATION FOR CLUB MEMBERS FOR THE YEAR ENDED 30th JUNE 2017 RELATING TO NORTH BEACH RECREATION & BOWLING CLUB LTD – SERIAL NUMBER 244741.

1 IMPORTANT NOTES

1.1 The Registered Clubs Act 1976 defines a TOP EXECUTIVE as being one of the five highest paid employees of the club at each separate premises of the club.

2 DISCLOSURE OF INTERESTS OF DIRECTORS IN CONTRACTS WITH THE CLUB - SECTION 41C

2.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

2.2 The Registered Clubs Act 1976 requires DIRECTORS who have a material or personal interest in matters that relate to the affairs of the club to declare the interest at a board meeting AND the club to display the declaration on the club's notice board.

2.3 A contract is any commercial arrangement whether written or not.

2.4 In the reporting period there was **nil (0)** occasion when DIRECTORS reported a material personal interest in a matter relating to the club's affairs.

3 FINANCIAL INTERESTS IN HOTELS - SECTION 41D

3.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

3.2 In the reporting period there were **nil (0)** occasions when DIRECTORS reported a financial interest in a hotel in NSW.

3.3 In the reporting period there were **nil (0)** occasions when TOP EXECUTIVES reported a financial interest in a hotel in NSW.

4 GIFTS TO DIRECTORS AND STAFF - SECTION 41E AND SECTION 41F

4.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

4.2 An affiliated body of the club includes subsidiary clubs, and anybody which the club made a grant to within the previous 12 months.

4.3 A gift includes money, hospitality, or discounts.

4.4 A gift valued at more than \$500 must be disclosed; gifts from CONTRACTORS must be disclosed if they total more than \$500 from an individual contractor in the reporting period.

4.5 Directors

4.5.1 In the reporting period there were **nil (0)** occasions when DIRECTORS of the club reported receiving gifts from AFFILIATED BODIES.

4.5.2 In the reporting period there were **nil (0)** occasions when DIRECTORS of the club reported receiving gifts from CONTRACTORS.

4.6 Top Executives and Employees

4.6.1 In the reporting period there were **nil (0)** occasions when TOP EXECUTIVES of the club reported receiving gifts from AFFILIATED BODIES.

4.6.2 In the reporting period there were **nil (0)** occasions when EMPLOYEES of the club reported receiving gifts from CONTRACTORS.

4.7 Value of Gifts

4.7.1 The total value of all gifts that DIRECTORS and TOP EXECUTIVES received from AFFILIATED BODIES in the reporting period is **\$0.00**.

4.7.2 The total value of all gifts that DIRECTORS and EMPLOYEES received from CONTRACTORS in the reporting period is **\$0.00**.

5 TOP EXECUTIVES - S.41H (1)(b)

5.1 The number of club TOP EXECUTIVES whose total remuneration for the reporting period falls within each successive \$10,000 band commencing at \$100,000 is **one (0)**.

6 OVERSEAS TRAVEL - S.41H (1)(c)

6.1 In the reporting period the club incurred the following costs for the overseas travel of DIRECTORS and EMPLOYEES: **\$0.00**.

7 LOANS TO STAFF - S.41H (1)(d)

7.1 The Registered Clubs Act 1976 requires the club to report loans to EMPLOYEES of \$1,000 or more.

7.2 In the reporting period, the club made the following loans to EMPLOYEES: **\$0.00**.

8 CONTRACTS APPROVED BY BOARD - S.41H (1)(e)

8.1 During the reporting period the Board approved **two (2)** contracts relating to the remuneration of the club's TOP EXECUTIVES.

8.2 The Registered Clubs Act 1976 defines a Controlled Contract as being a club contract:

8.2.1 In which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest, or

8.2.2 For the provision of professional advice relating to the following,

a.) a significant change to the management structure or governance of the club.

b.) a significant change to the financial management of the club.

c.) disposal of land.

d.) the amalgamation of the club.

8.3 During the reporting period **nil (0)** controlled contracts were approved by the Board and forwarded to the Director of Liquor and Gaming of which:

8.3.1 **Nil (0)** such contracts related to contracts in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest.

8.3.2 **Nil (0)** such contracts related to the provision of professional advice. These contracts fall into the following advice categories:

8.3.3 **Nil (0)** for significant change to the management structure or governance of the club.

8.3.4 **Nil (0)** for significant changes to the financial management of the club.

8.3.5 **Nil (0)** for disposal of club land.

8.3.6 **Nil (0)** for amalgamation of the club.

9 EMPLOYEES RELATED TO DIRECTORS AND TOP EXECUTIVES - S.41H (1) (f)

9.1 A CLOSE RELATIVE is defined in section 41B of the Registered Clubs Act 1976 and includes the immediate family.

9.2 In the reporting period, the club employed the following persons who were a close relative of a DIRECTOR or TOP EXECUTIVE of the club: **Nil (0)**

10 PAYMENTS TO CONSULTANTS - S.41H (1) (g) and (h)

10.1 During the reporting period there was one **(0)** instances where the club engaged a consultant.

10.2 The total costs paid by the club to consultants in the reporting period were **\$0.00**.

10.3 Which included the following instances when consultants were paid \$30,000 or more: **nil (0)**.

11 DETAILS OF SETTLEMENTS PAID BY THE CLUB - S.41H (1)(i)

11.1 In the reporting period the club made **nil (0)** legal settlements with either a director or club employee. Being

11.1.1 **Nil (0)** with a director of the club.

11.1.2 **Nil (0)** with a club employee.

11.2 The total value of all legal settlements was **nil (0)**.

11.3 The total legal costs paid by the club for such settlements were **nil (0)**.

LEGAL FEES PAID BY THE CLUB - S.41H (1) (j)

12.1 In the reporting period, there were **nil (0)** instances when the club paid legal fees for DIRECTORS and EMPLOYEES. These included:

12.1.1 **Nil (0)** instances for DIRECTORS and

12.1.2 **Nil (0)** instances for EMPLOYEES

12.2 In the reporting period the club paid a total of **\$0.00** being for legal fees paid for DIRECTORS and EMPLOYEES.

13 GAMING MACHINE PROFIT - S.41H (1)(k)

13.1 Gaming machine profit and the gaming machine tax period are defined in the Gaming Machine Tax Act 2001.

13.2 In the most recent gaming machine tax period (1st September 2018 to 31st August 2019), the total profit from gaming machines was **\$508,220.09**.

14 AMOUNT PAID TO COMMUNITY DEVELOPMENT - S.41H (1)(l)

14.1 Clubs earning in excess of \$1,000,000 p.a. in gaming machine profit can apply part of such profit to community development and support.

14.2 In the reporting period the club applied **nil** to community development and support.