

# **Narooma Sporting & Services Club Ltd**

**A.B.N 82 000 997 286**

**Financial & Directors Reports**

**For the Year Ending**

**30<sup>th</sup> June 2020**

## **PRESIDENT'S Report for 2020**

My fellow Members,

The start of 2020 has been horrific. First the devastating bush fires, then flooding and now the Covid 19 pandemic which is still with us. Covid 19 has and is having a major financial impact on the operations of the NSSC. (Narooma Sporting and Services Club)

The NSSC has posted an unaudited profit for 2019 – 2020 of \$53,986. However, this was achieved by subsidies received from the Federal and State Governments in excess of \$720,000. Without this the company would have posted a loss in excess of \$688,000.

Since reopening in June, the financial performance of both clubs has been under the microscope. For trading revenue for July and August 2020 compared to the same period in 2019, Club Narooma is running at 2.5% up while Club Dalmeny is running at 46% down. Unfortunately a large portion of patrons have not returned to patronise Club Dalmeny.

If the current Covid 19 premise restrictions remain in place over the Christmas holiday period, Club Narooma (300 patrons allowed) and Club Dalmeny (100 patrons), then the cash flow lost could cripple the company as Club Narooma caters for 800 seated patrons during that period.

Under the current trading, projected over the next 12 months, Dalmeny is set to lose between \$350,000. and \$400,000. P&L and between \$200,000. and \$250,000. in cash. This is financially unsustainable. The company cannot rely on Club Narooma supporting the financial operations at Club Dalmeny and maintain sufficient cash to pay all expenses associated with the company's operation.

To this end the board has set a KPI (Key Performance Indicator) based on the trading revenue for the period July 2020 to 18<sup>th</sup> January 2021 compared to the same period in 2019. The board accepts that January 2020 was not a good month due to bushfires so the trade figures for January 2019 will be used for January 2020.

Club Dalmeny must achieve at least 80% of the trade revenue for the period July 2020 to January 2020. (January 2019). On January 18<sup>th</sup> 2021 an analysis will be carried out by the Finance Committee of the NSSC. If the KPI is not met, then the board will close the Club on 31<sup>st</sup> January 2021.

This decision has not been taken lightly and it has been the hardest decision I have been associated with in my 16 years as a director. There will be an impact on the local community and in the event that Club Dalmeny did close, then operational adjustments would be made at Club Narooma.

To assist in achieving a positive outcome a series of promotions has been introduced to help remedy the current trade downturn. The promotions have been listed in both Clubs along with a marketing campaign that hopefully will attract current and new members back to Club Dalmeny. The board and management is working hard to turn the current situation around but we need your support if both premises are to remain in operation.

A complete financial progress update will be presented at the AGM.

## **AGM**

Unless there are more restrictions placed on the operations of the company by the Government, the AGM will be held on Sunday 25<sup>th</sup> of October 2020. Also there will be an election for the board for 2 positions as 1 director will drop off as per the constitution changes approved in 2018. Notices are on display in both clubs.

Due to the current Covid 19 restrictions, for the first time there will be limited refreshments after the AGM.

## **Future**

Our long term future depends on Covid 19 and the current restrictions in place being reduced. We are hoping for a further lifting of social restrictions in early December. The key areas to be addressed are:

- Restarting our business after Covid 19
- Turning the current financial position at Club Dalmeny around to achieve its KPI
- Continuing to monitor the performance of Club Narooma
- Reducing the company's reliance on gaming
- Manage the company's loan
- Encourage members to become potential directors

All are critical to the long term financial stability of the NSSC.

Again, on behalf of the board I would like to thank our CEO, senior staff, duty managers and staff for their efforts and support in the very trying times that we have experienced since 31<sup>st</sup> December 2019.

I would also like to take this opportunity to thank all the Directors for their support and input.

Regards,



Graham A. Reeve  
President  
Narooma Sporting and Services Club Limited

[graham@naroomaclub.net.au](mailto:graham@naroomaclub.net.au)

0457 750 677

## TREASURERS REPORT

The Narooma Sporting & Services Club Limited posted a \$42,992 profit for the year ended 30 June 2020 which, in the circumstances of fire, smoke and COVID-19 pandemic, was a remarkable effort. As you know the Narooma and Dalmeny clubs were closed for 10 days from January 1 because of fire, smoke and electricity outages and then by the COVID-19 virus for 2 ½ Months from the 23<sup>rd</sup> March and again in July as a safety measure when a person visiting the club later proved virus positive. I would like to thank our CEO, Tony Casu, for his tireless work during the bushfire crisis and making sure all evacuees had a safe place to turn to.

Government assistance, in the form of Job-Keeper, allowed the clubs to operate even though they traded in difficult circumstances with social distancing and limits on the number of patrons. In addition, remuneration for hosting firefighters during the fire emergency and insurance payments for the loss of goods and trade caused by the electricity outage were the main reasons for the posting of a profit for the year.

Naturally, the club's bars were down on previous years and but still posted a healthy \$1,630,000 in sales.

The clubs net gaming came in at \$4,346,927, understandably well down on last year's trade.

The clubs catering department turned over \$1,640,797 in meals and finished with a \$111,369 trading profit. Having the kitchen run in-house remains a great success for the clubs and the standard of food continues to be a great asset to the clubs. I would like to thank Alex Hallam and the entire kitchen crew who helped to cater for the Firefighters from the 5<sup>th</sup> January until mid-January and who, as always, provide the best meals in town.

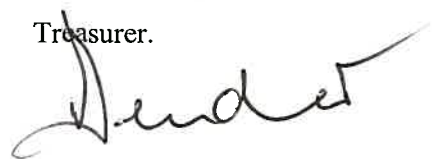
The Narooma Sporting & Services Club Group donated \$72,415 to local groups and charities and just over \$33,850 was donated to affiliated and non-affiliated sporting clubs in the Narooma district.

The NSSC continues to ensure we run our clubs in a manner that has the safety of our members and staff as our number one priority while we introduce incentives to help bring a touch of normality back to our clubs. This was brought out during the bushfire crisis when we had Monica and many of our staff who pitched in to help make our members and other evacuees feel safe throughout the crisis. A big thank you to all of you, you certainly showed dedication above and beyond requirements and was appreciated by our members and community.

I would like to thank the Management, the Staff and my fellow Directors for an excellent job done throughout the 2019/2020 Financial Year.

Warren Bender

Treasurer.

A handwritten signature in black ink, appearing to read 'Bender', written over the printed name 'Warren Bender' and the title 'Treasurer.'.

## **FACILITIES & PLANNING REPORT (BUILDING COMMITTEE)**

I would like to present my first report as Chairman of the Building Committee for the Narooma Sporting & Services Club.

This has been a particularly difficult year for us all however I would like to think our Club has been able to provide support and, in many cases, shelter for those who have required it, particularly during the fires.

Our building projects so far have been mainly smaller upgrades such as replacement of outside tables and inside lights at Club Narooma. During the forced Covid closure, the opportunity was taken to repaint the front smoking area and some internal areas. At Club Dalmeny we replaced old BBQ tables and installed new umbrellas. Required maintenance both inside and outside the Club premises was also continued. A new illuminated sign has been ordered for the front of the Club Dalmeny building.

Our proposed future plans include an extension to the deck at Club Narooma. This will provide an extension to the outdoor poker machine area, with a new solid roof over the existing outdoor smoking area and new front façade. We are also proposing to construct a new building at the rear of the club for storage purposes. This will depend upon Council approvals.

Once again I say that in these difficult circumstances we have strived to maintain club premises that provide our patrons with a comfortable, safe and pleasant environment.

I wish to thank Graham, Tony, Brendan and my fellow Building Committee members for the support throughout the year.

John Rowley  
Chairman  
Facilities & Planning Committee

A handwritten signature in black ink, appearing to read 'J Rowley', is written over a white background.

## SPORTS REPORT

What an unusual year we have had, fires COVID-19 and rain has caused severe disruption to our sporting clubs with the cancellation of all bowls tournaments and carnivals for 2020.

There has been a vast improvement to the bowls greens and croquet courts over the last 12 months and Karl and his team are to be congratulated for their work

Narooma Women's Bowls started of the year with the celebration of 70 Years of Women's' Bowls in Narooma with a special function. It was well attended but due to bad weather on the day we ran an afternoon of fun and fellowship. We have been running a Non-Championship Competition as a substitute which has been very successful and enjoyed by all. Our membership is still strong and dedicated to our bowls and we are all looking forward to 2021 and hoping for the reinstatement of our regular program of events.

Narooma Men's Bowling Club amended and updated the club constitution and club name to Narooma Bowling Club. Introduced new club shirts and funded a new shirt for each of their members and conducted two very successful Jack Attack programs. A very successful charity bowls day for Narooma RFS was held which raised \$3,000. The club also completed their full program of club events and increased the number of qualified umpires within the club.

Dalmeny Women's Bowling Club despite the setbacks, the women have rallied to the greens and are enjoying their games of bowls, the good company and great support from NSSC as we return to a version of normal which is so much better than our Victorian families and friends. They are a keen, active and harmonious bunch of bowlers at Dalmeny.

Dalmeny Men's Bowling Club held the very successful Lakeview Classic Winter Bowles Carnival in August 2019. In November was their twice a year Dalmeny Bowling Club (V) Dalmeny Fishing Club charity fund raiser competition and hosting the Steelers traveling bowlers from Woolongong. In December 2019 they played the annual Lakes Shield Pennants Trial Competition against Tuross Head successfully winning again. 26th of January 2020 they held their annual Australia Day charity fund raiser fun bowls day.

Narooma Croquet Club conducted a successful year of croquet competitions with an active seven-member executive committee. Croquet received increasingly good coverage of match reports by Narooma News. This higher profile of croquet has rekindled interest in participation in the game so providing more competition and events. The club was pleased with the success of the general meeting and the 2020 AGM with attendance of 13 of the 17 members. A sincere thank you goes to retiring President Pauline Wilcock and retiring Secretary Delma Taylor for their long and dedicated service. There are good signs for the future of the club with interest shown by possible new players.

Narooma Fishing Club had to cancel all events over the last year except for the Fresh Water Fishing Competition at Buckenderra on Eucumbene Dam in March and was great fun for those who attended. The club hope to commence competitions in October 2020.



The Dalmeny Fishing Club also had to cancel most events but the Fishing Club area has been improved with the erection of a metal roof covering the slab at the side of the shed and have had lighting installed. The concrete tables in the BBQ area dedicated to original members have been replaced with timber picnic benches.

Tai Chi & Indoor Bowls have both been hit hard with the Covid restrictions and are both awaiting favourable conditions to return to their normal weekly activities.

Despite several sporting competitions being cancelled this year NSSC donated a total of \$34,850 to local sporting clubs.

A handwritten signature in black ink, appearing to read 'Barry Goodwin', with a stylized flourish at the end.

Barry Goodwin  
Sports Director

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2020**



**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

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**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**DIRECTORS' REPORT**

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

**Principal Activities**

The principal activities of the company during the financial year were:

Operation of a licenced club and sports facilities

**Objectives & Strategies**

The short and long term objectives of the company are to provide club facilities to members and guests.

The strategy for achieving these objectives is to conservatively manage and monitor the company's financial position, and ensure that member facilities are kept at the highest of standards.

**Performance Measurement**

The company uses industry accepted financial and non-financial KPI's to monitor performance.

**Membership**

The number of members registered in the Register of Members at 30 June 2020 were as follows:

Members	5,210
Total Members	<u>5,210</u>

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution states that each member is liable to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2020 the collective liability of members was \$10,420 (30 June 2019: \$11,018).

**Directors**

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

**Graham Reeve**

**President**

*Qualifications, experience, and special duties:*

Retired

Board Member since 2004

**John Rowley**

**Senior Vice President**

*Qualifications, experience, and special duties:*

Retired

Board Member since 2011

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**DIRECTORS' REPORT**

**Ian Weston**

**Junior Vice President**

*Qualifications, experience, and special duties:*

Retired

Board Member since 2017

**Warren Bender**

**Treasurer**

*Qualifications, experience, and special duties:*

Retired

Board Member since 2014

**Illya Naumoski**

**Director**

*Qualifications, experience, and special duties:*

Retired

Board Member 2014

**Pat McNamara**

**Director**

*Qualifications, experience, and special duties:*

Retired

Board Member since 2014

**Barry Goodwin**

**Director**

*Qualifications, experience, and special duties:*

Retired

Board Member since 2018

**Bronwyn Roll**

**Director**

Appointed 27/10/2019

*Qualifications, experience, and special duties:*

Retired

Board Member since 2019

**Jon King**

**Senior Vice President**

Term completed 27/10/2019

*Qualifications, experience, and special duties:*

Retired

Board Member since 2007

**Paul Naylor**

**Junior Vice President**

Term completed 27/10/2019

*Qualifications, experience, and special duties:*

Retired

Board Member since 2013

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

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**DIRECTORS' REPORT**

**Summary of Meeting Attendances:**

12 ordinary meetings and 7 special meetings were held during the year.

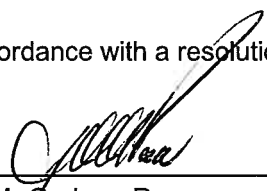
	<i>Number of Meetings Eligible To Attend</i>	<i>Number of Meetings Attended</i>
Graham Reeve	19	19
John Rowley	19	18
Ian Weston	19	19
Warren Bender	19	18
Illya Naumoski	19	18
Pat McNamara	19	18
Barry Goodwin	19	18
Bronwyn Roll	14	14
Jon King	4	4
Paul Naylor	4	3

**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 7 of the financial report.

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

Director:

  
Mr Graham Reeve

Dated 24 September 2020

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
NAROOMA SPORTING & SERVICES CLUB LIMITED  
A.B.N. 82 000 997 286**

**Audit Opinion**

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

In our opinion, the accompanying financial report of Narooma Sporting & Services 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 the year ended 30 June 2020 and of their performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis of Audit 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 the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Emphasis of Matter**

We draw attention to Note 13 in the Financial Report, which describes events subsequent to year end and specifically the possible effects of the future implications of Covid-19 on Narooma Sporting & Services Club Ltd's future financial position and performance. In our view this issue is fundamental to users' understanding of the Financial Report. Our opinion is not modified in respect of this matter.

**Other Information**

The directors are responsible for the other information. The other information does not include the financial report and our auditor's report thereon, but comprises the Supplementary Information contained in the annual report, which we obtained prior to the date of this auditor's report, and the President's Report, Treasurer's Report, Facilities and Planning Report and the Sports Report, which are expected to be made available to us after the date of this auditor's report.

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
NAROOMA SPORTING & SERVICES CLUB LIMITED  
A.B.N. 82 000 997 286**

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 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.

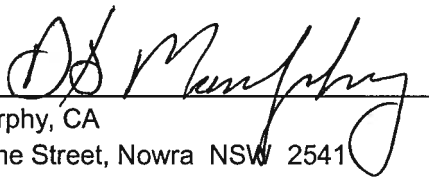
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
NAROOMA SPORTING & SERVICES CLUB LIMITED  
A.B.N. 82 000 997 286**

**Matters Relating to the Electronic Presentation of the Audited Financial Report**

The auditor's report relates to the financial report of Narooma Sporting & Services Club Limited for the financial year ended 30 June 2020 included on the company's website. The directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of the company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

**Booth Partners**



David Murphy, CA

52 Osborne Street, Nowra NSW 2541

Dated 24 September 2020

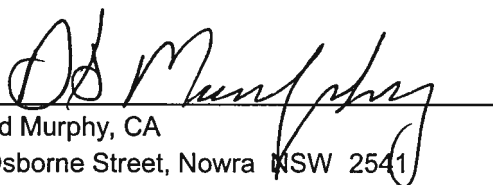


**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
NAROOMA SPORTING & SERVICES CLUB LIMITED  
A.B.N. 82 000 997 286**

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.

**Booth Partners**

A handwritten signature in black ink, appearing to read 'D Murphy', is written over a horizontal line.

David Murphy, CA

52 Osborne Street, Nowra NSW 2541

Dated 24 September 2020

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

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

	Note	2020 \$	2019 \$
Revenue	2	8,330,682	9,746,753
Cost of sales		(1,331,701)	(1,597,111)
Advertising & members promotions		(351,710)	(475,384)
Depreciation & amortisation expenses		(1,325,851)	(1,099,321)
Employee benefits		(2,883,495)	(3,298,617)
Interest expense		(117,064)	(169,060)
Occupancy costs		(590,311)	(641,811)
Repairs & maintenance		(172,942)	(188,575)
Other expenses		(1,514,616)	(1,852,133)
<b>Profit from trading</b>		<b>42,992</b>	<b>424,741</b>
Write-down of obsolete property, plant, and equipment		-	(447,953)
<b>Profit (Loss) before income tax</b>	3	<b>42,992</b>	<b>(23,212)</b>
Income tax expense		-	-
<b>Profit (loss) attributable to members of the company</b>		<b>42,992</b>	<b>(23,212)</b>
<b>Total comprehensive income (loss) attributable to members of the company</b>		<b>42,992</b>	<b>(23,212)</b>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	912,599	861,188
Trade and other receivables	5	354,649	24,700
Inventories	6	101,564	101,067
Other current assets	7	167,775	153,481
<b>TOTAL CURRENT ASSETS</b>		<u>1,536,587</u>	<u>1,140,436</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	12,688,867	13,309,569
<b>TOTAL NON-CURRENT ASSETS</b>		<u>12,688,867</u>	<u>13,309,569</u>
<b>TOTAL ASSETS</b>		<u>14,225,454</u>	<u>14,450,005</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	481,508	664,005
Borrowings	10	225,000	515,660
Short term provisions	11	458,791	409,181
Other current liabilities	12	4,514	34,468
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,169,813</u>	<u>1,623,314</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	3,052,333	2,874,833
Long term provisions	11	44,634	36,176
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>3,096,967</u>	<u>2,911,009</u>
<b>TOTAL LIABILITIES</b>		<u>4,266,780</u>	<u>4,534,323</u>
<b>NET ASSETS</b>		<u>9,958,674</u>	<u>9,915,682</u>
<b>EQUITY</b>			
Retained earnings		9,958,674	9,915,682
<b>TOTAL EQUITY</b>		<u>9,958,674</u>	<u>9,915,682</u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

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

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	<b>Retained Profits</b>
Balance at 1 July 2018	9,938,894
Profit (loss) for the year	(23,212)
Other comprehensive income for the year	-
Total comprehensive income attributable to members of the entity	<u>(23,212)</u>
Income tax expense	-
Balance at 30 June 2019	<u><u>9,915,682</u></u>
Balance at 1 July 2019	9,915,682
Profit (loss) for the year	42,992
Other comprehensive income for the year	-
Total comprehensive income attributable to members of the entity	<u>42,992</u>
Balance at 30 June 2020	<u><u>9,958,674</u></u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

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

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers & subsidies		7,948,014	10,611,122
Payments to suppliers and employees		(6,874,014)	(8,337,258)
Interest received		52	1,455
Interest and borrowing costs paid		(117,064)	(139,153)
<b>Net cash provided by (used in) operating activities</b>		<u>956,988</u>	<u>2,136,166</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(792,417)	(4,888,392)
<b>Net cash provided by (used in) investing activities</b>		<u>(792,417)</u>	<u>(4,888,392)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	4,031,070
Repayment of borrowings		(113,160)	(1,778,044)
<b>Net cash provided by (used in) financing activities</b>		<u>(113,160)</u>	<u>2,253,026</u>
Net increase (decrease) in cash held		51,411	(499,200)
Cash at beginning of financial year		861,188	1,360,388
Cash at end of year	4	<u><u>912,599</u></u>	<u><u>861,188</u></u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

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

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**1 Summary of Significant Accounting Policies**

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board 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 the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for 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 of Narooma Sporting & Services Club Limited for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 24 September 2020.

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**Revenue and Other Income**

The company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. Due to the nature of the changes in the accounting policy, no equity adjustment has been required. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.

**In the current year**

*Goods and Services*

All goods and services other than those detailed below are delivered, invoiced, and paid for simultaneously. This includes sales of liquor, gaming products, sporting games and other products.

Revenue is recognised immediately at the point of sale.

*Memberships*

Membership is granted following payment of annual fees and in the case of new members, board approval of their application. Payment for new members is due on application, and payment for renewing members is due within one month of the renewal date.

Contract liabilities are recognised on receipt of payment, and revenue is recognised on a straight line basis over the period of membership.



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*Function Income*

Deposits for functions are invoiced at the time of booking and are payable by the earlier of 30 days from the booking, or 10 days prior to the event. Full payment for the function is typically due by the day of the event.

Contract liabilities are recognised when the booking is made, and for any part payments received prior to the time of the event. Revenue is recognised at the time the function is held.

**In the comparative period**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the period of the memberships.

Grant revenue is recognised in the statement of comprehensive income when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Narooma Sporting & Services Club Limited receives non-reciprocal contributions of assets from the government and other parties for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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**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 borrowings in current liabilities on the balance sheet.

**Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of comprehensive income.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Stores are valued at cost.

**Prepayments**

Prepayments are recognised when a payment is made for services that the company expects to utilise over a period of time. Prepayments are measured at the unexpended portion of the contractual cost of the services. Expenditure is transferred to profits and losses on a straight line basis over the period to which it relates.

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**Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are measured at cost less depreciation. It is the policy of the entity to have annual appraisals by the directors to ensure the carrying amount is not in excess of the recoverable amount from those assets.

**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 the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses 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.

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

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Land & Buildings	0% - 20%
Plant & Equipment	10% - 40%

The asset's 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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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## **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 the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.63.

### **Financial Assets**

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

On the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

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

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

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By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The entity initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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

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

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Financial Liabilities**

Financial liabilities are subsequently measured at:

- amortised cost;
- fair value through profit and loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or

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- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at fair value, amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

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

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

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

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

#### **Impairment**

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

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- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

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

### **Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement, unless the asset is carried at a revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

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



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**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.

**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 Tax Office. 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 in the statement of financial position are shown inclusive of GST.

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

**Income Tax**

The company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

**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 and salaries. 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 and salaries are recognised as a part of current liabilities in the statement of financial position.

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**Other long-term employee benefits**

The company classifies employee's 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 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 obligations for long-term employee benefits are presented as non-current liabilities in the 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.

**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.

**Leases**

The company initially applied AASB 16 Leases from using the modified retrospective approach under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly the comparative information presented for the prior year is not restated. Due to the nature of the changes, no adjustment was required to retained earnings. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

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 (ie a lease with a 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.

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

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the company has adopted the temporary relief under AASB 2018-814 and measures the right-of-use assets at cost on initial recognition.

### **Borrowing Costs**

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

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

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**Comparative Figures**

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

**Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements 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 judgements - Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

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	2020	2019
	\$	\$
<b>2 Revenue</b>		
<b>Revenue</b>		
Sales Revenue:		
Bar Sales	1,630,643	2,132,508
Bistro Sales	1,640,797	1,803,905
Commissions	57,863	77,061
Croquet Club	6,582	7,192
Fishing Clubs	11,707	34,002
Gaming Machine Revenue	3,986,434	4,882,925
Green Fees	59,166	86,206
Indoor Bowls	-	962
Interest Received	52	1,455
Keno Commission	67,216	104,221
Member's Subscriptions	90,436	97,851
Mens Bowling Clubs	110,423	145,078
Other Income, Insurance Claims, Subsidies	586,665	210,864
Profit on Sale of Non-current Assets	22,713	78,716
TAB Commission	17,304	22,099
Tai Chi	2,679	4,469
Womens Bowling Clubs	40,002	57,239
	<u>8,330,682</u>	<u>9,746,753</u>
Total revenue and other income	<u><u>8,330,682</u></u>	<u><u>9,746,753</u></u>

**3 Profit from Ordinary Activities**

Profit from ordinary activities before income tax expense  
has been determined after:

<b>Expenses:</b>		
Cost of sales	1,331,701	1,597,111
Interest Expense	117,064	169,060
Depreciation	1,325,851	1,099,321

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	2020 \$	2019 \$
Write-down of Obsolete Property, Plant, & Equipment	-	447,953
<b>4 Cash and Cash Equivalents</b>		
<b>Current</b>		
Cash on Hand	305,000	317,000
TAB Bond	5,000	5,000
Cash at Bank	502,753	428,349
Sub Clubs	99,846	110,839
	<u>912,599</u>	<u>861,188</u>
<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	<u>354,649</u>	<u>24,700</u>
<b>6 Inventories</b>		
<b>Current</b>		
Stock on Hand	<u>101,564</u>	<u>101,067</u>
<b>7 Other Current Assets</b>		
<b>Current</b>		
Prepayments	<u>167,775</u>	<u>153,481</u>

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	2020 \$	2019 \$
<b>8 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Land at Cost	180,620	180,620
Buildings & Surrounds - at Cost	12,398,091	12,281,831
Less: Accumulated Amortisation	(2,271,499)	(1,837,533)
	<u>10,307,212</u>	<u>10,624,918</u>
<b>Total Land and Buildings</b>	<u>10,307,212</u>	<u>10,624,918</u>
<b>Plant and Equipment</b>		
Plant & Equipment	6,510,468	5,921,580
Less: Accumulated Depreciation	(4,128,813)	(3,236,929)
	<u>2,381,655</u>	<u>2,684,651</u>
<b>Total Plant and Equipment</b>	<u>2,381,655</u>	<u>2,684,651</u>
<b>Total Property, Plant and Equipment</b>	<u>12,688,867</u>	<u>13,309,569</u>

The Club's core property comprises all of the land & buildings at the Narooma and Dalmeny Club sites.

All other land is considered non-core property.

**Movements in Carrying Amounts**

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

	Carrying Value				Carrying Value
	1 Jul 2019	Additions	Disposals	Depreciation	30 Jun 2020
Land & Buildings	10,624,918	116,260	-	(433,966)	10,307,212
Plant & Equipment	2,684,651	660,064	(71,195)	(891,865)	2,381,655
	<u>13,309,569</u>	<u>776,324</u>	<u>(71,195)</u>	<u>(1,325,831)</u>	<u>12,688,867</u>



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	2020 \$	2019 \$
<b>9 Trade and Other Payables</b>		
<b>Current</b>		
Trade & Other Creditors	481,508	664,005
	<u>481,508</u>	<u>664,005</u>
<b>10 Borrowings</b>		
<b>Current</b>		
Hire Purchase Liability	-	65,660
Bank Loans Secured	225,000	450,000
	<u>225,000</u>	<u>515,660</u>
<b>Non-Current</b>		
Bank Loans Secured	<u>3,052,333</u>	<u>2,874,833</u>
<p>Bank loans are secured by a registered first mortgage over the land and buildings, and a fixed and floating charge over the assets and undertakings of the business.</p> <p>Hire purchase liabilities are secured over the underlying assets.</p>		
<b>11 Provisions</b>		
<b>Current</b>		
Employee Entitlements	434,602	401,559
Provision for Member Points	24,189	7,622
	<u>458,791</u>	<u>409,181</u>
<b>Non-Current</b>		
Employee Entitlements	<u>44,634</u>	<u>36,176</u>
<b>Aggregate Employee Benefit Liability</b>	<u>479,236</u>	<u>437,735</u>

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	2020 \$	2019 \$
<b>12 Other Liabilities</b>		
<b>Current</b>		
Income in Advance	<u>4,514</u>	<u>34,468</u>
<b>13 Events After the Reporting Period</b>		
Covid-19 Pandemic		
The Club is currently subject to Covid-19 operating restrictions. The financial effect of those restrictions is difficult to estimate and will be dependent on whether the restrictions are eased or tightened in the future. The board is closely monitoring the club's financial position in order to best manage the effects of the Covid-19 Pandemic.		
<b>14 Capital and Leasing Commitments</b>		
<b>Finance Lease Commitments</b>		
Payable - minimum lease payments		
Not later than 12 months	-	69,527
Minimum lease payments	-	69,527
Less future finance charges	-	(3,867)
Present value of minimum lease payments	<u>-</u>	<u>65,660</u>
<b>15 Key Management Personnel Compensation</b>		
Total Compensation	<u>538,633</u>	<u>521,359</u>
<b>16 Related Party Transactions</b>		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

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

	2020	2019
	\$	\$
<hr/>		
<b>17 Financial Risk Management</b>		
<p>The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.</p> <p>The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:</p>		
<b>Financial Assets</b>		
Financial assets at amortised cost:		
- Cash and cash equivalents	912,599	861,188
- Trade and other receivables	18,278	24,700
Total Financial Assets	<u>930,877</u>	<u>885,888</u>
<b>Financial Liabilities</b>		
Financial Liabilities at amortised cost		
- Trade and other payables	409,738	505,036
- Borrowings	3,277,333	3,390,493
Total Financial Liabilities	<u>3,687,071</u>	<u>3,895,529</u>

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

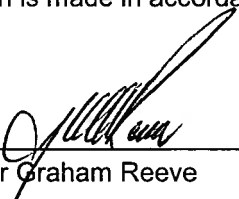
**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards.
  - (b) give a true and fair view of the financial position of the company 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 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:**

  
\_\_\_\_\_  
Mr Graham Reeve

Dated 24 September 2020

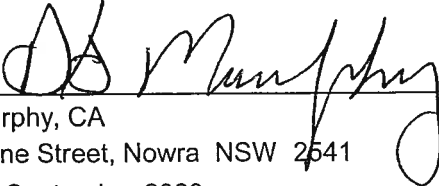
**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION**

The additional information on the following pages is in accordance with the books and records of Narooma Sporting & Services Club Limited which have been subjected to the auditing procedures applied in the audit of the company for the year ended 30 June 2020. It will be appreciated that the audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

**Booth Partners**

  
\_\_\_\_\_  
David Murphy, CA  
52 Osborne Street, Nowra NSW 2541  
Dated 24 September 2020

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**SUPPLEMENTARY INFORMATION**  
**DEPARTMENTAL PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Bar Trading Account</b>			
Sales - Bar		1,630,643	2,132,508
		<u>1,630,643</u>	<u>2,132,508</u>
<b>LESS: COST OF GOODS SOLD</b>			
Purchases		674,714	899,394
		<u>674,714</u>	<u>899,394</u>
<b>GROSS PROFIT FROM TRADING</b>		<u>955,929</u>	<u>1,233,114</u>
<b>EXPENDITURE</b>			
Cleaning		3,522	3,004
Payroll Tax		17,322	27,093
Replacements		21,501	18,686
Requisites		10,561	13,037
Wages		495,881	612,092
		<u>548,787</u>	<u>673,912</u>
<b>NET PROFIT</b>		<u><u>407,142</u></u>	<u><u>559,202</u></u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**SUPPLEMENTARY INFORMATION**  
**DEPARTMENTAL PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Poker Machine Trading Account</b>			
Gaming Machine Revenue		3,986,434	4,882,925
		<u>3,986,434</u>	<u>4,882,925</u>
<b>EXPENDITURE</b>			
CMS Fee		49,135	64,203
Depreciation - Poker Machines		592,251	561,351
Finance Charges		2,671	19,672
Payroll Tax		4,157	6,503
Poker Machine Tax		557,478	721,529
Promotions		81,514	85,274
Repairs and Maintenance		84,843	91,439
Wages		119,020	147,261
		<u>1,491,069</u>	<u>1,697,232</u>
<b>NET PROFIT</b>		<u><u>2,495,365</u></u>	<u><u>3,185,693</u></u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**SUPPLEMENTARY INFORMATION**  
**DEPARTMENTAL PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Keno Trading Account</b>			
Keno Commissions Received		67,216	104,221
		<u>67,216</u>	<u>104,221</u>
<b>EXPENDITURE</b>			
Payroll Tax		923	1,445
Promotions		1,099	-
Stationery & Maintenance		4,459	7,543
Wages		<u>26,449</u>	<u>32,725</u>
		<u>32,930</u>	<u>41,713</u>
<b>NET PROFIT</b>		<u><u>34,286</u></u>	<u><u>62,508</u></u>

The accompanying notes form part of these financial statements.



**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**SUPPLEMENTARY INFORMATION**  
**DEPARTMENTAL PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>TAB Trading Account</b>			
Commission		17,304	22,099
		<u>17,304</u>	<u>22,099</u>
<b>EXPENDITURE</b>			
Payroll Tax		691	1,083
Repairs & Maintenance		755	856
Sky Channel		26,050	41,901
Wages		19,837	24,543
		<u>47,333</u>	<u>68,383</u>
<b>NET LOSS</b>		<u><u>(30,029)</u></u>	<u><u>(46,284)</u></u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**SUPPLEMENTARY INFORMATION**  
**DEPARTMENTAL PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Bistro Trading Account</b>			
Bistro Sales		1,640,797	1,803,905
		<u>1,640,797</u>	<u>1,803,905</u>
<b>LESS: COST OF GOODS SOLD</b>			
Purchases		656,987	697,717
		<u>656,987</u>	<u>697,717</u>
<b>GROSS PROFIT FROM TRADING</b>		<u>983,810</u>	<u>1,106,188</u>
<b>EXPENDITURE</b>			
Cleaning		31,212	28,390
Payroll Tax		30,906	37,794
Repairs		29,415	26,265
Wages		712,006	785,158
		<u>803,539</u>	<u>877,607</u>
<b>NET PROFIT</b>		<u>180,271</u>	<u>228,581</u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**SUPPLEMENTARY INFORMATION**  
**DEPARTMENTAL PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Greens Account</b>			
Green Fees		59,166	86,206
		<u>59,166</u>	<u>86,206</u>
<b>EXPENDITURE</b>			
Land Lease		16,860	16,463
Payroll Tax		5,425	7,402
Repairs & Maintenance		21,408	30,749
Wages		116,671	165,629
Water Usage		21,670	24,184
		<u>182,034</u>	<u>244,427</u>
<b>NET LOSS</b>		<u><u>(122,868)</u></u>	<u><u>(158,221)</u></u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**SUPPLEMENTARY INFORMATION**  
**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

		2020	2019
		\$	\$
<b>INCOME</b>			
Bar Trading Account		407,142	559,202
Poker Machine Trading Account		2,495,365	3,185,693
Keno Trading Account		34,286	62,508
TAB Trading Account		(30,029)	(46,284)
Bistro Trading Account		180,271	228,581
Greens Account		(122,868)	(158,221)
Commissions		57,863	77,061
Interest Received		52	1,455
Member's Subscriptions		90,436	97,851
Other Income		586,665	210,864
Profit on Sale of Non-current Assets		22,713	78,716
Sub Club Income	<b>18</b>	<u>171,393</u>	<u>248,942</u>
		<u>3,893,289</u>	<u>4,546,368</u>
<b>LESS : EXPENDITURE</b>			
Accountancy Fees		6,000	6,000
Advertising & Promotion		46,434	56,735
Annual Leave & Long Service Leave Provision		263,223	253,369
Audit Services		15,600	15,600
Bank Charges		21,189	32,654
CDM Directors & Volunteers		1,985	3,485
CDM Staff Members		19,197	29,320
Cleaning Materials		155,758	163,486
Computer Software & Expenses		48,517	42,877
Consultant Fees		26,694	4,283
Depreciation		733,600	537,970
Directors Training & Expenses		7,486	7,652

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**SUPPLEMENTARY INFORMATION**  
**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
Donations	72,415	48,075
Heat & Power	150,826	197,234
Insurance	159,551	171,237
Interest Paid	114,393	149,388
Legal Costs	3,834	10,032
Licensing Fees	-	6,491
Motor Vehicle Expenses	24,430	38,267
Payroll Tax	20,367	36,201
Printing & Stationery	46,977	54,308
Promotions	166,453	232,908
Raffle Costs	(587)	3,742
Rates & Taxes	62,950	62,783
Rental Plant & Equipment	22,052	-
Repairs	127,006	117,852
Security Costs	28,694	30,687
Social & Shows	56,797	96,725
Sporting Costs - Other	203,392	301,770
Staff Drinks	30,106	38,574
Staff Training	35,100	48,870
Sub Club Expenses	19	247,817
Subscriptions	15,923	18,190
Superannuation Contributions	233,972	252,369
Telephone	22,754	21,371
Uniforms	10,132	17,218
Wages - Admin & Other	712,639	762,831
Welfare	2,050	3,256
	<u>3,850,297</u>	<u>4,121,627</u>
<b>OPERATING PROFIT</b>	<u><u>42,992</u></u>	<u><u>424,741</u></u>

The accompanying notes form part of these financial statements.

**NAROOMA SPORTING & SERVICES CLUB LIMITED**  
**A.B.N. 82 000 997 286**

**NOTES TO THE SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
<b>18 Sub Club Income</b>		
Croquet Club	6,582	7,192
Fishing Clubs	11,707	34,002
Indoor Bowls	-	962
Mens Bowling Clubs	110,423	145,078
Tai Chi	2,679	4,469
Womens Bowling Clubs	40,002	57,239
	<u>171,393</u>	<u>248,942</u>
<b>19 Sub Club Expenses</b>		
Croquet Club	7,640	6,995
Darts Club	-	16
Fishing Clubs	14,850	34,877
Indoor Bowls	-	1,136
Mens Bowling Clubs	111,988	144,258
Tai Chi	3,997	4,972
Womens Bowling Clubs	43,913	55,563
	<u>182,388</u>	<u>247,817</u>

The accompanying notes form part of these financial statements.  
These statements should be read in conjunction with the attached disclaimer of Booth Partners.  
Page 41

Audited Profit & Loss	19-20	19-20	Combined YTD
2019 -2020	Nar	Dal	Years Result
Income			Less Sub Clubs
3000 · Bar Trading			
3001B · Liquor Sales	1271999	360272	1632271
Bar Expenses	-984821	-290689	-1275510
Total 3000 · Bar Trading	287178	69583	356761
3020 · Poker Machine Trading			
3022 · Net Takings	3715141	631786	4346927
Poker Machine Expenses	-1560463	-221604	-1782067
Total 3020 · Poker Machine Trading	2154678	410182	2564860
3040 · Keno Trading			
3041 · Commission Received	57452	9987	67439
Keno Expenses	-26379	-8627	-35006
Total 3040 · Keno Trading	30734	881	31615
3050 · TAB Trading			
3051 · Commission	11540	5639	17179
TAB Expenses	-28451	-20761	-49212
Total 3050 · TAB Trading	-16911	-15122	-32033
3070 · Dalmeny Kitchen Trading			
3071 · Food Sales		154745	154745
Dalmeny Kitchen Expenses		-191414	-191414
Total 3070 · Dalmeny Kitchen Trading		-36669	-36669
3085 · Narooma Kitchen Trading			
3086 · Food Sales	1487382		1487382
Narooma Kitchen Expenses	-1339344		-1339344
Total 3085 · Narooma Kitchen Trading	148038		148038
3095 · Commission Received			
Total 3095 · Commission Received	45431	12432	57863
3100 · Interest Received	41	11	52
3102 · All Other Income			
Total 3102 · All Other Income	676191	175381	851572
7000 · Greens Trading			
10001 · Green Fees	33039	26127	59166
Greens Expenses	-128068	-78147	-206215
Total 7000 · Greens Trading	-95029	-52020	-147049
Total Income	3230351	564659	3795010
Expense			
3500 · Sporting			
Total 3500 · Sporting Expenses	135820	60421	196241
4000 · Accounting / Auditing Fees	17928	3672	21600
4005 · Licencing Fees			
4010 · Advertising			
Total 4010 · Advertising Expenses	35660	10774	46434
Other Expenses	2958342	518407	3476749
Total Expense	3147749	593274	3741024
Net Ordinary Income	82601	-28615	53986

Sporting Sub-Club Accounts

-10995

1125

Company Trading Profit & Loss to June 2020	42992
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18-19	18-19	Combined YTD
Nar	Dal	Years Result
		Less Sub Clubs
1588397	546633	2135030
-1243960	-391434	-1635394
344437	155199	499636
4585736	745996	5331733
-1870679	-204360	-2075039
2715058	541636	3256694
90862	13880	104741
-33720	-11685	-45405
57142	2195	59337
16308	6554	22862
-40789	-30737	-71526
-24481	-24183	-48664
	241671	241671
	-252747	-252747
	-11076	-11076
1562232		1562232
-1396777		-1396777
165454		165454
59345	17716	77061
1054	401	1455
445207	142891	588098
45609	40597	86206
-178178	-104781	-282959
-132569	-64184	-196753
3630646	760595	4391241
197389	68179	265568
17928	3672	21600
5948	543	6491
42270	14464	56735
2989140	628092	3617232
3252675	714951	3967625
377972	45644	423616

2018-2019 Building Works Write Off

-447953

Net Result 42992

Net Result -23212