



WAUCHHOPE
COUNTRY CLUB

2019/2020
ANNUAL REPORT



MEETING NOTICE:

2020 WAUCHOPE COUNTRY CLUB ANNUAL GENERAL MEETING

Sunday 15th November 2020 at 10:00am

Wauchope Country Club Auditorium

AGENDA:

1. Confirmation of the minutes of the previous AGM held on Sunday 17th November 2019
2. President's Report
3. Secretary Manager's Report
4. To receive, consider and adopt the Financial Statements of the Club for the year ended 30th June 2020
5. Election of Directors
6. Appointment of Company Auditor for the 2020/2021 Financial Year
- *Nomination: Northcorp Accountants & Financial Services*
7. Appointment of Honorary Solicitor for the 2020/2021 Financial Year
- *Nomination: Hadyn Oriti – Donovan Oates Hannaford*
8. To deal with Ordinary Resolutions (3) and any Special Resolutions listed in the 2019/2020 Annual Report
9. To consider recommendations from the Members as General Business

NOTICE TO MEMBERS REGARDING FINANCIAL MATTERS:

Pursuant to the Wauchope Country Club Constitution:

All Financial Members of the Club can ask questions or seek clarification on any matters relating to the Financial Statements for the year ended 30 June 2020, as contained herein.

In order to facilitate the provision of accurate and complete answers to questions raised, please provide all questions relating to the Financial Statements in writing to the General Manager by no later than Thursday 12th November 2020.

NOTICE TO MEMBERS REGARDING ORDINARY AND SPECIAL RESOLUTIONS TO BE DETERMINED AT THE AGM:

Pursuant to the Wauchope Country Club Constitution:

1. The First, Second and Third Ordinary Resolutions must be passed as a whole and cannot be divided into two or more separate Resolutions.
2. To be passed, each Ordinary Resolution must receive votes in its favour from not less than a simple majority of those Members, who being entitled to do so, vote on a show of hands in person at the meeting.
3. Special Resolutions must be passed separately as separate Resolutions and may not be moved as Joint Resolutions.
4. To be passed, each Special Resolution must receive votes in its favour from not less than a three-quarters majority of those Members, who being entitled to do so, vote in person at the meeting.
5. Voting for Special Resolutions may be by show of hands or by secret ballot.

Claudia Buckby
Secretary Manager

ORDINARY RESOLUTIONS (3):

First Ordinary Resolution:

That pursuant to the Registered Clubs Act:

- a. The Members hereby approve and agree to reasonable expenditure by the Club until the next Annual General Meeting of the Club for the following activities of Directors:
 - i. The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee meeting on the day of that meeting.
 - ii. The reasonable expenses incurred by Directors in travelling to and from Directors meetings or other duly constituted Committee meetings as approved by the Board from time to time, on production of invoices, receipts or other proper documentary evidence of such expenditure.
 - iii. The reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities and expenses that are approved by the Board before payment is made on production of receipts, invoices and other proper documentary evidence of such expenditure.
 - iv. The reasonable cost of provision of blazers, shirts and associated apparel for use of each Director when representing the Club.
- b. The Members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

Second Ordinary Resolution:

That pursuant to the Registered Clubs Act:

- a. The Members hereby approve and agree to reasonable development and education of Directors until the next Annual General Meeting including:
 - i. The reasonable cost of Directors attending the Clubs NSW or similar Annual General Meeting, conferences or similar.
 - ii. The reasonable cost of Directors attending seminars, lectures, trade display, organized study tours, fact finding tours and other similar events as may be determined by the Board from time to time.
 - iii. The reasonable cost of Directors attending gaming venues for the purpose of viewing and assessing their facilities and methods of operation, provided such attendances are approved by the Board as being necessary for the betterment of the Club.
 - iv. The reasonable cost of Directors attending conferences and training sessions in relation to their role and responsibilities under the Registered Clubs Act 1976, the Corporations Act 2001 and any other relevant legislation as approved by the Board.
- b. The Members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

Third Ordinary Resolution:

That pursuant to the Registered Clubs Act:

- a. The members hereby approve and agree to reasonable expenditure by the Club as follows: The provision of 10 reserved parking spaces at the Club for Chairman, Vice Chairman, Management and Sub Club Executives' use, when attending the Club to carry out their duties.
- b. The Members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

WAUCHOPE COUNTRY CLUB
MINUTES OF ANNUAL GENERAL MEETING:

Sunday 17th November 2019 @ 10:00am

APOLOGIES

John Hill, Brett Hopkinson, Marion Johnson, Phil Waugh, Geoff Fowler, Raymond Knapp

ATTENDANCE

Attendance was as per the attendance register. A quorum of 40+ members was confirmed (86 members in attendance).

IN ATTENDANCE

Robert Magnussen (Auditor – NorthCorp Accountants)
Alaine Alias (Audit Team Manager – NorthCorp Accountants)
Hadyn Oriti (Honorary Solicitor – Donovan Oates Hannaford)
Caleb Rose (General Manager)
Lester Thurgate (Returning Officer)

PREVIOUS MINUTES

Previous minutes were as presented in the Club's 2018/2019 annual report.

[Moved G Johnston, seconded L Ison; that the previous minutes be accepted. Carried]

ARISING FROM PREVIOUS MINUTES

No matters arising from previous minutes.

PRESIDENT'S REPORT

Alan Rudd stated that his report was as presented in the Club's 2018/2019 annual report.

[Moved A Rudd, seconded D Hughes; that the President's Report be accepted. Carried]

GENERAL MANAGER'S REPORT

Caleb Rose stated that his report was as presented in the club's 2018/2019 annual report.

[Moved J Wells, seconded J Horton; that the General Manager's Report be accepted. Carried]

AUDITOR'S REPORT (Robert Magnussen – Northcorp Accountants)

Robert Magnussen thanked the Board for inviting him to speak at the AGM. Robert stated that the financial report had been prepared in accordance with the Corporations Act and was a general-purpose report made under reduced disclosure requirements in accordance with reporting standards. Robert declared NorthCorp's independence as auditors and stated that NorthCorp's opinion declares the financial statements are a true and fair reflection of the Club's financial position.

Pleased to support comments made by the President and General Manager regarding financial result. A significant omission in the 2019 report was that the note regarding "material of uncertainty" had been removed. Robert stated this was due to the turnaround in financial performance and the fact the club had made a profit.

Robert stated that the turnaround was the result of actions taken by the club.

The club would need to remain cautious however as assets had been significantly drained over previous years

Highlights in revenue include:

- Bar sales up 5.5% and a record sales result
- Gaming up 16% and the second highest result since 2007
- Raffle income up 30%
- Operating cash flows up \$133k, resulting in a cash profit of \$187k

Increases in expenses were in line with revenue growth (up \$22k). The most outstanding highlight with regard to cost control was in salaries and wages, where despite strong revenue growth, this department increased by only 0.4%, a figure that is below inflation.

Wages : Revenue % was 34.45%, the best result since 2007 and well below the peak of 47% in 2017

Overall the club's operating costs increased by 4%, compared to a 6.3% increase in revenue. Hence the club's ability to achieve a profit.

From a profit and cashflow point of view this had been a significant year for the club.

Financial Position at end of year:

- Cash and equivalents down \$223k, however borrowings down \$266k
- PPE down \$71k in depreciated value

The decline in cash reflected sensible use to maintain asset values and to make improvements to club facilities and clubhouse.

Robert showed the members graphs demonstrating the club's financial decline over the previous decade, hence the current financial position. In summary, the club had recovered from a loss of \$354k in 2017 to profit \$7k in 2019. Robert stated that the graphs highlighted the significance of this year's result. The graphs shown included:

Cash flows:

- Significant decline from 2009
- Hit bottom in 2017
- Decline became significant in 2009
- If decline continued Club would not be here
- 2017 year of decisions

Assets:

- Levelled off in 2019

Revenue:

- Years up to 2007 were good (average profit \$100k)
- Bar sales were a significant contributor to revenue (record level in 2019)
- Reliance on gaming less significant than for many clubs

Robert commended the Board, Management, Staff and other stakeholders for their efforts and for the support of our members and guests.

[moved, R Millican, Seconded L Ison; Approved. Carried]

Robert introduced Alaine Alias (Audit Team Manager) and offered to answer any questions. Nil arising.

Alan Rudd stated that Robert had been a pillar for the club and thanked him for his support.

Alan stated that he was stepping down from the board and thanked Caleb and the Board for their support. Alan had thoroughly enjoyed his time as a director and now looked forward to becoming a disgruntled member!

ELECTION OF OFFICE BEARERS

Returning Officer Lester Thurgate congratulated Alan on his time as President.

Lester explained the change to the constitution to reflect the tri-annual rule (3 year terms), hence 3 positions were vacant. As 4 members had been nominated, voting was required.

A silent ballot was held and the successful candidates were Peter McCleod, Ann-Marie Campbell, and John Hill. Unsuccessful nominee was Dennis Hughes

[Moved D Hughes, Seconded T Hamilton; that the voting papers be destroyed. Carried]

ORDINARY RESOLUTIONS

K Galloway (Acting President) read out three ordinary resolutions labelled "first", "second" & "third" (as listed in the meeting agenda).

[Moved K Kelly, seconded G Johnson; that all 3 resolutions be approved. Carried]

HONORARY SOLICITOR

The members approved Hadyn Oriti from Donovan Hannaford Lawyers as honorary solicitor.

[moved L Ison, Seconded R Bird; approved. Carried]

AUDITOR

The members approved NorthCorp Accountants as company auditors.

[Moved L I, seconded R Bird; approved. Carried]

GENERAL BUSINESS

K Galloway invited comments and recommendations from the floor.

KG congratulated Alan on his time as President. Kerry thanked the travelling bowlers for cooking the BBQ.

Members gave mixed feedback on the playground. Kerry stated that it had proven highly successful.

I Gavin noted that the club had a number of cobwebs under the eaves and needed thorough cleaning. Noted.

MEETING CLOSED: 10:50am

NEXT AGM DATE: 15th November, 2020

President's Report – 2020

The year of the COVID (and let's hope it's only one), has certainly been full of challenges. We had total shutdown for 2 months early in the year, and since we've had the modification of golf rules, protocols to maintain social distancing, limitations on numbers on the greens and in the Clubhouse and restrictions on social interaction. While the government stepped in to support us financially, Caleb's priority was to maintain staff and this proved to be an asset.

On the bright side, the shutdown gave us an opportunity to rethink our plans for renovations and rejuvenate the Clubhouse by relocating the playground and organising a family dining room and utilising the VDR as our new socially- distanced gaming area. In reviewing our renovation ideas, Caleb, Claudia and George, consulting with the Board, architect and builder, devised a much more attractive plan for our interior modifications. Lots of maintenance, cleaning and improvement was carried out during lockdown by staff and volunteers and we acknowledge their efforts and dedication.

Caleb and George, the two gentlemen who helped lift our profile and proudly led us to profitable trading and the Small Business Awards (as announced this time last year), both resigned mid-year. The Board approached our Financial Manager, Claudia Buckby to step in as Secretary Manager and subsequently Teresa Carney returned as Assistant Manager. These ladies have demonstrated their ability to meet the Club's needs and share a very positive outlook for our Club's future. The current Board of Directors is made up of a healthy mixture of youth and experience across age groups and genders and share the vision of seeing our club rise to even greater success.

Financially we have survived COVID and are in a relatively sound position. The decision to reduce the annual fees, paid by golfers and bowlers for lost 2 months, proved to be very popular. I want to thank Richard and his dedicated and considerate greens staff, Dennis Hughes , the bar staff for their patience and flexibility, the Board and our growing number of social and sporting members for their loyalty and co-operation for what has certainly been a year like no other.

To those who have lost family and friends this year, I extend condolences and to those headed elsewhere including Alex Hamilton, a valued and long- time member of the Board and Jo Horton, who has helped in a volunteer capacity for many years, I say best wishes to you and your families for the next chapter of your lives.

To our Champions for the 2020 year, I say congratulations:

Men's Golf	Jarryd Bird
Ladies Golf	Jane Horne (for the 25 th time!!!)
Men's Vet Golf	Gary Duncan
Lady Vets Golf	Jo Horton
Men's Bowls	Adrian Samuelsson
Ladies Bowls	Glenda Elford
Mixed Bowls	Heather Bartlett and Paul Harrison

This has been my first year as President of a Club I first joined 35 years ago. It has certainly been an adventure and I give credit to both Caleb Rose and George Coull whose leadership laid a solid foundation and assure you that the Board has every confidence in our new leaders Claudia and Teresa to steer us on what is expected to be an exciting ride into the future.

John Hill -President

Secretary Manager's Report – 2020

Well, what an interesting (to say the least) year 2019/2020 has been! Starting with bushfires, 24 King Restaurant fire, major management restructure and on 23rd March 2020 we were forced to close our doors due to COVID-19 for 70 days! In all the adversity, it is my pleasure to report that our club has made a profit of \$844 in the 2019/2020 financial year, making profits for two consecutive years in a row now. This profit made largely possible due to the government's stimulus packages as a result of COVID-19 but also to you, the member's commitment in supporting the Club through a very tough year.

My appointment by the Board as Secretary Manager has been a bittersweet process. Whilst I am very excited about working for the Club and progressing us successfully into the future, it was a very sad day when Caleb Rose resigned from his position. Caleb worked very hard for this Club and for the community. Caleb was instrumental in turning the Club's financial position around over his 5 years here and he assisted in the creation of the Wauchope Classic, sharing our water licence with Wauchope Public School and Community@3 to name a few. I would like to wish Caleb all the best in the future.

I wish to thank all our staff, an inspiring team that have stuck by the Club. Richard Moore and the Facilities team are producing outstanding results on both the Golf & Bowls greens and the Clubhouse staff are a progressive, fantastic team ready to serve you. We have welcomed a handful of new casuals to the Food and Beverage Team, a new cleaner, Neville and Teresa Carney has joined us as Assistant Manager, coming back home to Wauchope Country Club after almost 7 years spent in other venues growing her experience and expertise. Since I first started at WCC, I have been blown away by the incredible volunteers and I extend my sincere thanks to every one of you! This Club is a community made up of amazing people. And thank you to our contractors Clarke Joyce and Steve & Celia Totton, all an asset to the Wauchope community.

Financial Position

COVID-19 has made comparing financial results to previous year almost impossible. Wages have increased from the previous year by 4.6% however management restructure that occurred in July 2020 will see that turn back around in the 20/21 year. With excellent current cash flows, we are working toward paying back the loan facility from 2016 and hopefully complete a portion of the current renovations using cash rather than finance.

Club Upgrade/Improvements

- At the time of writing my report, a remodeled version of stage 1 renovations, including making the temporary gaming room permanent, re-locating the board room and updating reception physical start was imminent. This process has been delayed due to COVID-19 and being held up in council however once started, will be completed in time for Christmas.
- We have purchased 4 second-hand EGM's in a bid to start updating the Club's services
- Purchase of new practice mats. Thank you to the Men's Veteran Golfers for donating the funds for these
- Continual Club improvements with an extensive maintenance plan in place. I would like to thank Alex Hamilton for his continued assistance with this and staff member Matthew Griffiths for his skill, knowledge and muscle which has allowed us to do so much work in-house rather than having to rely on trades coming on site

Membership

- We ended the year with a total of 3568 members
- The Board approving a COVID-19 discount has been successful in retaining members for the 20/21 year. To date we currently have 3322 financial members

I would like to offer my deepest sympathy to all members and families who have lost loved ones in the past year. Please reach out to us if you ever need support or assistance in these tough times.

I am looking forward to sharing a bright future for our Club together!

Yours sincerely

Claudia Buckby
Secretary Manager

The Wauchope Country Club

ABN 24 000 044 315

Financial Statements

For the Year Ended 30 June 2020

The Wauchope Country Club

ABN 24 000 044 315

Financial Statements For the Year Ended 30 June 2020

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The Wauchope Country Club

ABN 24 000 044 315

DIRECTORS' REPORT

30 June 2020

Your Directors present their report on the The Wauchope Country Club for the financial year ended 30 June 2020.

Directors

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

John Hill
Kerry Galloway
Peter Abell
Ian Hackney
Alex Hamilton
Geoffrey Fowler
Linda Ison
Ann-Marie Campbell (Appointed 17 November 2019)
Peter McLeod (Appointed 17 November 2019)
Alan Rudd (Resigned 17 November 2019)

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

Short-Term Objectives

The short-term objectives of the Company are to:

- Support and promote the sports of golf and bowls;
- Continue to promote and improve member facilities; and
- Provide quality service and reasonably priced beverages to the community.

Long-Term Objectives

The long-term objectives of the Company are to:

- Increase the membership base of the Club;
- Renovate and update Clubhouse facilities;
- Further improve the golf course and bowling greens; and
- Establish and maintain relationships which would sustain the Club and facilities into the future.

The Wauchope Country Club

ABN 24 000 044 315

DIRECTORS' REPORT

30 June 2020

Strategies Adopted for Achieving Objectives

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

- Engage and retain suitably qualified and experienced employees to maintain Club facilities and provide the best possible service;
- Actively promote the Club's golf and bowling facilities to its members and the wider community and to encourage new membership; and
- Annual development of a financial budget and monthly monitoring of financial performance to ensure the Club operates within its financial capabilities.

Principal Activities

The principal activities of the Company during the financial year were the conduct of a Licensed Golf and Bowls Club, the provision of reasonably priced beverages, entertainment and responsible approved gaming.

No significant change in the nature of these principal activities occurred during the financial year.

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

The profit and cash flows generated from the Company's principal activities were utilised in achieving the Company's objectives.

Key Performance Measures

The Company measures and monitors performance by comparing actual monthly results to budgets and past performance. The Company reviews key performance indicators such as membership numbers, gross profit margins and trading results of key income areas such as bar and poker machine operations.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

On 11 March 2020, the World Health Organisation declared a global pandemic in relation to the COVID-19 virus. On 23 March 2020, registered clubs in New South Wales were ordered to close in accordance with State and Federal Government initiatives to reduce the spread of the virus. The Wauchope Country Club recommenced trading on 1 June 2020 subject to compliance with the requirements of the Public Health Authority, including adherence to social distancing rules.

The disruption to business, resulting from the implementation of government measures to reduce the risk of COVID-19 in the community, has had an adverse impact on the revenue and profitability of the Company for the year ended 30 June 2020. However, it is not practicable to provide a reliable estimate of the financial effect of this event on the operations of the Company as at the date of this report.

Likely Developments and Expected Results

Compliance with Government Regulations designed to reduce the spread of COVID-19, including adherence to social distancing rules are expected to have a continuing detrimental impact on revenue and profitability of the Company during the 2021 financial year. However, due to the uncertainty in relation to the extent of containment of the virus, it is not possible to reliably estimate the effect of this matter on the results of the operations of the Company in future financial years.

The Wauchope Country Club

ABN 24 000 044 315

DIRECTORS' REPORT

30 June 2020

Members' Guarantee

The Wauchope Country Club is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the Company. At 30 June 2020 the collective liability of members was \$7,136 (2019: \$6,774).

Auditor's Independence Declaration

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

Core and Non-Core Property

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

Non-core property of the Club means any real property owned by the Club that is not core property. The Club does not currently hold any non-core property.

The Wauchope Country Club

ABN 24 000 044 315

DIRECTORS' REPORT

30 June 2020

Meetings of Directors

During the financial year, 13 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
John Hill	13	13
Kerry Galloway	13	12
Peter Abell	13	11
Ian Hackney	13	10
Alex Hamilton	13	10
Geoffrey Fowler	13	9
Linda Ison	13	12
Ann-Marie Campbell (Appointed 17 November 2019)	8	7
Peter McLeod (Appointed 17 November 2019)	8	6
Alan Rudd (Resigned 17 November 2019)	5	5

Information on Current Directors

John Hill

Qualifications Retired Primary School Teacher
Experience Director for 4 years (Total of 6 years)
Special Responsibilities Chairman

Kerry Galloway

Qualifications Self Employed Director - Private Business
Experience Director for 4 years
Special Responsibilities Vice Chairman

Peter Abell

Qualifications Retired Bank Manager
Experience Director for 5 years

Ian Hackney

Qualifications Retired
Experience Director for 5 years (Total of 19 years)

The Wauchope Country Club

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DIRECTORS' REPORT

30 June 2020

Alex Hamilton

Qualifications Retired Business Proprietor
Experience Director for 8 years

Geoffrey Fowler

Qualifications Operations Manager
Experience Director for 5 years (Total of 16 years)

Linda Ison

Qualifications Retired Aged Care Worker
Experience Director for 3 years

Ann-Marie Campbell

Qualifications Customer Service Manager - Retail
Experience Director for 1 year

Peter McLeod

Qualifications Retired Company Director
Experience Director for 1 year

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

Director:



Kerry Galloway

Dated this 29th day of September 2020

AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the *Corporations Act 2001*

To the Directors of The Wauchope Country Club

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.

NorthCorp Accountants



Robert Magnussen
Partner

3/80 High Street
Wauchope NSW 2446

29 September 2020

The Wauchope Country Club

ABN 24 000 044 315

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	2	2,800,076	3,118,632
Other income	2	-	14,989
		<u>2,800,076</u>	<u>3,133,621</u>
Changes in inventories	3	3,219	1,089
Inventories purchased	3	(421,279)	(515,663)
Advertising		(42,714)	(38,535)
Affiliation fees		(35,726)	(38,411)
Cleaning and waste management		(57,099)	(91,056)
Commissions and retainers		(66,812)	(74,677)
Depreciation	3	(248,803)	(230,795)
Donations and sponsorship		(8,066)	(25,353)
Employee benefits expense		(1,095,030)	(1,079,524)
Entertainment, members' privileges and rewards		(59,129)	(94,289)
Equipment hire		(12,767)	(87,237)
Finance costs	3	(41,779)	(39,734)
Fuel and lubricants		(34,998)	(41,220)
Insurance		(82,353)	(83,843)
Light and power		(109,434)	(124,828)
Net loss on disposal of property, plant and equipment	3	(1,142)	-
Members' bonus points		(12,023)	(22,626)
Raffles		(98,869)	(111,075)
Rates and taxes		(26,471)	(29,719)
Repairs and maintenance		(182,724)	(213,991)
Other expenses		(165,233)	(184,774)
		<u>(2,799,232)</u>	<u>(3,126,261)</u>
Profit / (loss) before income tax		844	7,360
Income tax expense	1(b)	-	-
Profit / (loss) for the year		<u>844</u>	<u>7,360</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>844</u>	<u>7,360</u>
Profit / (loss) attributable to members of the Company		<u>844</u>	<u>7,360</u>
Total comprehensive income attributable to members of the Company		<u>844</u>	<u>7,360</u>

The accompanying notes form part of the financial statements.

The Wauchope Country Club

ABN 24 000 044 315

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	286,901	131,749
Trade and other receivables	5	19,081	3,661
Inventories	6	25,321	21,878
Other assets	7	10,580	36,991
Total current assets		341,883	194,279
Non-current assets			
Other financial assets	8	10	10
Property, plant and equipment	9	3,079,976	3,136,796
Right-of-use assets	10(a)	169,111	-
Total non-current assets		3,249,097	3,136,806
TOTAL ASSETS		3,590,980	3,331,085
LIABILITIES			
Current liabilities			
Lease liabilities	10(b)	65,612	-
Trade and other payables	11	164,499	171,024
Borrowings	12	40,212	51,099
Provisions	13	118,061	121,342
Other liabilities	14	31,656	215,732
Total current liabilities		420,040	559,197
Non-current liabilities			
Lease liabilities	10(b)	116,677	-
Borrowings	12	890,886	611,490
Provisions	13	17,747	15,612
Total non-current liabilities		1,025,310	627,102
TOTAL LIABILITIES		1,445,350	1,186,299
NET ASSETS		2,145,630	2,144,786
EQUITY			
Retained earnings		2,145,630	2,144,786
TOTAL EQUITY		2,145,630	2,144,786

The accompanying notes form part of the financial statements.

The Wauchope Country Club

ABN 24 000 044 315

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	2,144,786	2,144,786
Profit / (loss) attributable to members of the Company	844	844
Other comprehensive income	-	-
Total comprehensive income for the year	844	844
Balance at 30 June 2020	2,145,630	2,145,630

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	2,137,426	2,137,426
Profit / (loss) attributable to members of the Company	7,360	7,360
Other comprehensive income	-	-
Total comprehensive income for the year	7,360	7,360
Balance at 30 June 2019	2,144,786	2,144,786

The accompanying notes form part of the financial statements.

The Wauchope Country Club

ABN 24 000 044 315

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	2,825,159	3,417,811
Payments to suppliers and employees	(2,703,518)	(3,190,416)
Borrowing costs	(41,779)	(39,734)
Net cash provided by (used in) operating activities	<u>79,862</u>	<u>187,661</u>
Cash Flows from Investing Activities		
Proceeds from sale of plant and equipment	-	14,989
Acquisition of property, plant and equipment	(141,264)	(159,426)
Net cash provided by (used in) investing activities	<u>(141,264)</u>	<u>(144,437)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	317,364	46,925
Repayment of borrowings	(100,810)	(313,638)
Net cash provided by (used in) financing activities	<u>216,554</u>	<u>(266,713)</u>
Net increase (decrease) in cash and cash equivalents	155,152	(223,489)
Cash and cash equivalents at beginning of financial year	<u>131,749</u>	<u>355,238</u>
Cash and cash equivalents at end of financial year	<u>4</u> <u>286,901</u>	<u>131,749</u>

The accompanying notes form part of the financial statements.

The Wauchope Country Club

ABN 24 000 044 315

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

The financial statements are for The Wauchope Country Club as an individual entity, incorporated and domiciled in Australia. The Wauchope Country Club is a Company limited by guarantee.

The financial statements were approved and authorised for issue on 29 September 2020 by the Directors of the Company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

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

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Going Concern

On 11 March 2020, the World Health Organisation declared a global pandemic in relation to the COVID-9 virus. On 23 March 2020, registered clubs in New South Wales were ordered to close in accordance with State and Federal Government initiatives to reduce the spread of the virus. The Wauchope Country Club recommenced trading on 1 June 2020 subject to compliance with the requirements of the Public Health Authority, including adherence to social distancing rules.

The disruption to business, resulting from the implementation of government measures to reduce the risk of COVID-19 in the community, has had an adverse impact on the revenue and profitability of the Company for the year ended 30 June 2020. However, it is not practicable to provide a reliable estimate of the financial effect of this event on the operations of the Company as at the date of this report.

Notwithstanding the impact of the COVID-19 pandemic on the Company's trading, the financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company will be able to continue in operation for the foreseeable future.

(b) Income Tax

The Company has been granted an exemption from income tax under Section 50-45 of the *Income Tax Assessment Act 1997*. The exempt status of the Company applies indefinitely or until such time as a change in circumstances warrants a review of the exempt status.

(c) Inventories

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

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(d) Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the cost basis less accumulated impairment losses and accumulated depreciation for buildings.

Plant and equipment

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

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

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

Depreciation

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

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.50% to 15.00%
Plant and equipment	5.00% to 33.33%

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

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

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

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(e) Leases

The Company as Lessee

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

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

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

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

(f) Financial Instruments

Initial Recognition and Measurement

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

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

Trade receivables are initially measured at the transaction price.

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(f) Financial Instruments (Continued)

Classification and Subsequent Measurement

Financial Liabilities

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

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

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

Financial Assets

Financial assets are subsequently measured at:

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

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

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

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all the risks and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset.

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(f) Financial Instruments (Continued)

Derecognition (Continued)

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.

Impairment of Financial Assets

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

Recognition of expected credit losses in financial statements

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

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

(g) Impairment of Non-Financial Assets

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

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

(h) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

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

(i) Provisions

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

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(j) 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 statement of financial position.

(k) Trade and Other Payables

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

(l) Revenue Recognition

Revenue is recognised when control of the goods and services has transferred to the customers. For such transactions, this is the point in time when the goods are delivered to the customers or the services are received by customers.

Interest revenue is recognised using the effective interest method.

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

(m) Borrowing Costs

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

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

(n) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(o) Comparative Figures

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

The Wauchope Country Club

ABN 24 000 044 315

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies (Continued)

(p) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements 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.

Key Estimates - Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of assets at the end of the reporting period.

(q) Adoption of New and Revised Accounting Standards

Initial Application of AASB 16: Leases

The Company has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised as at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Company has recognised a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases) recognised as operating leases under AASB 117 Leases where the Company is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets relating to greens equipment were measured at their carrying amounts as if AASB 16 had been applied since the commencement date, but discounted using the Company's incremental borrowing rate as per the lease term on 1 July 2019.

The Company's weighted average incremental borrowing rate on 1 July 2019 applied to the lease liabilities was 4.36%.

The modified retrospective transition approach was applied and on 1 July 2019 the Company recognised right-of-use assets of \$234,244 and lease liabilities of \$234,244. There was no impact on opening retained earnings as at 1 July 2019 as a result of the initial application of AASB 16.

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 2 Revenue and Other Income

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

	2020	2019
Note	\$	\$
Continued Operations		
- Sale of goods	2(a) 946,574	1,227,806
- Other sources of revenue	2(b) 1,853,502	1,890,826
Total Revenue	2,800,076	3,118,632
Other Income		
- Net gain on sale of property, plant and equipment	-	14,989
Total Revenue and Other Income	2,800,076	3,133,621
(a) Revenue Disaggregation		
Revenue is disaggregated along the following product lines:		
Bar sales	946,574	1,227,806
Total Sales Revenue	946,574	1,227,806
Timing of sales revenue recognition		
Goods and services transferred to customers:		
- at a point in time	946,574	1,227,806
(b) Other Sources of Revenue		
Commissions received	85,800	99,417
Green fees	424,388	482,865
Government subsidies - Jobkeeper payments	135,000	-
Government subsidies - PAYG Cash Flow Boost	62,500	-
Government subsidies - Small Business Grant	10,000	-
Insurance recovery	13,026	-
Members' subscriptions	290,747	310,549
Poker machine GST rebate	17,180	17,180
Poker machine takings	669,301	794,360
Raffle income	66,457	91,631
Other revenue	79,103	94,824
Total Other Revenue	1,853,502	1,890,826

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 3 Profit / (Loss) for the Year

(a) Expenses

	2020	2019
Note	\$	\$
Cost of sales:		
Bar sales	418,060	514,574
	<u>418,060</u>	<u>514,574</u>
Finance Costs:		
Interest on lease liabilities	8,061	-
Interest on borrowings	33,718	39,734
	<u>41,779</u>	<u>39,734</u>
Depreciation		
Buildings and improvements	74,422	75,585
Plant and equipment	109,248	155,210
Right-of-use assets	65,133	-
	<u>248,803</u>	<u>230,795</u>
Net loss on disposal of property, plant and equipment	<u>1,142</u>	-

Note 4 Cash and Cash Equivalents

Cash on hand	77,530	78,831
Cash at bank	209,371	52,918
	<u>286,901</u>	<u>131,749</u>

(a) Reconciliation of Cash

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

Cash and cash equivalents	<u>286,901</u>	<u>131,749</u>
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The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 5 Trade and Other Receivables

	2020	2019
	\$	\$
Current		
Trade receivables and accrued income	<u>19,081</u>	<u>3,661</u>

Note 6 Inventories

Current		
Finished Goods - at Cost		
Bar stock	<u>25,321</u>	<u>21,878</u>

Note 7 Other Assets

Current		
Prepayments and other assets	<u>10,580</u>	<u>36,991</u>

Note 8 Other Financial Assets

Non-Current		
Financial Assets at Amortised Cost		
Unlisted investments, at cost:		
- Shares in other corporations	<u>10</u>	<u>10</u>

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 9 Property Plant and Equipment

	2020	2019
	\$	\$
Land and buildings		
Freehold land		
Freehold land at cost	<u>932,145</u>	932,145
Buildings		
Buildings and freehold improvements at cost	2,761,484	2,680,517
Accumulated depreciation	<u>(1,261,198)</u>	(1,186,271)
Total buildings	<u>1,500,286</u>	1,494,246
Total land and buildings	<u>2,432,431</u>	2,426,391
Plant and equipment		
Plant and equipment at cost	2,852,222	2,840,779
Accumulated depreciation	<u>(2,204,677)</u>	(2,130,374)
Total plant and equipment	<u>647,545</u>	710,405
Total property, plant and equipment	<u>3,079,976</u>	3,136,796

(a) Movements in Carrying Amounts

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

	Land	Buildings and Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
2020				
Balance at 1 July 2019	932,145	1,494,246	710,405	3,136,796
Additions	-	80,462	47,530	127,992
Disposals	-	-	(1,142)	(1,142)
Depreciation expense	-	(74,422)	(109,248)	(183,670)
Balance at 30 June 2020	<u>932,145</u>	<u>1,500,286</u>	<u>647,545</u>	<u>3,079,976</u>

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 10 Leases

The Company has applied AASB 16 using the modified retrospective transition approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Company leases greens equipment with lease terms varying from 4 years to 5 years. The lease payments are fixed during the term of the leases.

(a) Right-of-Use Assets

	2020	2019
	\$	\$
Leased equipment	234,244	-
Accumulated depreciation	(65,133)	-
	<u>169,111</u>	<u>-</u>

Movements in carrying amounts

	Equipment	Total
	\$	\$
Year ended 30 June 2020		
Balance at beginning of year	234,244	234,244
Depreciation expense	(65,133)	(65,133)
Balance at end of year	<u>169,111</u>	<u>169,111</u>

(b) Lease Liabilities

	2020	2019
	\$	\$
Current		
Lease liabilities	<u>65,612</u>	-
Non-Current		
Lease liabilities	<u>116,677</u>	-
Total lease liabilities	<u>182,289</u>	<u>-</u>

Note 11 Trade and Other Payables

Current

Unsecured liabilities

Trade payables	152,971	86,514
Sundry creditors and accrued expenses	11,528	84,510
	<u>164,499</u>	<u>171,024</u>

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 12 Borrowings

	Note	2020 \$	2019 \$
Current			
Unsecured liabilities:			
Bank credit card facility		<u>1,325</u>	959
Secured liabilities:			
Asset finance facility	11(a)(d)	16,403	16,403
Other borrowings	11(a)(d)	<u>22,484</u>	<u>33,737</u>
		<u>38,887</u>	50,140
		<u>40,212</u>	<u>51,099</u>
Non-current			
Secured liabilities:			
Bank loan	11(a)(d)(e)	849,000	550,000
Asset finance facility	11(a)(d)	41,886	54,615
Other borrowings	11(a)(d)	-	6,875
		<u>890,886</u>	<u>611,490</u>
(a) Total current and non-current secured liabilities			
Bank loan		849,000	550,000
Asset finance facility		58,289	71,018
Other borrowings		<u>22,484</u>	<u>40,612</u>
		<u>929,773</u>	<u>661,630</u>
(b) Carrying amounts of non-current assets pledged as security:			
Land and buildings	9	2,432,431	2,426,391
Plant and equipment	9	<u>647,545</u>	<u>710,405</u>
		<u>3,079,976</u>	<u>3,136,796</u>
(c) Financial assets pledged as security			
Financial assets that have been pledged as part of the collateral for the benefit of the bank loan are as follows:			
Cash and cash equivalents	4	286,901	131,749
Trade and other receivables	5	19,081	3,661
Unlisted investments	8	10	10
Total financial assets pledged		<u>305,992</u>	<u>135,420</u>

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 12 Borrowings (Continued)

(d) Collateral Provided

(i) Bank Loan

The bank loan is a flexible rate loan facility secured by a registered mortgage over land and buildings owned by the Company and a charge over all present and future rights, property and undertakings of the Company.

(ii) Asset Finance Facility

The asset finance facility is a hire purchase contract used for the financing of the acquisition of course plant and equipment. The facility is secured by the underlying assets acquired.

(iii) Other Borrowings

Other borrowings consists of finance contracts for the purchase of poker machines. The borrowings are secured by the underlying assets acquired.

(e) Loan Covenants

Bank Loan

The Company's obligations in relation to the bank loan facility include compliance with the following covenants and undertakings:

- Completion of a Statutory Payment Certificate within 45 days of the close of each quarter certifying that, at the end of the reporting period, statutory payments for the Company are current.
- Provision of audited financial statements and a projected cash flow budget within 120 days of the close of each financial year.
- Minimum interest cover of 1.5 times as measured for the 12 month period ending 30 June 2020 and each year thereafter.
- Earnings before interest, tax, depreciation and amortisation to be greater than 5% of total revenue for the 12 month period ending 30 June 2020.
- Annual reporting of membership numbers including the requirement that minimum subscription numbers are not less than 3,000.
- Provision of Aged Creditor listing within 45 days of the close of each quarter.

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 13 Provisions

	Employee Benefits	Total
	\$	\$
Opening balance at 1 July 2019	136,954	136,954
Additional provisions	94,759	94,759
Amounts used	(95,905)	(95,905)
Balance at 30 June 2020	135,808	135,808

Analysis of Total Provisions

	2020	2019
	\$	\$
Employee Benefits		
Current	118,061	121,342
Non-current	17,747	15,612
	135,808	136,954

Provision for Employee Benefits

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

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

These amounts are classified as current liabilities since the Company does not have an unconditional right to defer settlement of the entitlements accrued by employees.

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

Note 14 Other Liabilities

Current

Members' subscriptions in advance	12,020	169,766
Other income in advance	19,636	45,966
	31,656	215,732

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 15 Capital and Lease Commitments

(a) Operating Leases

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

	2020	2019
	\$	\$
Minimum lease payments payable:		
- not later than 1 year	-	82,255
- later than 1 year and not later than 5 years	-	197,271
- later than five years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>279,526</u>

The operating lease commitments relate to the acquisition of greens equipment. The operating leases are for terms varying from 4 years to 5 years.

Note 16 Key Management Personnel Compensation

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

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

	2020	2019
	\$	\$
Short-term employee benefits	338,939	334,598
Post-employment benefits	32,645	32,158
	<u>371,584</u>	<u>366,756</u>

Note 17 Other Related Party Transactions

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

The Wauchope Country Club

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 18 Financial Risk Management

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

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

	Note	2020 \$	2019 \$
Financial Assets			
Financial Assets at Amortised Cost			
Cash and cash equivalents	4	286,901	131,749
Trade and other receivables	5	19,081	3,661
Unlisted investments	8	10	10
Total Financial Assets		305,992	135,420
Financial Liabilities			
Financial Liabilities at Amortised Cost			
Lease liabilities	10(b)	182,289	-
Trade and other payables	11	164,499	171,024
Bank credit card facility	12	1,325	959
Bank loan	12	849,000	550,000
Asset finance facility	12	58,289	71,018
Other borrowings	12	22,484	40,612
Total Financial Liabilities		1,277,886	833,613

(a) Net Fair Values

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

Note 19 Members' Guarantee

The Wauchope Country Club is a company limited by guarantee with liability of members limited to the amount of \$2.00 as set out in the Company's constitution. The number of members at the end of the financial year was 3,568 (2019: 3,387)

The Wauchope Country Club

ABN 24 000 044 315

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

Note 20 Company Details

The registered office of the Company is:

3/80 High Street

Wauchope NSW 2446

The principal place of business is:

The Wauchope Country Club

24 King Street

Wauchope NSW 2446

The Wauchope Country Club

ABN 24 000 044 315

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of The Wauchope Country Club, the Directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of the Company as at 30 June 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.

Director



Kerry Galloway

Dated this 29th day of September 2020

PARTNERS

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

INDEPENDENT AUDITOR'S REPORT

To the Members of The Wauchope Country Club

Opinion

We have audited the financial report of The Wauchope Country Club, which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of The Wauchope Country Club is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of The Wauchope Country Club

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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

PARTNERS

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

INDEPENDENT AUDITOR'S REPORT
To the Members of The Wauchope Country Club

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NorthCorp Accountants



Robert Magnussen
Partner

3/80 High Street
Wauchope NSW 2446

29 September 2020