



# Laurieton United Services Club Limited

ABN 44000969522

## Financial Statements

For the Year Ended 30 June 2019



# Laurieton United Services Club Limited

ABN 44 000 969 522

## FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

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# Laurieton United Services Club Limited

ABN 44 000 969 522

## DIRECTORS' REPORT

30 June 2019

Your Directors present their report on the Company, for the financial year ended 30 June 2019.

### Directors

The names of the Directors in office at any time during, or since the end of, the year are:

Greg ARMSTRONG  
James (Jim) HENRY  
Kenneth (Ken) WHYTE  
Ian JACKSON  
Barry LANG  
Anne BURTON  
Ingo MODEL

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

### Short Term Objectives

The short-term objectives of the Company are to:

- Service all debts as and when they fall due.
- Provide benefits to members in a financially viable manner.
- Operate bar, gaming, catering, bowls and golf operations for the benefit of our members and their guests.
- Provide entertainment for the benefit of our members and their guests.
- Utilise funds derived from the Club's operations for the support and development of our community.
- Provide a high standard of customer service when dealing with members and their guests.
- Ensure the Governing Body is educated and informed appropriately in order to be able to provide the Club with the necessary guidance to achieve its objectives.

### Long Term Objectives

The long term objectives of the Company are to:

- Provide, maintain or change offerings in order to continually meet the needs of our members and their guests.
- Create sustainable financial viability while maintaining our position as the focus of social and community activities.

# Laurieton United Services Club Limited

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## DIRECTORS' REPORT

30 June 2019

### Strategies

To achieve the objectives of the Company the following strategies have been adopted:

#### *Planning*

- The Club's strategic plan is reviewed by the Governing Body on an annual basis to ensure that the strategies implemented to meet the Club's objectives are appropriate.

#### *Marketing*

- The Club regularly researches its members through surveys to assist in satisfying their needs and wants. Through this research the Club continues to market its food, beverage, gaming, bowls and golf activities for its members and their guests.
- The Club trains and monitors staff with a view to providing great experiences for its members and their guests.

### Principal Activities

The principal activity of the Company during the financial year was the conduct of a Registered Club.

No significant change in the nature of this principal activity occurred during the year.

### Means by which Principal Activities Assisted in Achieving the Company's Objectives

The principal activities of a Registered Club are multifaceted. Many activities assisted the Club in achieving its objectives including the marketing of the key trading areas of the business being:

- Bar operations;
- Bowls operations;
- Catering operations;
- Course operations;
- Gaming operations; and
- Entertainment.

The conduct of these activities, and the effective utilisation of cashflow surpluses, enabled the Club to achieve its objectives.

### Key Performance Measures

The Club's trading results are compared to last year's results and the Club's budget and the Club prepares cash flow forecasts to ensure the efficient utilisation of future cash flows. The results of these planning and control activities are presented to the Governing Body on a monthly basis. Variations are analysed and explanations for variances are provided to the Governing Body for their deliberation.

To assist the Governing Body in ensuring that the Club has the capacity to both repay its debt as well as invest in facilities and equipment, the Club's earnings before interest, tax and depreciation are reviewed bi-annually.

To assist in the monitoring of Club performance, market research is conducted on an on going basis.

# Laurieton United Services Club Limited

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## DIRECTORS' REPORT

30 June 2019

### Members' Guarantee

The Laurieton United Services Club Limited is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the Company. At 30 June 2019 collective liability of members was \$9,926 (2018: \$10,014).

### Core and Non-Core Property

Core property is defined as any real property owned by the Club that comprises the defined premises of the Club or any facility provided by the Club for the use of its members and their guests. Core property of the Club consists of land occupied by the Clubhouse and carpark at Seymour Street, Laurieton, New South Wales, and land occupied by the Clubhouse, golf course, bowling greens and carpark at Kendall Road, Kew, New South Wales.

Non-core property of the Club means any real property owned by the Club that is not core property. Non-core property consists of 3, 5 and 7 Lake Street, and Lot 4 McLennan Street, Laurieton, New South Wales.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and is included in these financial statements.

### Meetings of Directors

During the financial year, 14 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Greg ARMSTRONG	14	11
James (Jim) HENRY	14	14
Kenneth (Ken) WHYTE	14	14
Ian JACKSON	14	12
Barry LANG	14	13
Anne BURTON	14	14
Ingo MODEL	14	13

Throughout the year an additional 29 sub-committee meetings were held to attend to business pertaining to the club.

# Laurieton United Services Club Limited

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## DIRECTORS' REPORT

30 June 2019

### Information on Current Directors

#### **Greg ARMSTRONG**

Qualifications	Retired Practising Accountant
Experience	Board Experience 27 years
Special Responsibilities	President Chairman of Finance Committee Chairman of Kew Country Club Course Beautification Committee Chairman of Executive Committee Lake Street Committee

#### **James (Jim) HENRY**

Qualifications	Retired NRMA Manager
Experience	Board Experience 12 years
Special Responsibilities	Senior Vice President Executive Committee Finance Committee Club Grants Committee Board Representative of WHS Committee Lake Street Committee

#### **Kenneth (Ken) WHYTE**

Qualifications	Retired Boiler Maker
Experience	Board Experience 18 years
Special Responsibilities	Citation Committee House and Building Committee Kew Country Club Advisory Committee Chairman of Club Grants Committee Lake Street Committee

#### **Ian JACKSON**

Qualifications	Licenced Real Estate Agent, NSW Department of Education and Training Audit Investigator, Retired Army Lieutenant Colonel
Experience	Board Experience 25 years
Special Responsibilities	Chairman of Citation Committee Kew Country Club Advisory Committee

#### **Barry LANG**

Qualifications	Australian Regular Army Returned from Active Service Retired NSW Distribution and Operations Manager for Big W
Experience	Board Experience 14 years
Special Responsibilities	Vice President Executive Committee Finance Committee Chairman of House and Building Committee Citation Committee

# Laurieton United Services Club Limited

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## DIRECTORS' REPORT

30 June 2019

### Anne BURTON

Qualifications	Retired Manager BHP Printery
Experience	Board Experience 10 years
Special Responsibilities	Chairperson of Welfare Director House and Building Committee Club Grants Committee

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Qualifications	Retired Automotive TAFE Teacher (Dip. TEACH S.C.A.E), Automotive Engineer
Experience	Board experience 3 years Director of other NSW Golf Clubs 19 years
Special Responsibilities	Chairman of Kew Country Club Advisory Committee Kew Country Club Course Beautification Committee

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

Director: .....

  
Greg ARMSTRONG

Dated: 4 September 2019

**PARTNERS**

Robert Magnussen B Bus FCA  
Paul Fahey B Bus CA  
Rodney Smith B Fin Admin FCA  
Bart Lawler B Com CA  
Patrick Brennan B Com CA  
Alison McKinnon B Bus CA

## AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the *Corporations Act 2001*

To the Directors of Laurieton United Services Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**NorthCorp Accountants**



**Rodney Smith**  
Partner

10-12 Short Street  
Port Macquarie NSW 2444

Dated: 4 September 2019



# Laurieton United Services Club Limited

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## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	2	10,081,923	10,548,057
Inventories purchased	3	(1,638,217)	(1,663,997)
Changes in inventories	3	(8,665)	(4,697)
Administration expenses		(753,004)	(745,908)
Depreciation, amortisation and impairment	3	(1,001,213)	(949,437)
Electricity, gas and diesel costs		(254,998)	(245,610)
Employee benefits expense		(3,131,791)	(2,930,469)
Entertainment expenses (excluding trading areas)		(1,313,517)	(1,377,162)
Finance costs	3	(111,575)	(99,137)
Insurance expenses		(201,114)	(177,921)
Other golf and bowls expenses		(247,892)	(232,599)
Other poker machine expenses		(972,676)	(1,015,051)
Repairs, maintenance and cleaning expenses		(744,585)	(753,967)
Other expenses		(264,645)	(214,362)
		<b>(10,643,892)</b>	<b>(10,410,317)</b>
<b>Profit / (loss) before income tax</b>		<b>(561,969)</b>	<b>137,740</b>
Income tax benefit / (expense)	4	105,209	43,701
<b>Profit / (loss) for the year</b>		<b>(456,760)</b>	<b>181,441</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(456,760)</b>	<b>181,441</b>
Profit / (loss) attributable to members		<b>(456,760)</b>	<b>181,441</b>
Total comprehensive income attributable to members		<b>(456,760)</b>	<b>181,441</b>

The accompanying notes form part of these financial statements.

# Laurieton United Services Club Limited

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## STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	253,457	338,053
Trade and other receivables	6	50,564	59,235
Inventories	7	96,982	105,647
Other financial assets	8	157	157
Other assets	9	102,973	113,811
<b>Total current assets</b>		<b>504,133</b>	<b>616,903</b>
<b>Non-current assets</b>			
Investment property	10	1,086,384	996,091
Property, plant and equipment	11	11,001,494	11,149,029
Intangible assets	12	401,855	401,855
Deferred tax assets	14	577,684	472,665
<b>Total non-current assets</b>		<b>13,067,417</b>	<b>13,019,640</b>
<b>TOTAL ASSETS</b>		<b>13,571,550</b>	<b>13,636,543</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	695,792	692,879
Borrowings	15	410,223	525,454
Short-term provisions	16	463,964	403,613
Other liabilities	17	217,383	239,449
<b>Total current liabilities</b>		<b>1,787,362</b>	<b>1,861,395</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	14	10,379	10,569
Borrowings	15	1,738,321	1,266,443
Long-term provisions	16	51,106	56,994
<b>Total non-current liabilities</b>		<b>1,799,806</b>	<b>1,334,006</b>
<b>TOTAL LIABILITIES</b>		<b>3,587,168</b>	<b>3,195,401</b>
<b>NET ASSETS</b>		<b>9,984,382</b>	<b>10,441,142</b>
<b>EQUITY</b>			
Retained earnings		9,984,382	10,441,142
<b>TOTAL EQUITY</b>		<b>9,984,382</b>	<b>10,441,142</b>

The accompanying notes form part of these financial statements.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2019

### 2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	10,441,142	10,441,142
Profit / (loss) attributable to members of the Company	(456,760)	(456,760)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(456,760)</b>	<b>(456,760)</b>
<b>Balance at 30 June 2019</b>	<b>9,984,382</b>	<b>9,984,382</b>

### 2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	10,259,701	10,259,701
Profit / (loss) attributable to members of the Company	181,441	181,441
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>181,441</b>	<b>181,441</b>
<b>Balance at 30 June 2018</b>	<b>10,441,142</b>	<b>10,441,142</b>

The accompanying notes form part of these financial statements.

# Laurieton United Services Club Limited

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## STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		11,057,518	11,620,003
Payments to suppliers and employees		(10,391,742)	(10,305,106)
Interest received		475	1,298
Finance costs		(111,575)	(99,137)
<b>Net cash provided by (used in) operating activities</b>		<b>554,676</b>	<b>1,217,058</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment		-	14,000
Purchase of property, plant and equipment		(995,921)	(1,185,246)
<b>Net cash provided by (used in) investing activities</b>		<b>(995,921)</b>	<b>(1,171,246)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		947,117	475,489
Repayment of borrowings		(689,903)	(617,127)
<b>Net cash provided by (used in) financing activities</b>		<b>257,214</b>	<b>(141,638)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(184,031)</b>	<b>(95,826)</b>
Cash and cash equivalents at beginning of financial year		338,053	433,879
<b>Cash and cash equivalents at end of financial year</b>	5	<b>154,022</b>	<b>338,053</b>

The accompanying notes form part of these financial statements.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

The financial report is for Laurieton United Services Club Limited as an individual entity, incorporated and domiciled in Australia. Laurieton United Services Club Limited is a Company limited by guarantee.

The financial statements were approved and authorised for issue on 4 September 2019 by the Directors of the Company.

### Note 1 Summary of Significant Accounting Policies

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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

The financial statements, except for the cash flow information, have been prepared on 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.

#### Accounting Policies

##### (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 profit or loss is the tax payable on taxable income for the current period. Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the Australian Taxation Authority (ATO) using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at the end of the reporting period. 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.

# Laurieton United Services Club Limited

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 1 Summary of Significant Accounting Policies (continued)

#### (b) Inventories

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

#### (c) Investment Property

Investment property, comprising freehold residential property, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Investment property, excluding freehold land, is depreciated on a straight line basis over the life of the asset at a depreciation rate of 2.5%.

#### (d) Property, Plant and Equipment

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

##### **Property**

Freehold land and buildings are measured on the cost basis.

##### ***Plant and equipment***

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in the statement of comprehensive income. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

##### **Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Depreciation is recognised in profit or loss.

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

<b><i>Class of Fixed Asset</i></b>	<b><i>Depreciation Rate</i></b>
Buildings and freehold improvements	2.5 to 10%
Plant and equipment	10 to 36%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

# Laurieton United Services Club Limited

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 1 Summary of Significant Accounting Policies (continued)

#### **(d) Property, Plant and Equipment (continued)**

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the statement of comprehensive income in the period in which they arise.

#### **(e) Leases**

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

Finance leases are capitalised by recognising 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 the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives where it is likely that the Company will obtain ownership of the asset or 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 in the periods in which they are incurred.

#### **(f) Intangible Assets**

##### ***(i) Poker Machine Licences***

Poker machine licences are recognised at cost of acquisition. Poker machine licences are tested annually for impairment and carried at cost less accumulated impairment losses.

#### **(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### **(h) Financial Instruments**

##### ***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date the Company commits itself to either the purchase or sale of the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at "fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price.

# Laurieton United Services Club Limited

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 1 Summary of Significant Accounting Policies (continued)

#### (h) Financial Instruments (continued)

##### ***Classification and Subsequent Measurement***

###### *Financial liabilities*

Financial liabilities are subsequently measured at amortised costs using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or financial liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

###### *Financial assets*

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through other comprehensive income.

Financial assets comprising cash and cash equivalents, trade and other receivables and interest bearing deposits are subsequently measured at amortised cost as they meet the following conditions:

- the financial assets are managed solely to collect contractual cash flows; and
- the contractual terms within the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

##### ***Derecognition***

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

###### *Derecognition of financial assets*

A financial asset is derecognised when the Company's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

- All of the following criteria need to be satisfied for derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all the risks and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the financial asset reserve is not reclassified to profit or loss, but is transferred to retained earnings.

###### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 1 Summary of Significant Accounting Policies (continued)

#### (h) Financial Instruments (continued)

##### *Impairment*

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

A loss allowance is not recognised for investments measured at fair value through other comprehensive income.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Financial assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at the end of the reporting period.

#### (i) Impairment of Assets

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

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

Impairment testing is performed annually for intangible assets with indefinite useful lives.

#### (j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

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

#### (k) Provisions

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

# Laurieton United Services Club Limited

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 1 Summary of Significant Accounting Policies (continued)

#### (l) Revenue Recognition

The Company has applied AASB 15: *Revenue from Contracts with Customers* using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue*. No impact is shown in relation to the initial adoption of AASB 15 as the Directors have assessed that there is no material difference in the result of the Company between applying AASB 118: *Revenue* and AASB 15.

In accordance with AASB 15, revenue continues to be recognised when control of the goods and services has transferred to the customers. For such transactions, this is the point in time when the goods are delivered to the customers or the services are received by customers.

Interest revenue is recognised using the effective interest method.

Receivables are recognised when items are delivered or services received, as at this point consideration is unconditional since only time needs to pass before payment of that consideration is due.

#### (m) Trade and other payables

Trade and other payables are carried at amortised cost and represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

#### (n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### (o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and 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 in the statement of cashflows on a gross basis. The GST components of cash flows arising from investing and 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..

#### (p) Comparative Figures

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

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 1 Summary of Significant Accounting Policies (continued)

#### (q) Critical Accounting Estimates and Judgements

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

#### *Key estimates - Impairment*

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. The recoverable amount of the poker machine licences was estimated based on their value in use using a pre-tax discount rate of 9% and a growth rate of 1% from 2019. The recoverable amount was estimated to be higher than the carrying amount of the poker machine licences, and no impairment was required.

No other impairment has been recognised in respect of assets at reporting date.

#### (r) Adoption of New and Revised Accounting Standards

##### **Initial Application of AASB 9: Financial Instruments**

The Company has adopted AASB 9: Financial Instruments with a date of initial application of 1 July 2018. As a result the Company has changed its financial instrument accounting policies as detailed in the summary of significant accounting policies note.

There were no material adjustments to the financial statements for the current financial year or the previous financial year as a result of the initial application of AASB 9. The following table represents the classification of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018. There was no impact on the cash flows of the Company as a result of the initial adoption of AASB 9.

Financial Assets	AASB 139 Original Classification	AASB 9 New Classification
Cash and Cash Equivalents	Loans and Receivables (Amortised Cost)	Financial Assets at Amortised Cost
Trade and Other Receivables	Loans and Receivables (Amortised Cost)	Financial Assets at Amortised Cost

Financial Liabilities	AASB 139 Original Classification	AASB 9 New Classification
Trade and Other Payables	Amortised Cost	Financial Liabilities at Amortised Cost
Bank Loans	Amortised Cost	Financial Liabilities at Amortised Cost

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 1 Summary of Significant Accounting Policies (continued)

#### (r) Adoption of New and Revised Accounting Standards (continued)

##### **Initial Application of AASB 15: Revenue from Contracts with Customers**

The Company has adopted AASB 15: *Revenue from Contracts with Customers* with a date of initial application of 1 July 2018. As a result, the Company has changed its revenue recognition accounting policy as detailed Note 1 (l).

No impact is shown in relation to the initial adoption of AASB 15 as the Directors have assessed that there is no material difference in the results of the Company between applying AASB 118: *Revenue* and AASB 15.

#### (s) New accounting standards for application in future periods

The AASB has issued new, revised and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of the following Standards which are applicable to the Company but are not yet effective:

Title of Standard	Future Reporting Requirements	Operative Date
AASB 16: Leases	This Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.	1 January 2019

The abovementioned Accounting Standards are applicable for annual reporting periods commencing on the operative date. Although the adoption of these Accounting Standards may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 2 Revenue and Other Income

The Company has recognised the following amounts relating to revenue in the statement of comprehensive income.

	2019	2018
	\$	\$
<b>Continued operations</b>		
Sale of goods	2(a) 3,861,082	3,870,402
Other sources of revenue	2(b) 6,220,841	6,677,655
	<b>10,081,923</b>	<b>10,548,057</b>

#### (a) Revenue Disaggregation

The revenue is disaggregated along product lines:

Bar Sales	1,937,986	1,906,829
Bistro and cafe sales	1,923,096	1,963,573
	<b>3,861,082</b>	<b>3,870,402</b>

#### Timing of revenue recognition

Goods and services transferred to customers:

- at a point in time	3,861,082	3,870,402
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#### (b) Other Sources of Revenue

Commissions received - club keno	147,824	163,955
Commissions received - other	61,977	66,758
Commissions received - TAB	25,696	25,906
Competitions and meat draws	442,822	464,266
Entertainment	122,083	126,680
Golf and bowls fees and hire income	568,179	550,265
Insurance recoveries	-	80,960
Interest received - other persons	475	1,298
Membership subscriptions	314,619	310,022
Poker machine takings (net of payouts)	4,430,949	4,721,347
Poker machine GST rebate - LAB	28,740	36,394
Rent received	33,686	43,312
Other income	43,791	86,492
<b>Total Revenue</b>	<b>6,220,841</b>	<b>6,677,655</b>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 3 Profit for the Year

#### (a) Expenses

	2019	2018
	\$	\$
<b>Cost of Sales:</b>		
Bar trading	818,033	814,894
Bistro and cafe trading	828,849	853,800
	<u>1,646,882</u>	<u>1,668,694</u>
<b>Finance Costs:</b>		
Interest expense	<u>111,575</u>	<u>99,137</u>
<b>Depreciation:</b>		
Buildings	372,981	362,878
Plant and equipment	623,793	582,120
Investment property	4,439	4,439
	<u>1,001,213</u>	<u>949,437</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 4 Income Tax Expense

(a) The components of tax expense/(benefit) comprise:

	2019	2018
	\$	\$
Current tax	(56,878)	(9,522)
Deferred tax	(48,331)	(34,179)
	<u>(105,209)</u>	<u>(43,701)</u>

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(b) The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to income tax as follows:

Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 27.5% (2018: 27.5%)	(154,540)	37,878
Add:		
Tax effect of:		
- other non-allowable items	201,046	187,323
- net non-assessable income from principle of mutuality	107,519	-
	<u>154,025</u>	<u>225,201</u>
Less:		
Tax effect of:		
- net non-assessable income from principle of mutuality	-	35,406
- member only income not taxable	192,455	190,368
- deferred tax expense relating to origination and reversal of temporary differences	48,331	34,179
- other deductible items	18,448	8,949
	<u>18,448</u>	<u>8,949</u>
Income tax expense /(benefit) attributable to the entity	<u>(105,209)</u>	<u>(43,701)</u>

### Note 5 Cash and Cash Equivalents

Current

Cash at bank and in hand	253,457	338,053
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Reconciliation of Cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	253,457	338,053
Bank overdraft	(99,435)	-
	<u>154,022</u>	<u>338,053</u>

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# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 6 Trade and Other Receivables

	2019	2018
	\$	\$
<b>Current</b>		
Trade and other receivables	<u>50,564</u>	<u>59,235</u>

### Note 7 Inventories

<b>Current</b>		
Finished goods - at cost:		
Bar stock	74,862	82,740
Bistro and cafe stock	<u>22,120</u>	<u>22,907</u>
	<u>96,982</u>	<u>105,647</u>

### Note 8 Other Financial Assets

<b>Current</b>		
Unlisted investments, at fair value:		
- Shares in other corporations	<u>157</u>	<u>157</u>
	<u>157</u>	<u>157</u>

### Note 9 Other Assets

<b>Current</b>		
Prepayments	99,473	110,311
Security deposits	<u>3,500</u>	<u>3,500</u>
	<u>102,973</u>	<u>113,811</u>

### Note 10 Investment Property

Investment property at cost	1,123,614	1,039,121
Less accumulated depreciation	<u>(37,230)</u>	<u>(43,030)</u>
	<u>1,086,384</u>	<u>996,091</u>

#### (a) Movement in Carrying Amount

Balance at beginning of year	996,091	1,000,530
Additions	-	-
Disposals	(52,299)	-
Transfers (to) from property, plant and equipment	147,031	-
Depreciation	<u>(4,439)</u>	<u>(4,439)</u>
Balance at end of year	<u>1,086,384</u>	<u>996,091</u>



# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 11 Property, Plant and Equipment

	2019 \$	2018 \$
<b>Land and buildings</b>		
<b>Freehold land</b>		
Freehold land at cost	1,227,844	1,374,875
<b>Buildings</b>		
At cost	12,928,455	12,656,134
Accumulated depreciation	(5,516,245)	(5,143,264)
<b>Total buildings</b>	7,412,210	7,512,870
<b>Total land and buildings</b>	8,640,054	8,887,745
<b>Plant and equipment</b>		
At cost	8,128,144	7,562,214
Accumulated depreciation	(5,766,704)	(5,300,930)
<b>Total plant and equipment</b>	2,361,440	2,261,284
<b>Total property, plant and equipment</b>	11,001,494	11,149,029

### (a) Movements in Carrying Amounts

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

#### 2018

	Freehold Land	Buildings and Freehold Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2018	1,374,875	7,512,870	2,261,284	11,149,029
Additions	-	285,973	728,398	1,014,371
Disposals	-	(13,652)	(4,449)	(18,101)
Transfers to (from) investment properties	(147,031)	-	-	(147,031)
Depreciation expense	-	(372,981)	(623,793)	(996,774)
Balance at 30 June 2019	1,227,844	7,412,210	2,361,440	11,001,494

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 12 Intangible Assets

	2019 \$	2018 \$
<b>Poker machine licences</b>		
Poker machine licences at cost	<b>401,855</b>	401,855

Poker machine licences have been determined to have indefinite useful lives as the licences have not been cancelled by legislation and the Company has no intention to sell poker machine licences.

#### (a) Movements in carrying amounts

	Poker Machine Licences \$	Total \$
30 June 2018		
2019 30 June 2019		
Balance at 1 July 2018	401,855	401,855
Additions	-	-
Disposals	-	-
Impairment losses	-	-
<b>Balance at 30 June 2019</b>	<b>401,855</b>	<b>401,855</b>

### Note 13 Trade and Other Payables

	2019 \$	2018 \$
<b>Current</b>		
<b>Unsecured liabilities</b>		
Trade payables	378,286	423,957
Sundry creditors and accrued expenses	317,506	268,922
	<b>695,792</b>	692,879

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 14 Income Tax

#### (a) Deferred Tax Liabilities

	Opening Balance	Charged (Credited ) to Statement of Comprehensive Income	Changes in Tax Rate	Closing Balance
	\$	\$	\$	\$
<b>2018</b>				
Tax allowances relating to property, plant and equipment	7,565	-	-	7,565
Other	1,785	1,219	-	3,004
<b>Balance at 30 June 2018</b>	<b>9,350</b>	<b>1,219</b>	<b>-</b>	<b>10,569</b>

#### 2019

Tax allowances relating to property, plant and equipment	7,565	-	-	7,565
Other	3,004	(190)	-	2,814
<b>Balance at 30 June 2019</b>	<b>10,569</b>	<b>(190)</b>	<b>-</b>	<b>10,379</b>

#### (b) Deferred Tax Assets

#### 2018

Tax allowances relating to property, plant and equipment	61,241	33,006	-	94,247
Future income tax benefits attributable to tax losses	339,372	9,522	-	348,894
Provisions	27,132	2,392	-	29,524
<b>Balance at 30 June 2018</b>	<b>427,745</b>	<b>44,920</b>	<b>-</b>	<b>472,665</b>

#### 2019

Tax allowances relating to property, plant and equipment	94,247	38,204	-	132,451
Future income tax benefits attributable to tax losses	348,894	56,878	-	405,772
Provisions	29,524	9,937	-	39,461
<b>Balance at 30 June 2019</b>	<b>472,665</b>	<b>105,019</b>	<b>-</b>	<b>577,684</b>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 15 Borrowings

	Note	2019 \$	2018 \$
<b>Current</b>			
<b>Unsecured liabilities</b>			
Other borrowings	15(d)	<u>121,917</u>	<u>152,144</u>
<b>Secured liabilities</b>			
Bank overdraft	15(a)(c)	99,435	-
Chattel mortgage loans	15(a)(c)	34,205	52,818
Bank loans	15(a)(c)	<u>154,666</u>	<u>320,492</u>
		<u>288,306</u>	<u>373,310</u>
<b>Total current borrowings</b>		<u>410,223</u>	<u>525,454</u>
<b>Non-Current</b>			
<b>Unsecured liabilities</b>			
Other borrowings	15(d)	<u>113,136</u>	<u>98,566</u>
<b>Secured liabilities</b>			
Chattel mortgage loans	15(a)(c)	28,294	63,222
Bank loans	15(a)(c)	<u>1,596,891</u>	<u>1,104,655</u>
		<u>1,625,185</u>	<u>1,167,877</u>
<b>Total non-current borrowings</b>		<u>1,738,321</u>	<u>1,266,443</u>
<b>Total borrowings</b>		<u>2,148,544</u>	<u>1,791,897</u>
<b>(a) Total current and non-current secured liabilities</b>			
Bank overdraft		99,435	-
Chattel mortgage loans		62,499	116,040
Bank loans		<u>1,751,557</u>	<u>1,425,147</u>
		<u>1,913,491</u>	<u>1,541,187</u>
<b>(b) The carrying amounts of non-current assets pledged as security are:</b>			
Investment property		1,086,384	996,091
Land and buildings		8,640,054	8,887,745
Plant and equipment		<u>2,361,440</u>	<u>2,261,284</u>
		<u>12,087,878</u>	<u>12,145,120</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 15 Borrowings (continued)

#### (c) Collateral Provided

##### Bank Loans and Bank Overdraft

The bank loan and bank overdraft are secured by registered first mortgage over the freehold land and buildings of the Company and a registered first equitable mortgage over the assets of the Company.

Financial assets that have been pledged as part of the total collateral in relation to the bank loan and bank overdraft are as follows:

	2019	2018
	\$	\$
Cash and cash equivalents	253,457	338,053
Trade and other receivables	50,564	59,235
Other financial assets	157	157
	<u>304,178</u>	<u>397,445</u>

##### Chattel Mortgage Loans

Chattel mortgage loans are secured by registered first mortgage over certain plant and equipment of the Company.

#### (d) Other Loans

Other borrowings are unsecured and comprise of finance contracts for the purchase of poker machines and equipment with terms ranging from 1 to 3 years. The loans are interest free.

### Note 16 Provisions

	Employee Benefits	Total
	\$	\$
Opening balance at 1 July 2018	460,607	460,607
Additional provision	54,463	54,463
Balance at 30 June 2019	<u>515,070</u>	<u>515,070</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 16 Provisions (continued)

#### Analysis of Total Provisions

##### Employee Benefits

	2019	2018
	\$	\$
Current	463,964	403,613
Non-current	51,106	56,994
	<u>515,070</u>	<u>460,607</u>

##### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for the provision includes the total amount accrued for annual leave entitlements and amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service.

These amounts are classified as current liabilities since the Company does not have an unconditional right to defer settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion of the provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

### Note 17 Other Liabilities

	2019	2018
	\$	\$
<b>Current</b>		
Members' subscriptions and other income in advance	<u>217,383</u>	<u>239,449</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 18 Capital and Leasing Commitments

#### (a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

	2019	2018
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	-	11,255
- later than 5 years	-	-
	<u>-</u>	<u>11,255</u>

The operating lease commitment related to the hire of a tractor. The operating lease commenced at the end of 2014 and is for a term of 5 years.

### Note 19 Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

#### Bank Guarantees

Tabcorp Holdings Limited	<u>10,000</u>	10,000
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The Company has banker's guarantees in favour of Tabcorp Holdings Limited (TAB) totalling \$10,000.

The guarantee is secured by mortgage over the Company's assets. The guarantee is only payable in the event of economic loss caused to TAB by the Company and its staff. To date there has been no event or events that would require the guarantee to be called upon.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 20 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The aggregate compensation of key management personnel during the financial year comprising amounts paid or payable or provided for was as follows:

	2019	2018
	\$	\$
Short-term employee benefits	332,780	310,817
Post-employment benefits	29,222	27,825
Other long-term benefits	31,707	18,237
	<u>393,709</u>	<u>356,879</u>

### Note 21 Related Party Transactions

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

### Note 22 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company. At 30 June 2019 the number of members was 9,926 (2018: 10,014).



# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

### Note 23 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and other financial institutions, cash on hand, accounts receivable and payable, bank overdraft, bank loans and other borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	253,457	338,053
Trade and other receivables	6	50,564	59,235
Investments	8	157	157
<b>Total financial assets</b>		<b>304,178</b>	<b>397,445</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables	13	695,792	692,879
Bank overdraft	15	99,435	-
Bank loans	15	1,751,557	1,425,147
Chattel mortgage loans	15	62,499	116,040
Other borrowings	15	235,053	250,710
<b>Total financial liabilities</b>		<b>2,844,336</b>	<b>2,484,776</b>

### Net Fair Values

The net fair values of financial assets and financial liabilities approximates their carrying values. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

### Note 24 Company Details

The registered office of the Company is:  
Laurieton United Services Club Limited  
Seymour Street  
Laurieton NSW 2443

# Laurieton United Services Club Limited

ABN 44 000 969 522

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Laurieton United Services Club Limited, the Directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position of the Company as at 30 June 2019 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Director .....

  
**Greg ARMSTRONG**

**Dated: 04 September 2019**

## INDEPENDENT AUDITOR'S REPORT

### to the members of Laurieton United Services Club Limited

#### Opinion

We have audited the financial report of Laurieton United Services Club Limited, which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the Directors' Declaration.

In our opinion, the accompanying financial report of Laurieton United Services Club Limited 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 2019 and of its performance for the year ended on that date; 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* (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.

#### Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, 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.

**PARTNERS**

Robert Magnussen B Bus FCA  
Paul Fahey B Bus CA  
Rodney Smith B Fin Admin FCA  
Bart Lawler B Com CA  
Patrick Brennan B Com CA  
Alison McKinnon B Bus CA

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Laurieton United Services Club Limited**

#### **Responsibilities of Directors for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine is 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 this 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.



**PARTNERS**

Robert Magnussen B Bus FCA  
Paul Fahey B Bus CA  
Rodney Smith B Fin Admin FCA  
Bart Lawler B Com CA  
Patrick Brennan B Com CA  
Alison McKinnon B Bus CA

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Laurieton United Services Club Limited

#### Auditor's Responsibilities for the Audit of the Financial Report (continued)

- 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.

#### NorthCorp Accountants



**Rodney Smith**  
Partner

10-12 Short Street  
Port Macquarie NSW 2444  
Dated: 4 September 2019