



MURWILLUMBAH
SERVICES CLUB

48th Annual Report

2020

CEO & PRESIDENT REPORT

Dear Members

It is with great pleasure we present to you the Club's Forty Eighth Annual report for the financial year ending 30th of June 2020.

What a historic year! On the 23rd March 2020 the Federal Government, in its early response to COVID 19, shut down many industries including the club industry across the entire country. These actions were unprecedented. Not since the Spanish Flu, some one-hundred years ago, has a government needed to take such drastic measures. We are in midst of a historic pandemic that will be spoken of in the decades ahead.

The 23rd March 2020 will be etched in our history and the club's DNA forever, as this was the date where we shut the club down for 70 days, the first time in our 70 year history, and on this same day the Club stood down 35 employees. Shortly after the shutdown the government advised of its Jobkeeper Scheme, which allowed the club to retain 27 employees on this government funded scheme for 6 months, along with the Cashflow Boost grant. The State government allowed the club industry to re-open on the 1st June 2020, under very strict conditions. The swift actions of all levels of government are to be commended.

The year in review has seen your club continue to trade from a strong financial position, notwithstanding the club being closed for 70 days. Our financial results are impressive given the enormous challenges faced by our members, guests, suppliers, trade partners and community, with a Net Profit or bottom-line profit of \$402,171.00 - a 30% increase on last year's result. Our membership reached new highs this year of 8,500 at the end of June 2020, an increase of 750 new members in 12 months.

We were able to complete our refurbishments during the shutdown that includes 2 new bars, a brand-new set of male and female toilets, along with a new disabled toilet and access ramp into the club. The club installed an additional 170 solar panels on the roof adding an additional 66 kilowatts of capture, the savings of over \$1,500 a month are substantial financially and environmentally.

Our Community grants program, off the back of our successful financial results, was able to provide in-excess of \$50,000 in funding to our community over the last 12 months. The Club was able to support many smaller projects and not-for-profit community groups via financial contributions and in-kind support. The grants program is only made possible by the Club being financially successful and strong.

The year ahead will see the Club continue to focus on providing our members, guests, and community a COVID safe venue, along with providing a safe workplace for our valued staff.

To our members and community, thank you for your on-going support of our Club. To those that have lost loved ones throughout the year, we tender our sincere condolences and to those that are at ill at home or elsewhere, we wish you a speedy recovery.

On behalf of the Board, Management and Staff, we would like to wish you and your families a Merry Christmas and a happy, healthy 2021.

Warm Regards

Guy Diven
CEO

Brian Everett
President

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS' REPORT

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

Directors

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

Lindsay Howard-Smith (resigned 29/11/2019)	Brian John Everett
Chris Chrisostomos	Robert James Kaehler
Ron Bossink	Patricia Lucas

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

Principal Activities

The principal activities of the Company are that of a Services Club.

The short term strategy for the company is to further consolidate our financial position and market share, whilst maintaining first class facilities and customer service that meets the needs of our current membership and community. The Board and Management are committed to provide a safe, secure and rewarding workplace for our employees. The Board is also committed to maintaining the highest standards with regards to financial reporting and corporate governance.

The long term strategic objectives of the company are to conduct the business affairs in a sound, ethical and responsible manner ensuring that we remain relevant to our membership and the community.

The primary strategies to achieve our objectives are through further development of our Strategic plan, execution of that plan through sound financial management and corporate governance. The Club will continue to be managed in a manner that is proactive to the conditions that it operates in to ensure that our goals and objectives are achieved for the betterment of our membership and community.

COVID 19

During the year the World Health Organisation declared a global pandemic. As a result the Australian Government imposed strict restrictions on Registered Clubs imposing a forced closure. These restrictions were eased in June 2020. The Murwillumbah Services Memorial Club Ltd was unable to trade between 23 March 2020 and 1 June 2020.

The Club has received Federal Government support via Cashflow Boost Grant and Jobkeeper. At the time of reporting the Club did not meet the criteria for qualifying for Jobkeeper 2.0.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

INFORMATION ON DIRECTORS

NAME	OCCUPATION	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITY
Brian John EVERETT	DRIVER	MEMBER OF BOARD SINCE 22/10/02 MEMBER DIRECTORS' INSTITUTE OF NSW	PRESIDENT SECRETARY OF CLUBS NSW FAR NORTH COAST REGION
Lindsay HOWARD-SMITH (resigned 29/11/2019)	RETIRED BUSINESSMAN	MEMBER OF BOARD SINCE 27/09/93 MEMBER DIRECTORS' INSTITUTE OF NSW	VICE PRESIDENT STATE COUNCILLOR CLUBS NSW
Robert James KAEHLER	SELF EMPLOYED	MEMBER OF BOARD SINCE 30/10/06 MEMBER DIRECTORS' INSTITUTE OF NSW	DIRECTOR
Chris CHRISOSTOMOS	RETIRED REAL ESTATE AGENT	MEMBER OF BOARD APPOINTED 27/10/08 MEMBER DIRECTORS' INSTITUTE OF NSW	DIRECTOR
Ron BOSSINK	RETIRED	MEMBER OF BOARD APPOINTED 26/02/16 MEMBER DIRECTORS' INSTITUTE OF NSW	DIRECTOR
Patricia LUCAS	RETIRED TEACHER/CONSULTANT	MEMBER OF BOARD APPOINTED 23/03/2018 MEMBER DIRECTORS' INSTITUTE OF NSW	DIRECTOR

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Meeting of Directors

During the financial year, 12 ordinary meetings and special meetings of directors were held. Attendances by each director were as follows:

DIRECTORS' MEETINGS

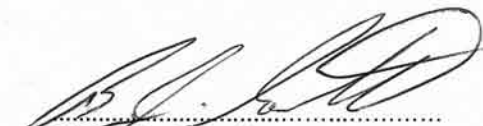
Name	Number Eligible to attend	Number attended
Brian John EVERETT	12	12
Lindsay HOWARD-SMITH (resigned 29/11/2019)	4	3
Robert James KAEHLER	12	12
Chris CHRISOSTOMOS	12	12
Ron BOSSINK	12	11
Patricia LUCAS	12	12


The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$1.00 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that members are liable to contribute if the Club is wound up is \$8,253 (2019: \$7,662).

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 at Murwillumbah
this 16th day of October 2020
in accordance with a resolution
of the Board of Directors:


.....
Brian John Everett
Director


.....
Robert Kaehler
Director

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS' DECLARATION

The directors of the Club declare that:


1. The financial statements and notes, as set out on pages 9 to 29, are in accordance with the Corporations' Act 2001 and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements applicable to the Club; and
 - (b) give a true and fair view of the financial position of the Club as at 30 June 2020 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Club 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

Dated this 16th day
of October 2020 at
Murwillumbah



.....
Brian John Everett
Director



.....
Robert Kaehler
Director

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
MURWILLUMBAH SERVICES MEMORIAL CLUB LTD**

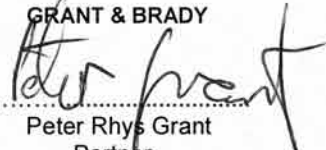
I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

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

16/10/2020

107-111 Main Street
MURWILLUMBAH NSW 2484

GRANT & BRADY



Peter Rhys Grant
Partner

and Registered Company Auditor

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

**Report on the financial report
Opinion**

We have audited the accompanying financial report of Murwillumbah Services Memorial Club Ltd, which comprises the statement of financial position as at 30 June 2020, the statement of profit and 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 Murwillumbah Services Memorial Club Ltd 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 Murwillumbah Services Memorial Club Ltd, 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.

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.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (cont.)

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.
- 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.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (cont.)

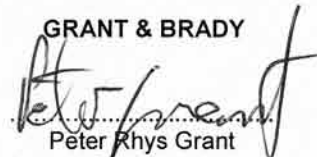
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

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.

16/10/2020

107-111 Main Street
MURWILLUMBAH NSW 2484

GRANT & BRADY



Peter Rhys Grant
Partner

and Registered Company Auditor

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

		2020 -----	2019 -----
Sales revenue		1,876,529	2,390,570
Cost of sales		(699,215)	(876,501)
Gross Profit		1,177,314	1,514,069
Poker Machines – Net Revenue		2,891,365	3,139,998
Other income		727,710	461,419
Employee benefits expense		(1,806,177)	(1,998,755)
Depreciation & amortisation expense		(671,053)	(658,146)
Borrowing costs		(7,566)	(9,397)
Other expenses		(1,912,609)	(2,141,719)
Profit/(loss) before income tax	Note 3	398,984	307,469
Income tax expense/(benefit)	Notes 4 & 10	(3,187)	(1,868)
Profit/(Loss) for the year		\$402,171 =====	\$309,337 =====
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
Total Other Comprehensive Income for the Year, net of tax		----- -	----- -
Total Comprehensive Income for the Year		402,171 =====	309,337 =====
Profit attributable to members of the company		402,171	309,337
Total comprehensive income attributable to members of the company		402,171	309,337

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

		2020	2019
		-----	-----
CURRENT ASSETS			
Cash and cash equivalents		425,439	1,112,348
Trade and other receivables	Note 5	3,611	7,307
Inventories	Note 6	33,287	31,553
Other current assets	Note 7	182,009	28,560
		-----	-----
TOTAL CURRENT ASSETS		644,346	1,179,768
		-----	-----
NON-CURRENT ASSETS			
Property, plant and equipment	Note 8	10,857,893	9,578,740
Other non-current assets	Note 9	47,273	59,505
Deferred Tax Assets	Note 10	112,710	109,523
		-----	-----
TOTAL NON-CURRENT ASSETS		11,017,876	9,747,768
		-----	-----
TOTAL ASSETS		11,662,222	10,927,536
		-----	-----
CURRENT LIABILITIES			
Trade and other payables	Note 11	1,028,534	656,492
Borrowings	Note 12	60,674	118,821
Short-term provisions	Note 13	192,655	175,723
Other current liabilities	Note 14	49,050	52,108
		-----	-----
TOTAL CURRENT LIABILITIES		1,330,913	1,003,144
		-----	-----
NON-CURRENT LIABILITIES			
Borrowings	Note 12	46,641	22,649
Long-term provisions	Note 13	45,036	64,282
		-----	-----
TOTAL NON-CURRENT LIABILITIES		91,677	86,931
		-----	-----
TOTAL LIABILITIES		1,422,590	1,090,075
		-----	-----
NET ASSETS		\$10,239,632	\$9,837,461
		=====	=====
EQUITY			
Retained earnings		5,130,741	4,728,570
Reserves	Note 15	5,108,891	5,108,891
		-----	-----
TOTAL EQUITY		\$10,239,632	\$9,837,461
		=====	=====

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED**ABN 38 001 059 383****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 JUNE 2020**

	Retained Earnings	Capital Reserve	Revaluation Surplus	Capital Profit Reserve	Total
Balance at 30 June 2018	<u>\$4,419,233</u>	<u>\$2,452,970</u>	<u>\$2,584,504</u>	<u>\$71,417</u>	<u>\$9,528,124</u>
Comprehensive Income for the year Profit for the year	309,337	-	-	-	309,337
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year attributable to members of the Company	<u>309,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,337</u>
Balance at 30 June 2019	<u>\$4,728,570</u>	<u>\$2,452,970</u>	<u>\$2,584,504</u>	<u>\$71,417</u>	<u>\$9,837,461</u>
Comprehensive Income for the year Profit for the year	402,171	-	-	-	402,171
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year attributable to members of the Company	<u>402,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,171</u>
Balance at 30 June 2020	<u>\$5,130,741</u>	<u>\$2,452,970</u>	<u>\$2,584,504</u>	<u>\$71,417</u>	<u>\$10,239,632</u>

Asset Revaluation Reserve:

The asset revaluation reserve records revaluations of non-current assets.

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	-----	-----
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	4,986,698	5,931,755
Receipts from government subsidies	224,000	-
Payments to suppliers, employees and patrons	(4,368,331)	(5,113,150)
Interest received	9,790	16,538
Finance costs	(7,566)	(9,397)
GST Received	478,364	560,013
GST Paid	(478,364)	(560,013)
	-----	-----
Net cash generated from operating activities	844,591	825,746
	-----	-----
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipment	54,919	47,915
Purchase of property, plant and equipment	(1,552,264)	(560,724)
	-----	-----
Net cash flow generated from/(used in) investing activities	(1,497,345)	(512,809)
	-----	-----
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(34,155)	(147,568)
	-----	-----
Net cash generated from/(used in) financing activities	(34,155)	(147,568)
	-----	-----
Net increase (decrease) in cash held	(686,909)	165,369
Cash and cash equivalents at beginning of the financial year	1,112,348	946,979
	-----	-----
Cash and cash equivalents at the end of the financial year	\$425,439	\$1,112,348
	=====	=====

NOTES TO THE CASH FLOW STATEMENT

- (a) Reconciliation of Cash
For the purposes of this statement of cash flows, cash includes:

- (1) Cash on hand, and
(2) Cash at bank in on call deposits net of bank overdrafts.

Cash at 30 June 2020 is shown in the Statement of Financial Position as:

	-----	-----
Cash and cash equivalents	\$425,439	\$1,112,348
	=====	=====

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

(b) Credit Standby Arrangements

The club has credit standby facilities in place as follows:-

1. A charge card facility of \$20,000.

	<u>2020</u>	<u>2019</u>
(c) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	402,171	309,337
Add/(Deduct) : Non-Cash flows		

Amortisation	4,740	4,739
Provision for employee entitlements	(39,344)	(15,774)
Depreciation	666,313	653,406
Net (Profit)/Loss on sale of fixed assets	(37,313)	(43,218)
Changes in assets and liabilities		
(Increase) Decrease in receivables	(148,495)	(2,910)
(Increase) Decrease in inventories	(1,734)	5,413
(Increase) Decrease in prepayments	(1,258)	(1,869)
(Increase) Decrease in deferred tax asset (Note 10)	(3,187)	(1,868)
Increase (Decrease) in GST, withholding & fringe benefits tax payable	(30,038)	8,214
Increase (Decrease) in trade creditors	(59,369)	(76,009)
Increase (Decrease) in subscriptions paid in advance	(3,358)	6,395
Increase (Decrease) in accrued expenses	95,163	(16,150)
Increase (Decrease) in income received in advance	300	(3,960)
	-----	-----
Net cash inflow (outflow) from operations	844,591	825,746
	=====	=====

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Murwillumbah Services Memorial Club Ltd 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 accrual 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 16 October 2020 by the directors of the company.

Accounting Policies

(a) Property, Plant & Equipment

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

Property

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

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

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

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

Property (cont.)

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

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

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 either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	5-40%
Motor Vehicles	25%
Poker machines	16.5-40%
Carpet	12.5%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(b) Inventories

Inventories comprise stock for resale and are measured at the lower of cost and net realisable value.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

(c) 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 the related service, including wages, salaries and 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 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 re-measurement 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 obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.50% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

(d) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred income tax assets are recognised for income tax losses to the extent that it is probable that future tax profits will be available against which those losses can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The income of the Company is assessable for income tax only to the extent that it comprises non-member income calculated under the special provisions applicable to registered clubs under the mutuality principle.

(e) Leases

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

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

(g) Provisions

Provisions are recognised when there is 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.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, 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.

(i) Revenue

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

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Donations and bequests are recognised as revenue when received.

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

(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). The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(k) Comparative Figures

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

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

(I) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(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 amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

Financial Instruments (cont)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

De-recognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period which 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.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into 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.

(o) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

	<u>2020</u>	<u>2019</u>
2. REVENUE AND OTHER INCOME		
Revenue		
Sales Revenue		
- Bars & bottle shop	809,920	1,020,811
- Rivers Restaurant & Coffee Shop	1,066,609	1,369,759
Total Sales Revenue	1,876,529	2,390,570
Other Revenue		
- Poker machine net revenue	2,891,365	3,139,998
- Special days	165,881	216,188
- Subscriptions	25,020	23,194
- Commissions - Keno	70,326	76,904
- Other	43,686	57,206
- Rent	1,382	1,382
- Sundry	34,312	26,789
Total Revenue	5,108,501	5,932,231
Other Income		
- Interest received	9,790	16,538
- Sale of fixed assets	37,313	43,218
- Cash Flow Boost	62,500	-
- Jobkeeper Subsidy	277,500	-
Total Other Income	387,103	59,756
Total Revenue and Other Income	\$5,495,604	\$5,991,987
	=====	=====
3. PROFIT FOR THE YEAR		
a) Expenses:-		
Borrowing costs	7,566	9,397
Depreciation of property, plant & equipment	671,053	658,146
Directors' emoluments - part time directors	16,220	17,500
b) Significant Revenue and Expenses:-		
Interest	9,790	16,538
Net Profit on sale of property, plant & equipment	37,313	43,218
Jobkeeper Subsidy	277,500	-
Increase/(Decrease) in provision for employee entitlements	(38,158)	(15,744)

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

	2020 -----	2019 -----
4. INCOME TAX EXPENSE		
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 27.50% (2019: 27.50%)	109,721 -----	85,581 -----
Less:		
Effect of permanent difference of mutuality principle and the non-deductibility of certain expenses	112,908 -----	87,449 -----
Income Tax Expense/(Benefit) relating to Ordinary Activities Note 10	(3,187) =====	(1,868) =====
The income tax benefit arises as the current year tax loss is expected to be available to reduce income tax payable in future years (Note 10).		
5. TRADE AND OTHER RECEIVABLES		
Trade Receivables	\$3,611 =====	\$7,307 =====
(i) Provision for Impairment of Receivables		
Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No provisions for impairment have been considered necessary.		
6. INVENTORIES		
Finished goods – bar stock & food	\$33,287 =====	\$31,553 =====

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

	2020	2019
	-----	-----
7. OTHER CURRENT ASSETS		
Prepayments	27,044	25,786
GST Receivable	38,965	-
Other receivables	116,000	2,774
	-----	-----
	182,009	28,560
	=====	=====
8. PROPERTY, PLANT AND EQUIPMENT		
Property used in continuing operations		
Land and buildings at fair value:		
- at independent valuation 30/6/17 (2019: 30/6/17)	7,130,000	7,130,000
Group Building additions since valuation – at cost	1,712,483	428,000
Less: accumulated depreciation	282,070	188,000
	-----	-----
Total land and buildings used in continuing operations	8,560,413	7,370,000
	-----	-----
Total land and buildings	8,560,413	7,370,000
	=====	=====
Plant and equipment:		
- at cost	4,913,476	4,879,924
Less: accumulated depreciation	2,293,530	2,679,874
	-----	-----
Total plant and equipment	2,619,946	2,200,050
	-----	-----
Intangibles Software and Game Licences:		
- at cost	57,085	73,531
Less: accumulated amortisation	53,135	64,841
	-----	-----
Total intangibles – software & game licences	3,950	8,690
	-----	-----
Total property, plant and equipment	\$10,857,893	\$9,578,740
	=====	=====

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

(a) Movements in Carrying Amounts

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

2020	Intangibles – Software & Licences	Plant and Equipment	Land and Buildings – used in continuing operations
Balance at the beginning of the year	8,690	2,200,050	7,370,000
Additions at cost	-	683,329	1,284,483
Revaluations	-	-	-
Disposals	-	(17,606)	-
Depreciation/Amortisation expense	(4,740)	(572,243)	(94,070)
	=====	=====	=====
Carrying amount at the end of the year	3,950	2,293,530	8,560,413
	=====	=====	=====

An independent market valuation of the club's core freehold properties at Commercial Road and King Street Murwillumbah was conducted on 30 June 2017 by Geoff Pyman of AON Valuation Services. The fair market value of the land and buildings was \$7,130,000. The directors have adopted these values as at 30 June 2020.

Gaming Machine Entitlements

The Gaming Machine Act 2001 has created gaming entitlements for the Club that have a tradeable value. The Club has 80 gaming entitlements. The value of these entitlements had no cost and has not been brought into account.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

	2020	2019
	-----	-----
9. OTHER NON-CURRENT ASSETS		
Security Deposit	5,000	5,000
Capital Works in Progress	42,273	54,505
	-----	-----
Total Other Non-Current Assets	\$47,273	\$59,505
	=====	=====
10. DEFERRED TAX ASSETS		
Opening Balance	109,523	107,655
Current year (profit)/loss	3,187	1,868
Effect of change in tax rate	-	-
	-----	-----
Total Deferred Tax Assets	112,710	109,523
	=====	=====
The deferred tax asset is represented by tax losses available to reduce taxable income. Refer note 1(d).		
11. TRADE AND OTHER PAYABLES		
Current Liabilities		
GST, withholding & fringe benefits tax payable	32,122	62,160
Trade creditors	455,224	111,277
Employee entitlements	208,048	256,018
Accrued expenses	333,140	227,037
	-----	-----
Total Current Payables	\$1,028,534	\$656,492
	=====	=====
a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total current	1,028,534	656,492
- Total non-current	-	-
	-----	-----
	1,028,534	656,492
Less deferred income	-	-
Less employee entitlements	208,048	256,018
	-----	-----
Financial liabilities as trade and other payables	\$820,486	\$400,474
	=====	=====
12. BORROWINGS		
Current Liabilities		
Term payment facilities - unsecured	60,674	118,821
	-----	-----
Total Short-term borrowings	60,674	118,821
	=====	=====
Non-Current Liabilities		
Long-term borrowings		
- Term payment facilities - unsecured	46,641	22,649
	-----	-----
Total Long-term borrowings	46,641	22,649
	-----	-----
Total Borrowings	\$107,315	\$141,470
	=====	=====
Total secured liabilities	-	-
	=====	=====

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

	<u>2020</u>	<u>2019</u>
13. PROVISIONS	Long-term Employee Benefits	Total
Opening balance as at 1 July 2019	240,005	240,005
Additional provisions raised during the year	29,337	29,337
Amounts used	(31,651)	(31,651)
Balance at 30 June 2020	<u>\$237,691</u>	<u>\$237,691</u>
	=====	=====
Analysis of Total Provisions	<u>2020</u>	<u>2019</u>
Current	192,655	175,723
Non-Current	45,036	64,282
	<u>\$237,691</u>	<u>\$240,005</u>
	=====	=====
Provision for Long-term Employee Benefits		
A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to these financial statements.		
14. OTHER CURRENT LIABILITIES		
Subscription received in advance	39,376	42,734
Other income received in advance	9,674	9,374
	<u>\$49,050</u>	<u>\$52,108</u>
	=====	=====
15. RESERVES		
Revaluation Surplus		
Opening balance	2,584,504	2,584,504
Transfer to Capital Profits Reserve	-	-
Revaluation increases/(decreases) – Land & Buildings	-	-
	<u>\$2,584,504</u>	<u>\$2,584,504</u>
	=====	=====
Closing Balance	<u>\$2,584,504</u>	<u>\$2,584,504</u>
	=====	=====
The revaluation surplus records the revaluations of non-current assets.		
Capital Reserve	<u>\$2,452,970</u>	<u>\$2,452,970</u>
	=====	=====
In accordance with AASB 3 Business Combinations this capital reserve arose from the application of the acquisition method to a business combination. The reserve recognises the surplus of the fair values of the identifiable assets acquired over the associated costs and liabilities assumed.		
Capital Profit Reserve		
Opening balance	71,417	71,417
Transfer from Revaluation Reserve	-	-
Transfer from Retained Earnings	-	-
	<u>\$71,417</u>	<u>\$71,417</u>
	=====	=====
Closing Balance	<u>\$71,417</u>	<u>\$71,417</u>
	=====	=====
The capital profit reserve records the profit on the sale of non-current assets.		
TOTAL RESERVES	<u>\$5,108,891</u>	<u>\$5,108,891</u>
	=====	=====

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

16. KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing and controlling the 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:

Key management personnel compensation	\$197,303	\$224,038
	=====	=====

17. 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 parties unless otherwise stated.

Transactions with related parties were as follows:

Robert Kaehler, a director, provided building and construction services during the year.	5,942	4,656
Chris Chrisostomos, a director, provided disco hire services during the year.	-	300
Total Related Party Transactions	=====	=====
	\$5,942	\$4,956

All transactions made by the directors with the Club are under the same terms and conditions applying to members and other patrons generally.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020 (CONT'D)

18. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases.

The carrying amount for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

		2019	2019
		-----	-----
FINANCIAL ASSETS			
Cash and cash equivalents		425,439	1,112,348
Trade and other Receivables	Note 5	3,611	7,307
		-----	-----
Total Financial Assets		429,050	1,119,655
		=====	=====
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost:			
Trade and other payables	Note 11	820,486	400,474
Borrowings	Note 12	107,315	141,470
		-----	-----
Total Financial Liabilities		927,801	541,944
		=====	=====

Net Fair Values

- (i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (ii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.

19. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure contracted for, at the date of this report, but not recognised in the financial statements:

	2020	2019
	-----	-----
Poker machines	-	-
Solar Panels	-	87,106
	-----	-----
Total Capital Expenditure Commitments	-	87,106
	=====	=====

20. LIMITATION OF MEMBERS LIABILITY

The Club is a Company limited by guarantee and in accordance with the Memorandum of Association the liability of members in the event of the Club being wound up would not exceed \$1.00 per member. At 30 June 2020 the number of members was 8,253 (2019: 7,662 members).

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CORE AND NON-CORE PROPERTY

In accordance with Section 41J(2) of the Registered Clubs Act 1976 the core property and non-core property of Murwillumbah Services Memorial Club Limited as at 30 June 2020 is provided below. This information does not form part of the audited financial accounts.

Core Property

1. The land upon which the main premises of the Club are located in Wollumbin Street, Murwillumbah described as 1/598795
2. The land upon which the Western Carpark in Factory Lane known as 5 King Street, Murwillumbah described as 4/955897 and 1/973049
3. The land upon which the area known as 1 King Street, Murwillumbah described as 1/576041

Non-Core Property

1. The land opposite the main premises of the Club located in Factory Lane known as 7 Factory Lane, Murwillumbah described as 1/960211