



ANNUAL REPORT

2020



FOR THE YEAR ENDING
30 JUNE 2020

Batemans Bay Soldiers Club Limited
ACN 001 044 971 ABN 79 001 044 971



*Superb, monthly wine specials
& great beers on tap. Is there a
better reason to get together?*



2020

BATEMANS BAY SOLDIERS CLUB LIMITED

Notice is hereby given that the Annual General Meeting of the Batemans Bay Soldiers Club Limited will be held in the Clubhouse at 11.00AM on Sunday October 25th 2020

OFFICE BEARERS 2019-2021

M.J. Mc CASKILL (President), L ARNOULD (Vice President) E. MORELLO, B WHEELER, K BREWSTER, M HERON, H GARVIN, S DANHEL & H KOP.

PATRONS

B. WEMYSS, J. BROOKS

By Order of the Board

P.M. Biddlestone Chief Executive Officer

PLEASE NOTE:

Admission will not be gained after 11.15AM

AGENDA

1. Apologies
2. To confirm the minutes of the last Annual General Meeting
3. To receive and consider the Presidents report.
4. To receive and consider the Financial Statement and the Auditors report.
5. To consider the "Ordinary Resolution" listed on the following pages.
6. To consider Honorariums.
7. To elect Club Patrons
8. To deal with any other business which the meeting may approve and of which due notice has not been given.

Members Please Note

Members are requested to advise the secretary in writing seven (7) days prior to the date of the Annual General Meeting of any query relating to the financial accounts on which further information may be required. Such information will be extracted from the records and be available at the Annual General meeting.

BATEMANS BAY SOLDIERS CLUB LTD ACN 001 044 971

NOTICE OF ORDINARY RESOLUTION

To be considered at the Annual General Meeting

NOTICE is hereby given that at the Annual General Meeting of the Batemans Bay Soldiers Club Limited to be held on Sunday October 25th 2020 commencing at the hour of 11AM at the premises of the Club the Members will be asked to consider and if thought fit pass the following resolution which is proposed as an Ordinary Resolution.

ORDINARY RESOLUTION

That, pursuant to the Registered Clubs ACT the Members hereby approve and agree that Directors of the Club shall be entitled to receive the following benefits during the period commencing from the conclusion of the Annual General Meeting in 2020 and ending with the commencement of the Annual General Meeting in the year 2021.

- (i) The provision of reasonable refreshments and light supper for Directors at Board meetings.
- (ii) The provision of a uniform being a Club Blazer and associated apparel for the use

- of Club Directors when attending Board meetings or when representing the Club.
- (iii) The provision for two dinners per annum for Directors and invited guests of the Board of Directors.
 - (iv) The reasonable cost of Directors attending the Annual General Meeting of Clubs NSW provided such attendances are approved by the Board as being necessary for the betterment of the Club.
 - (v) The reasonable cost of Directors attending regional Clubs NSW meetings, trade displays, seminars and other similar events.
 - (vi) The reasonable cost of Directors attending other Registered Clubs for the purpose of viewing or assessing their facilities and their method of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.

By Direction of the Board July 2020

P. M Biddlestone
Chief Executive Officer

NOTES TO MEMBERS

1. In order to be passed the above-mentioned Ordinary Resolution must receive votes from a simple majority of those Members who being able to do so are present and voting at the meeting. All Members who are eligible to vote for the Board of the Club are entitled to vote on the above Ordinary Resolution.
2. The Ordinary Resolution must be considered as a whole and cannot be altered by motions from the floor of the meeting.
3. The benefits referred to in the Ordinary Resolution are available only to the elected Directors of the Club and not to the Members generally

CLUB PROPERTY

Pursuant to Section 41J (2) of the Registered Clubs Act for the financial year ended June 30th 2018:

a) The following properties are core property of the Club:

1. The licensed premises at Beach Rd Batemans Bay
2. The car park facilities at Flora Cres, Batemans Bay (Excluding the car park facilities declared as non-core property at the Annual General Meeting held in 2008 shaded on the plan set out in the attached schedule).

b) The following properties are non-core property of the Club:

1. Bay Soldiers Esplanade Motor Inn, at 23 Beach Rd Batemans Bay.
 2. Vacant Land at 4 Museum Place Batemans Bay.
 3. Baylink Office Building. (3 Flora Crescent)
1. Section 41J(2) of the Registered Clubs Act requires the Annual Report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
 2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) the defined premises of the Club, or
 - (b) any facility provided by the Club for use of its Members and their guests; or
 - (c) any other property declared by a resolution passed by a majority of the Members present at a General Meeting of Ordinary Members of the Club to be core property of the Club.
 3. Non-core property is any other property (other than that referred to above as core property) and any property which is declared by the Members at a General Meeting of Ordinary Members of the Club not to be core property.
 4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at General Meeting of the Ordinary Members of the Club at which the majority of the votes cast support the approval;
 - (c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
 5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by section 41J itself. For example, the requirements in paragraph 4 above, amongst other things, do not apply to;
 - ☒ Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer; or
 - ☒ Core property that is leased or licensed to a telecommunications provider for the purpose of a telecommunication tower.
 6. Non-core property is not subject to the limitations referred to in paragraph 4 and 5 above and can be disposed of without the Club having to follow the procedure referred to in paragraph 4 above.

SCHEDULE

PRESIDENTS REPORT

It is my pleasure to present my 24th report and the 49th annual report to Members, on the year in review 2019 - 20.

This has been a year that quite frankly we would all like to forget, I want to thank our members and dedicated team of staff who through adversity and despair at times, showed the strength and passion to support each other in the spirit that our club has been built on. Every person involved in the club has been affected in some way, and these past events will have a lasting impact on us all and our future. These difficulties have allowed the club to do what clubs do best and that is support our community as best we can, it also allows us to act swiftly and meet the challenges at hand, all whilst operating this vast business model. Our club has suffered financially but gained spiritually and in strength with the support of the staff team and members alike we will rise to the challenges ahead.

Our club has morphed into a changed venue and distinctively different service model, in a "Best Practice" Covid -19 safe model, in the ongoing effort to keep us all safe whilst enjoying the clubs facilities and also keep our dedicated team of staff safe in the work place. I want to thank Paul Biddlestone (CEO) and Matthew Edwards (Ops Mgr) and all the club staff who worked during the shutdown to make the necessary changes to meet the social distancing requirements, this was a massive challenge and without their vision and dedication we would have been in a very different situation upon re-opening on the 1st of June 2020.

I want to thank my fellow Board Members' contribution during the year, many hours are given freely ensuring that Board is active in the management and direction of the business groups success in light of such a difficult time for all. I want to especially thank management and staff for their positive attitude, dedication in driving the businesses through the most difficult period in our clubs history, what they have endured over the past 12 months would have been overwhelming for most, yet they have achieved such a great result in keeping the club moving forward and in creating a safer future for us all.

On the year in review 2019 - 20. The operational surplus after tax is \$1,736,541 a very pleasing outcome and puts the Club in a very strong financial position moving forward. Taxes and duty's paid to Local, State and Federal Governments amounted to \$2.2 million and wages of \$3.8 million. Debt reduction is a prime financial focus with debt reduction for 2021 being more than \$4,000,000 and we plan to be debt free by the middle of 2023. Our community support has grown to over \$180,000 in cash and \$87,000 in kind donations to our local community.

Many thanks to our Club Members for their ongoing support, I trust that you will all continue to enjoy our safe environment, great amenities, and the wonderful hospitality our fine club has to offer.

M.J. (John) McCaskill
President

BATEMANS BAY SOLDIERS CLUB FISHING CLUB

2020 has certainly been a very trying year for the Batemans Bay Soldiers Club Fishing Club, with Fire, Flood and Covid 19 all impacting on our competitions.

However, it was very pleasing to see our members sticking to their guns (or Fishing Rods) and continuing to support their fishing club.

Congratulations to last season's winners:

Men's Champion	Murray Cooper
Women's Champion	Julie Cooper
Junior Boys Champion	Ridge McPherson
Junior Girls Champion	Heather Gellatly
Sub Junior Boys Champion	Harley D'Evelynes

I was especially proud of the way our club members helped our other local fishing clubs and locals who had lost everything to the fires.

A big thank you to all our sponsors for your continued support in these very difficult times: The Batemans Bay Soldiers Club, Harrys Bait & Tackle, JJ's at the Marina and Shimano. Also thank you to the Board and Staff of the Batemans Bay Soldiers Club.

To the committee and members of our fishing club, thank you for all your hard work this year which can only make next year a much better one.

Scotty Connell
President.

BATEMANS BAY RSL AUXILIARY COORDINATOR'S REPORT 2020.

Firstly, I would like to thank the Soldiers Club CEO Mr. Paul Biddlestone, the Board of Directors, office staff and executive of Sub-branch for their ongoing support. From this year the Auxiliary is attached directly to the Sub-branch and we are all working well together in raising funds for the welfare and wellbeing of Veterans and their families. The Auxiliary consists of a Coordinator who presides over meetings, Deputy Coordinator Mrs. Anita Barnes who will take on the role of Secretary, Mrs. Noreen Bain takes over fundraising finances which go direct to Sub-branch. We could not function without the support of our members so thank you to each one of them for their contributions. We always warmly welcome new members to the RSL Auxiliary to help in our fund-raising endeavors. I would like to congratulate Mrs. Ruth Field our past President who has been honored with Life membership to the RSL Auxiliary NSW for her hard work over many years which is very well deserved.

Coordinator,
Mrs. Tricia Wheeler.



BATEMANS BAY SOLDIERS' CLUB LIMITED

ANNUAL FINANCIAL REPORT

for the year ended
30th June 2020

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

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Batemans Bay Soldiers Club Limited

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Directors' Report

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

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

Malcolm John McCaskill	Retired Businessman	Club Director 31 years
Ennio Morello	Retired Business Owner	Club Director 22 years
Keith Kauffman	Retired	Resigned 27/10/2019
Leslie Arnould	Retired University Administrator	Club Director 13 years
Brian Wheeler	Retired	Club Director 5 years
Keith Brewster	Retired	Club Director 5 years
Helen Garven	Retired	Club Director 3 years
Sharon Danhel	Retired	Club Director 3 years
Helen Kop	Retired	Appointed 27/10/2019
Robert Routledge	Retired	Appointed 27/10/19
		Resigned 30/4/2020

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

Meeting of Directors

During the financial year, 17 meetings of directors were held. Attendances by each director were as follows:

Director	DIRECTORS' MEETINGS		
	Number Eligible to Attend	Number Attended	Apologies
M.J. McCaskill	15	14	1
B. Wheeler	15	12	3
E. Morello	15	14	1
K. Brewster	15	13	2
K. Kauffman	6	4	2
L. Arnould	15	14	1
R Routledge	6	6	0
S Danhel	15	13	2
H Garven	15	14	1
H Kop	9	9	0

The company's objectives are to provide members and their guests with recreational and social club facilities of the highest quality. In order to achieve these goals the company actively manages and maintains the clubhouse and associated equipment. Also the company pursues a strategy of developing a strong asset base from which long term income streams will be generated. The Motel operation and the Baylink Centre complement this strategy. The revenues provided by these assets will ensure the future availability of funds to meet the company's stated objectives.

The directors have assessed the impact of COVID-19 on the company's performance. A program is in place to reduce costs in line with declining revenues and also to ensure as far as practicable trading operations can continue in accordance with Government mandated regulations. For the financial year ended 30 June 2020 the company received \$576,500 in Federal Government financial assistance.

The company's principal activities during the year were the operation of a licensed club, a motel and commercial rental property. By their nature these activities assist in achieving the company's goals.

Key performance indicators are approved by the Board and reported on by the CEO to the Board on a monthly basis. The key performance indicators include financial and non-financial measures.

The company is limited by guarantee and its Constitution states that, in the event of its winding up, each member is required to contribute a maximum of \$5 towards meeting any outstanding liabilities of the club.

Batemans Bay Soldiers Club Limited

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Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 5 of the financial report.

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



Director: M J McCaskill

Dated this 7th day of September 2020

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

To the Directors of Batemans Bay Soldiers Club Limited

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

GLEESON & PARTNERS



Joseph O'Sullivan

Date: 4th September 2020

Shop 23 Fenning Place
12-18 Orient Street
Batemans Bay NSW 2536

Batemans Bay Soldiers Club Limited

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**Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2020**

	Note	2020	2019
		\$	\$
Revenue	2	14,357,062	15,229,906
Changes in inventories of finished goods		(14,641)	(5,992)
Raw materials and consumables used		(853,691)	(1,008,072)
Employee benefits expense		(3,627,805)	(3,699,890)
Depreciation and amortisation expenses		(2,324,932)	(2,255,774)
Marketing and administration expenses		(4,246,829)	(4,992,994)
Repairs and maintenance expenses		(451,827)	(497,915)
Audit, legal and consulting expenses		(78,778)	(99,182)
Finance costs		(434,002)	(517,751)
Other expenses		(217,995)	(163,624)
Profit before income tax		2,106,562	1,988,712
Income tax expense	4	(330,725)	(443,596)
Profit for the year		1,775,837	1,545,116
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,775,837	1,545,116

The accompanying notes form part of these financial statements.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

**Statement of Financial Position
as at 30 June 2020**

	Note	2020	2019
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	7,159,845	4,697,674
Trade and other receivables	6	214,721	16,124
Inventories	7	56,193	70,834
Other assets	8	252,315	80,885
Total Current Assets		<u>7,683,074</u>	<u>4,865,517</u>
Non-Current Assets			
Property, plant and equipment	9	<u>35,046,628</u>	<u>36,905,251</u>
Total Non-Current Assets		<u>35,046,628</u>	<u>36,905,251</u>
Total Assets		<u>42,729,702</u>	<u>41,770,768</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	10	511,924	563,460
Borrowings	11	8,800,000	720,000
Provisions	12	758,170	665,998
Current tax liabilities	13	57,292	134,831
Total Current Liabilities		<u>10,127,386</u>	<u>2,084,289</u>
Non-Current Liabilities			
Borrowings	11	-	8,860,000
Total Non-Current Liabilities		<u>-</u>	<u>8,860,000</u>
Total Liabilities		<u>10,127,386</u>	<u>10,944,289</u>
Net Assets		<u>32,602,316</u>	<u>30,826,479</u>
EQUITY			
Retained earnings		<u>32,602,316</u>	<u>30,826,479</u>
Total Equity		<u>32,602,316</u>	<u>30,826,479</u>

The accompanying notes form part of these financial statements.

Batemans Bay Soldiers Club Limited

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**Statement of Changes in Equity
for the year ended 30 June 2020**

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	29,281,363	29,281,363
Comprehensive Income		
Profit for the year	1,545,116	1,545,116
Other comprehensive income for the year	-	-
Balance at 30 June 2019	30,826,479	30,826,479
Balance at 1 July 2019	30,826,479	30,826,479
Comprehensive Income		
Profit for the year	1,775,837	1,775,837
Other comprehensive income for the year	-	-
Balance at 30 June 2020	<u>32,602,316</u>	<u>32,602,316</u>

The accompanying notes form part of these financial statements.

Batemans Bay Soldiers Club Limited

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Statement of Cash Flow**for the year ended 30 June 2020**

	Note	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from customers		15,108,309	16,725,299
Government grant and subsidy		377,000	-
Payments to suppliers and employees		(10,921,911)	(11,856,521)
Interest received		14,523	34,155
Finance costs		(434,002)	(511,744)
Income tax paid		(408,264)	(410,417)
Net cash provided by operating activities		<u>3,735,655</u>	<u>3,980,772</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(493,484)	(1,569,504)
Net cash (used in) investing activities		<u>(493,484)</u>	<u>(1,569,504)</u>
Cash flows from financing activities			
Repayment of borrowings		(780,000)	(3,229,403)
Net cash (used in) financing activities		<u>(780,000)</u>	<u>(3,229,403)</u>
Net increase/(decrease) in cash held		2,462,171	(818,135)
Cash at beginning of financial year		4,697,674	5,515,809
Cash at end of financial year	5	<u>7,159,845</u>	<u>4,697,674</u>

The accompanying notes form part of these financial statements.

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

Batemans Bay Soldiers Club Limited applies Australian Accounting Standards- Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

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*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

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.

The financial statements were authorised for issue on 7 September 2020 by the directors of the company.

Accounting Policies

a. Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In the event that the Club is unable to continue as a going concern, the Club may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The going concern basis has been used notwithstanding the impact on the Club of COVID-19. If trading conditions do not substantially return to pre COVID levels by quarter four in the 2021 calendar year and Government financial assistance has ceased the Club may be forced to realise assets at below their financial statement carrying amount. During the financial year ended 30 June 2020 the Club received \$576,500 in Federal Government financial assistance.

b. Revenue

Revenue Recognition

The Company has applied AASB 15 : *Revenue from Contracts with Customers* (AASB 15) and AASB 1058 : *Income of Not-for-Profit Entities* (AASB 1058). There is no impact on the company's financial statements from applying these new standards and accordingly no adjustment to the opening balance of equity at 1 July 2019 was required. The comparative information has not been restated and continues to be presented under AASB 118 : *Revenue* and AASB 1004 : *Contributions*.

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Subscriptions revenue is recognised as received.

Interest revenue is recognised as received.

Rent revenue is recognised as received.

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

c. Inventories

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

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Notes to the financial statements for the year ended 30 June 2020

d. **Property, Plant and Equipment**

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

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2 – 5%
Plant and equipment	5 – 100%

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

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 included in the statement of comprehensive income.

e. **Leases**

The Company as lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects

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Notes to the financial statements for the year ended 30 June 2020

that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company as lessor

The Company leases a building to external parties.

Upon entering into each contract as a lessor, the Company assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Company's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Company uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

Refer Note 21.

f. Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are timeframes established by marketplace convention.

Financial instruments are initially measured at cost. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at cost.

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are measured at cost.

g. 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 recognised in profit or loss.

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

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.

h. Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render related service, including wages, salaries and

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for the other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligation for long-term employee benefits are presented as a non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer the settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

i. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

j. **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 cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. **Income Tax**

The income tax expense for the year comprises current income tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax assets are therefore measured at the amounts expected to be recovered from the relevant taxation authority.

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 will be recognised from the initial recognition of an asset or liability, excluding a business combination, 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 substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2020

l. 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

n. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. Borrowing Costs

Borrowing costs are recognised in income in the period in which they are incurred.

p. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment charge has been recognised in respect of any asset for the year ended 30 June 2020.

Key judgements – Provision for Impairment of Receivables

The directors believe that the full amount of the receivables is recoverable and no provision for impairment of receivables has been made at 30 June 2020.

New and amended Accounting Standards

The Company has adopted AASB 16 : *Leases*, AASB 15 : *Revenue from Contracts with Customers* and AASB 1058 : *Income of Not-for-Profit Entities* and determined there to be no effect on the current or prior period financial statements.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2020

Note 2: Revenue and Other Income

	Note	2020 \$	2019 \$
Sales Revenue			
- sales revenue		3,107,664	3,552,064
- poker machine revenue		7,562,636	8,730,637
- members subscriptions		53,912	62,987
- auditorium takings		136,763	101,986
- commissions received		185,754	215,269
- bingo revenue		9,781	12,351
- rents received		2,198,218	2,191,642
- conference room fees		175,421	248,895
- other income		48,563	78,115
- insurance recovery		287,327	1,805
		<u>13,766,039</u>	<u>15,195,751</u>
Other Revenue			
- interest received	2a	14,523	34,155
- government cash boost		50,000	-
- jobkeeper subsidy		526,500	-
Total Revenue		<u>14,357,062</u>	<u>15,229,906</u>

a. Total interest revenue on financial assets
not at fair value through profit or loss.

14,523	34,155
--------	--------

Note 3: Profit for the year

a. Expenses

	2020 \$	2019 \$
Cost of sales	868,332	1,014,064
Interest expense on financial liabilities not at fair value through profit or loss	434,002	517,751
Loss on disposal of property plant and equipment	5,020	4,452

Note 4: Income Tax Expense

a. The components of tax expense/(income) comprise:

	2020 \$	2019 \$
Current tax	336,584	370,466
Under-provision in respect of prior year	-	73,130
Over-provision in respect of prior year	(5,859)	-
	<u>330,725</u>	<u>443,596</u>

b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019:27.5%)	579,305	546,896
Add:		
Tax effect of:		
- under-provision for income tax in prior year	-	73,130
	<u>579,305</u>	<u>620,026</u>
Less:		
Tax effect of:		
- non-assessable mutual income	242,721	176,430
- over-provision for income tax in prior year	5,859	-

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

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Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2020

Note 4: Income Tax Expense (continued)

Income tax attributable to company	330,725	443,596
	2020	2019
	\$	\$

The applicable weighted average effective tax rates are as follows: 16% 22%

The decrease in the weighted average effective tax rate for 2020 is a result of an increase in non-assessable income

Note 5: Cash and Cash Equivalents

	2020	2019
	\$	\$
CURRENT		
Cash on hand	610,250	610,250
Cash at bank	6,549,595	4,087,424
	<u>7,159,845</u>	<u>4,697,674</u>

Note 6: Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	15,221	16,124
Other receivables	199,500	-
Provision for impairment	-	-
	<u>214,721</u>	<u>16,124</u>

Note 7: Inventories

	2020	2019
	\$	\$
CURRENT		
At cost		
- Bar Stock	56,193	70,834
	<u>56,193</u>	<u>70,834</u>

Note 8: Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	252,315	80,885
	<u>252,315</u>	<u>80,885</u>

Note 9: Property, Plant and Equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land at:		
- cost	5,105,480	5,105,480
Total land	<u>5,105,480</u>	<u>5,104,480</u>
Buildings at:		
- cost	48,455,244	48,403,856
Less accumulated depreciation	(21,063,309)	(19,677,621)
Total buildings	<u>27,391,935</u>	<u>28,726,235</u>
Total land and buildings	<u>32,497,415</u>	<u>33,831,715</u>

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

Note 9: Property, Plant and Equipment (continued)

	2020	2019
	\$	\$
Plant and equipment:		
- at cost	13,680,168	13,568,240
Accumulated depreciation	(11,130,955)	(10,494,704)
Accumulated impairment losses	-	-
	<u>2,549,213</u>	<u>3,073,536</u>
Total plant and equipment	<u>2,549,213</u>	<u>3,073,536</u>
Total property, plant and equipment	<u>35,046,628</u>	<u>36,905,251</u>

The company's land and buildings were valued on 30/06/2020, at \$33,000,000 by directors. Valuations were made on the basis of open market value. The revaluation surplus was not brought to account. The directors believe the carrying amount of the land and buildings does not exceed fair value less costs to sell at 30th June 2020.

a. Movements in Carrying Amounts

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

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Total \$
2020				
Balance at beginning of the year	5,105,480	28,726,235	3,073,536	36,905,251
Additions	-	51,388	449,941	501,329
Disposals	-	-	(35,020)	(35,020)
Depreciation expense	-	(1,385,688)	(939,244)	(2,324,932)
Carrying amount at the end of the year	<u>5,105,480</u>	<u>27,391,935</u>	<u>2,549,213</u>	<u>35,046,628</u>

b. Impairment losses

No impairment losses were incurred during the year.

Note 10: Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Unsecured liabilities		
- Trade payables	100,037	81,423
- Sundry payables and accrued expenses	391,359	466,629
- Deferred income	20,528	15,408
	<u>511,924</u>	<u>563,460</u>

	2020	2019
	\$	\$
a. Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- total current	511,924	563,460
- total non-current	-	-
Net carrying value	<u>511,924</u>	<u>563,460</u>
Less deferred income	<u>20,528</u>	<u>15,408</u>
Financial liabilities as trade and other payables	<u>491,396</u>	<u>548,052</u>

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

Note 11: Borrowings

	Note	2020 \$	2019 \$
CURRENT			
Bank loan secured	11c,d	8,800,000	720,000
		<u>8,800,000</u>	<u>720,000</u>
NON-CURRENT			
Bank loan secured	11c,d	-	8,860,000
		<u>-</u>	<u>8,860,000</u>

a. Total current and non-current secured liabilities:

Bank loan	8,800,000	9,580,000
	<u>8,800,000</u>	<u>9,580,000</u>

b. The carrying amounts of non-current assets pledged as security are:

	2020 \$	2019 \$
First mortgage		
- Freehold land and buildings	32,497,415	33,831,715
	<u>32,497,415</u>	<u>33,831,715</u>

c. The bank loan is secured by a registered first mortgage over the freehold properties of the company and a fixed and floating charge over all other assets of the company.

d. The bank loan comprises a fixed rate bill facility with an interest rate of 2.54%. This is an interest only facility that expires 02/10/2020 and accordingly is recorded as a current liability. The total amount of the loan is subject to line and commitment fees of 2.30%.

Note 12: Provisions

	2020 \$	2019 \$
CURRENT		
Provision for employee benefits:		
Annual leave	293,123	244,803
Provision for employee benefits:		
Long service leave	328,460	308,863
Provision for employee benefits:		
Sick leave	136,587	112,332
	<u>758,170</u>	<u>665,998</u>

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

Note 12: Provisions (continued)

	2020 \$	2020 \$
	Employee Benefits	Total
Analysis of total provisions:		
Opening balance at 1 July 2019	665,998	665,998
Additional provisions raised during the year	296,231	296,231
Amounts used	(204,059)	(204,059)
Balance at 30 June 2020	758,170	758,170

Provision for Employee Benefits

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

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements and the amounts accrued for sick leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave, long service leave or sick leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

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

In calculating the present value of future cash flows in respect of long service, the probability of long service being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(h).

Note 13: Tax

	2020 \$	2019 \$
CURRENT		
Income tax payable	57,292	134,831
	<u>57,292</u>	<u>134,831</u>

Note 14: Capital and Leasing Commitments

There are no finance lease or capital expenditure commitments.

Note 15: Contingent Liabilities and Contingent Assets

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

	2020 \$	2019 \$
<i>Contingent Liabilities</i>		
Club Promotions Bonus Point	20,531	25,995

Note 16: Events After the Reporting Period

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 state of affairs of the company in future financial years.

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

Note 17: Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2020	2019
	\$	\$
Key management personnel compensation	208,942	222,136

Note 18: Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

There were no related party transactions during the year.

Note 19: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and bank loans.

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

	Note	2020	2019
		\$	\$
FINANCIAL ASSETS			
Financial assets at amortised cost:			
- cash and cash equivalents	5	7,159,845	4,697,674
- loans and receivables	6	214,721	16,124
		<u>7,374,566</u>	<u>4,713,798</u>
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost:			
- trade and other payables	10	491,396	548,052
- borrowings	11	8,800,000	9,580,000
		<u>9,291,396</u>	<u>10,128,052</u>

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

Note 20: Operating Segments

Segment Information

Identification of reportable segments

The company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Types of products and services by segments

The club, located in Batemans Bay provides members and their guests with amenities and facilities usually associated with a social club. The club also operates a Motel in Batemans Bay which is a separate operation to the club and this provides the usual facilities associated with a motel. The club has constructed a commercial building that is leased to various parties.

Basis of accounting for purposes of reporting by operating segments

a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the company.

b. Inter-segment transactions

An internally determined transfer price is set for any inter-segment sales.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the company.

c. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

d. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment.

i. Segment performance

	Licensed Club	Motel	Baylink	Total
	\$	\$	\$	\$
30 June 2020				
Income				
Revenue	11,178,196	1,062,093	2,116,773	14,357,062
Total Income	11,178,196	1,062,093	2,116,773	14,357,062
Segment net profit/(loss) before tax	834,179	286,208	986,175	2,106,562
30 June 2019				
Income				
Revenue	11,969,638	1,143,495	2,116,773	15,229,906
Total income	11,969,638	1,143,495	2,116,773	15,229,906
Segment net profit/(loss) before tax	763,132	250,787	974,793	1,988,712

Batemans Bay Soldiers Club Limited

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Notes to the financial statements for the year ended 30 June 2020

Note 20: Operating Segments (continued)

ii. Segment assets

	Licensed Club \$	Motel \$	Baylink \$	Total \$
30 June 2020				
Segment assets				
Current	7,629,918	48,909	4,247	7,683,074
Non-current	18,879,325	2,568,620	13,598,683	35,046,628
	26,509,243	2,617,529	13,602,930	42,729,702
30 June 2019				
Segment assets				
Current	4,761,547	99,504	4,466	4,865,517
Non-current	20,113,819	2,755,535	14,035,897	36,905,251
	24,875,366	2,855,039	14,040,363	41,770,768

iii. Segment liabilities

	Licensed Club \$	Motel \$	Baylink \$	Total \$
30 June 2020				
Segment liabilities				
Current	1,277,201	49,484	8,800,701	10,127,386
Non-current	-	-	-	-
	1,277,201	49,484	8,800,701	10,127,386
30 June 2019				
Segment liabilities				
Current	1,326,488	35,568	722,233	2,084,289
Non-current	-	-	8,860,000	8,860,000
	1,326,488	35,568	9,582,233	10,944,289

Note 21: Baylink Lease

The company has leased the building to a Federal Government Agency for a nine year period terminating November 2020.

The rental income is fixed over the term of the lease at \$2,116,773 per annum. The lease provides for a four year option followed by a further four year option to be exercised at the discretion of the lessee.

Note 22: Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the club is wound up, the Company's Constitution states that each member is required to contribute a maximum of \$5 towards meeting any outstanding liabilities of the club. At 30 June 2020 the number of members was 11,792.

Batemans Bay Soldiers Club Limited

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 22, satisfy the requirements of the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements applicable to the company; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director: M J McCaskill

Dated this 7th day of September 2020



Independent Auditor's Report to the members of Batemans Bay Soldiers Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Batemans Bay Soldiers Club Limited (the company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Batemans Bay Soldiers Club Limited 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 2020 and of its financial performance for the year then ended; and
- (ii) 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Batemans Bay Soldiers Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

J.P. O'Sullivan – CPA



Gleeson & Partners is a
CPA practice

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Liability limited by a scheme
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Standards Legislation.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the following matter. As disclosed in Note 1(a), the financial statements have been prepared on the basis that the company is a going concern. Despite the impact of COVID-19 on the operations of the company, the directors have determined that the company is a going concern. This is based on the expectation of a return to pre COVID trading conditions by quarter four in the 2021 calendar year, or in the absence of such trading continuing government financial assistance, as well as the ongoing support from its members, creditors and lenders. If the company is unable to continue as a going concern it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

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 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the 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 the 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.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

- 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.

GLEESON & PARTNERS



Joseph P. O'Sullivan

Dated this 7th day of September 2020

Shop 23 Fenning Place
12-18 Orient Street
Batemans Bay NSW 2536

2020



*Sharing special moments with
special people*


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