
North Bondi RSL Club Limited

ABN 89 001 033 601

Annual Financial Report
31 December 2019

North Bondi RSL Club Limited

Directors' Report

The directors present their report together with the financial statements of North Bondi RSL Club Limited (the company) for the year ended 31 December 2019.

Directors

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

Name of the director	Date of appointment	Experience and special responsibilities
Martyn Bell	19 April 2009	Business consultant and 12 years as President
John Heapy	22 September 1999	Retired, and 20 years as company director
Paul Koerber	6 April 2013	Naval Commander
John Ferguson	12 April 2014 (Resigned 22 July 2019)	Accountant
Tommy McAuley	27 January 2015	Plumber
Ken Cross	14 April 2018 (Resigned 3 April 2019)	Retired
Chris Hirst	14 April 2018	IT Consultant
Mary Anne Cronin	29 October 2019	Director of Real Estate Agency
Rachel Coghlan	26 November 2019	Human Resources Advisor

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2019 and the numbers of meetings attended by each director were:

Director	Number of meetings attended	Number of meetings held *
Martyn Bell	12	12
John Heapy	11	12
Paul Koerber	10	12
John Ferguson	5	6
Tommy McAuley	11	12
Ken Cross	2	3
Chris Hirst	12	12
Mary Anne Cronin	3	3
Rachel Coghlan	1	2

* Number of meetings held during the time the director held office during the year.

North Bondi RSL Club Limited

Directors' Report

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2019 and the comparison with last year is as follows:

	2019	2018
Ordinary	109	109
Associate	8,859	9,122
Life	2	1
	<hr/>	<hr/>
	8,968	9,232
	<hr/> <hr/>	<hr/> <hr/>

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$17,936 (2018: \$18,464).

Operating result

The profit before tax for the year amounted to \$284,948 compared with a profit of \$191,058 for the prior year. After charging \$382,774 (2018: \$308,058) for depreciation and amortisation and before recognising an income tax expense of \$15,147 (2018: expense of \$43,605), the Net profit amounted to \$269,801 (2018: profit of \$147,453).

Objectives

The company's long term objective is to provide first class social facilities and amenities for the benefit of the Members and their guests, primarily from the eastern suburbs as well as local and international tourists.

Strategy for achieving the objectives

The objective is to be achieved by continuing to maintain a level of profitability to allow re-investment into the upgrading of the premises, thereby encouraging and developing a long term and viable business.

Principal activities

The principal activities of the company during the course of the financial year were the promotion of the objectives of the Club and the conduct and promotion of a licensed social Club for the Members.

There were no significant changes in the nature of the activities of the company during the year.

North Bondi RSL Club Limited

Directors' Report

How these activities assist in achieving the objectives

By providing access and enjoyment to a world class setting in a relaxed environment to members, their guests, and the public, whilst delivering a high level of customer service

Performance measurement and key performance indicators

The Club evaluates performance by comparison to other clubs. This comparison is both local (Eastern suburbs) and across New South Wales.

Performance is also measured by comparing income and expenditure over prior periods as well as evaluating trend lines.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors.

Dated at North Bondi on 17 March 2020.

M Bell
President

DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF NORTH BONDI RSL CLUB LIMITED

As lead auditor for the review of North Bondi RSL Club Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of North Bondi RSL Club Limited.

Paul Cheeseman
Partner

BDO East Coast Partnership

Sydney, 17 March 2020

To the members of North Bondi RSL Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of North Bondi RSL Club Limited (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit and loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of North Bondi RSL 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 31 December 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has 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 (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

BDO East Coast Partnership

Paul Cheeseman
Partner

Sydney, 17 March 2020

North Bondi RSL Club Limited

Directors' Declaration

The directors of North Bondi RSL Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 12 to 26, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at North Bondi on 17 March 2020

M Bell
President

North Bondi RSL Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue			
Sale of goods		4,783,879	4,793,177
Rendering of services		471,963	484,063
Other revenue		24,910	28,091
		<hr/>	<hr/>
Total revenue	1	5,280,752	5,305,331
		<hr/>	<hr/>
Expenses			
Raw materials and consumables used	2	(1,513,714)	(1,664,229)
Employee benefits expense		(1,910,249)	(1,925,254)
Entertainment, marketing and promotional costs		(146,244)	(186,369)
Occupancy expenses		(642,347)	(726,674)
Professional services fees		(89,353)	(82,904)
Depreciation and amortisation expenses	2	(382,774)	(308,058)
Donations and grants		(31,001)	(637)
Finance costs		(93,031)	(62,799)
Loss on Disposals of Plant & Equipment	2	-	(3,876)
Other expenses		(187,091)	(153,473)
		<hr/>	<hr/>
Total Expenses		(4,995,804)	(5,114,273)
		<hr/>	<hr/>
Profit before income tax		284,948	191,058
Income tax expense	3(a)	(15,147)	(43,605)
		<hr/>	<hr/>
Net profit after income tax expense		269,801	147,453
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		269,801	147,453
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 12 to 26.

North Bondi RSL Club Limited
Statement of Financial Position
As at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents		886,052	682,816
Trade and other receivables		12,395	57,720
Inventories		106,707	74,812
Other current assets	4	119,976	114,014
		<hr/>	<hr/>
Total Current Assets		1,125,130	929,362
		<hr/>	<hr/>
Non-Current Assets			
Property, plant and equipment	5	2,482,326	2,635,126
Rights Of Use Asset	6	4,064,691	-
Deferred tax assets	3(c)	18,504	16,420
		<hr/>	<hr/>
Total Non-Current Assets		6,565,521	2,651,546
		<hr/>	<hr/>
Total Assets		7,690,651	3,580,908
		<hr/>	<hr/>
LIABILITIES			
Current liabilities			
Trade and other payables	7	395,622	357,397
Current tax liabilities	3(b)	13,013	7,264
Employee benefits	8	132,829	120,657
Borrowings	9	190,848	241,526
Income received in advance	10	64,669	88,500
Lease Liability	11	215,181	-
		<hr/>	<hr/>
Total Current Liabilities		1,012,162	815,344
		<hr/>	<hr/>
Non-Current Liabilities			
Employee benefits	8	29,307	23,984
Borrowings	9	420,725	611,573
Income received in advance	10	213,200	301,866
Lease Liability	11	3,917,315	-
		<hr/>	<hr/>
Total Non-Current Liabilities		4,580,547	937,423
		<hr/>	<hr/>
Total Liabilities		5,592,709	1,752,767
		<hr/>	<hr/>
Net Assets		2,097,942	1,828,141
		<hr/> <hr/>	<hr/> <hr/>
Members' Funds			
Retained profits		2,097,942	1,828,141
		<hr/>	<hr/>
Total Members' Funds		2,097,942	1,828,141
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 12 to 26.

North Bondi RSL Club Limited
Statement of Changes in Members' Funds
For the Year Ended 31 December 2019

	Retained Earnings \$	Total Equity \$
Balance at 31 December 2017	1,680,688	1,680,688
Profit for the year	147,453	147,453
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	147,453	147,453
	<hr/>	<hr/>
Balance at 31 December 2018	1,828,141	1,828,141
Profit for the year	269,801	269,801
Other Comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	269,801	269,801
	<hr/>	<hr/>
Balance at 31 December 2019	<u>2,097,942</u>	<u>2,097,942</u>

The Statement of Changes in Members Funds should be read in conjunction with the accompanying notes set out on pages 12 to 26.

North Bondi RSL Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2019

	2019 \$	2018 \$
Cash Flows From Operating Activities		
Receipts from customers	5,857,028	5,897,624
Payments to suppliers and employees	(5,147,092)	(5,320,098)
Interest received	1,507	3,573
Finance costs	(43,740)	(62,799)
Net Tax (payment) / refund	(11,481)	5,578
	<hr/>	<hr/>
Net cash inflow from operating activities	656,222	523,878
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payment for property, plant and equipment	(120,258)	(349,298)
	<hr/>	<hr/>
Net cash outflow from investing activities	(120,258)	(349,298)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Proceeds of borrowings	-	7,803
Rental Payments	(91,202)	-
Repayment of borrowings	(241,526)	(310,855)
	<hr/>	<hr/>
Net cash outflow from financing activities	(332,728)	(303,052)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	203,236	(128,472)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the financial year	682,816	811,288
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	886,052	682,816
	<hr/> <hr/>	<hr/> <hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 12 to 26.

North Bondi RSL Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2019

About this report

North Bondi RSL Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for North Bondi RSL Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 17 March 2020.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001 and Australia Accounting Standards - Reduced Disclosure Requirements of the Australia Accounting Standards Board;
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 January 2019; and
- Have been prepared on an ongoing concern basis.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 15 Revenue from Contracts with Customers

The Company has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers, i.e. performance obligations, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

AASB 16 Leases

The Company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 15 and AASB 16 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact from the adoption of AASB 15 *Revenue from contracts with customers* on opening retained profits as at 1 January 2019.

There was no significant difference on adoption of AASB 16 *Leases* from the operating lease commitments disclosed in applying AASB 117 at the end of the annual reporting period 31 December 2018 after having discounted the commitments using the incremental borrowing rate at 1 January 2019.

North Bondi RSL Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2019

The Notes to the Financial Statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business - for example, acquisitions and impairment write downs; and
- It relates to an aspect of the Company's operations that is important to its future performance.

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Impairment of non-financial assets	Note 5
Estimation of useful lives of assets	Note 5
Long service leave liability	Note 8

	2019 \$	2018 \$
1 Revenue and Other Income		
Sale of Goods Revenue		
Bar and Bistro sales	4,783,879	4,793,177
	<hr/> 4,783,879	<hr/> 4,793,177
Rendering of Services Revenue		
Members' subscriptions	205,206	212,017
Other rendering of services	266,757	272,046
	<hr/> 471,963	<hr/> 484,063
Other Revenue		
Interest received	1,507	3,573
Sundry revenue	23,403	24,518
	<hr/> 24,910	<hr/> 28,091
Total other revenue	24,910	28,091
	<hr/> 5,280,752	<hr/> 5,305,331
Total revenue and other income	<hr/> <hr/> 5,280,752	<hr/> <hr/> 5,305,331

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

1 Revenue and Other Income(Cont)

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Transfer of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied which is on delivery of goods to the customer.

Revenue from rendering services comprises of revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

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

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

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

2 Expenses

	2019	2018
	\$	\$
Profit before income tax includes the following specific expenses:		
Raw materials and consumables used	1,513,714	1,664,229
	<hr/>	<hr/>
Depreciation and amortisation		
Leasehold improvements	177,844	195,060
Plant and equipment	66,048	70,340
Furniture and fittings	29,166	42,658
Rights-of-use Assets	109,716	-
	<hr/>	<hr/>
Total depreciation and amortisation	382,774	308,058
	<hr/>	<hr/>
Net expense from movements in provision for employee benefits	17,496	35,010
	<hr/>	<hr/>
Defined contribution superannuation expense	146,601	147,068
	<hr/>	<hr/>
Loss on Disposals of PPE	-	3,876
	<hr/>	<hr/>
Finance Costs	93,031	62,799
	<hr/>	<hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

3 Income Tax

(a) Income Tax Expense

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2019 \$	2018 \$
The amount set aside for income tax in the statement of financial performance has been calculated as follows:		
Proportion of income attributable to non-members	2,038,117	2,032,008
Less: Proportion of expenses attributable to non-members	(1,860,736)	(1,852,294)
	<hr/>	<hr/>
	177,381	179,714
Add: Other taxable income	198,407	170,822
	<hr/>	<hr/>
	375,788	350,536
Less: Other deductible expenses	(279,964)	(195,239)
Tax Losses Claimed	-	(138,898)
Adjustment	(33,164)	10,017
	<hr/>	<hr/>
Net income subject to tax	62,660	26,416
	<hr/>	<hr/>
Current income tax applicable to above at rate of 27.5%	17,232	7,264
Under provision prior year	-	1,363
(Increase)/ decrease in deferred tax assets	(2,084)	34,978
	<hr/>	<hr/>
Income tax expense	15,147	43,605
	<hr/>	<hr/>

(b) Current Tax Assets/(Liabilities)

Movements during the year:

Balance at beginning of year	(7,264)	6,940
Income tax paid	11,482	8,795
Income tax refunds received	-	(14,372)
Current year's income tax expense on profit	(17,231)	(8,627)
	<hr/>	<hr/>
	(13,013)	(7,264)
	<hr/>	<hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

3 Income Tax (continued)

(c) Deferred Tax Assets

	2019 \$	2018 \$
The balance comprises temporary differences attributable to:		
Employee Provisions	<u>18,504</u>	<u>16,420</u>
Net deferred tax assets	<u>18,504</u>	<u>16,420</u>
Movements		
Opening balance	16,420	51,398
Credited / (Deducted) to the Statement of Profit or Loss and Other Comprehensive Income	2,084	(34,978)
Closing balance	<u>18,504</u>	<u>16,420</u>

Recognition and Measurement

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

	2019	2018
	\$	\$
4 Other Assets		
Current		
Prepayments	117,443	111,886
Other current assets	2,533	2,128
	<hr/>	<hr/>
Total other current assets	119,976	114,014
	<hr/> <hr/>	<hr/> <hr/>
5 Property, Plant and Equipment		
Leasehold improvements		
<i>At cost</i>	3,171,294	3,160,562
<i>Accumulated amortisation</i>	(1,066,083)	(888,239)
	<hr/>	<hr/>
	2,105,211	2,272,323
	<hr/>	<hr/>
Plant and equipment		
<i>At cost</i>	775,444	734,910
<i>Accumulated depreciation</i>	(479,491)	(448,943)
	<hr/>	<hr/>
	295,953	285,967
	<hr/>	<hr/>
Furniture and fittings		
<i>At cost</i>	412,163	378,671
<i>Accumulated depreciation</i>	(331,001)	(301,835)
	<hr/>	<hr/>
	81,162	76,836
	<hr/>	<hr/>
Total property, plant and equipment net book value	2,482,326	2,635,126
	<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

5 Property, Plant and Equipment (continued)

	2019 \$	2018 \$
Reconciliations		
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Leasehold Improvements		
Carrying amount at beginning of year	2,272,323	2,266,325
Additions	10,732	201,058
Amortisation expense	(177,844)	(195,060)
Disposals	-	-
	<hr/>	<hr/>
Carrying amount at end of year	2,105,211	2,272,323
	<hr/> <hr/>	<hr/> <hr/>
Plant and Equipment		
Carrying amount at beginning of year	285,967	212,395
Additions	76,034	147,788
Depreciation expense	(66,048)	(70,340)
Disposals	-	(3,876)
	<hr/>	<hr/>
Carrying amount at end of year	295,953	285,967
	<hr/> <hr/>	<hr/> <hr/>
Furniture and fittings		
Carrying amount at beginning of year	76,836	119,044
Additions	33,492	450
Depreciation expense	(29,166)	(42,658)
Disposals	-	-
	<hr/>	<hr/>
Carrying amount at end of year	81,162	76,836
	<hr/> <hr/>	<hr/> <hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

5 Property, Plant and Equipment (continued)

Core Property leased by the Club is:

118-120 Ramsgate Avenue
North Bondi NSW 2026

There were no non-core properties held by the club.

Recognition and Measurement

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

The depreciable amount of all fixed assets including leasehold improvements is depreciated using the straight line methods to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Leasehold improvements	Period of lease
Plant and equipment	3 to 7 years
Furniture, fittings and equipment	5 to 10 years

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 carrying amount. These are included in the statements of Profit and Loss and Other Comprehensive Income.

Estimation of Useful Lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

6 Right-of-use assets

	2019 \$	2018 \$
<i>Property - right-of-use</i>		
<i>At cost</i>	4,174,406	-
<i>Less accumulated amortisation</i>	(109,715)	-
	<hr/>	<hr/>
Total right-of-use asset at end of year	4,064,691	-
	<hr/>	<hr/>
Movements in carrying amounts of right-of-use assets:		
Property - right-of-use		
Carrying amount at the beginning of the year	-	-
Additions	4,174,406	-
Amortisation expense	(109,715)	-
	<hr/>	<hr/>
Carrying amount at the end of the year	4,064,691	-
	<hr/>	<hr/>

The Company leases the land in which they operate under an agreement that is a 10 year lease with the option in the clubs favour to extend for a further 5 years, maturing in 2034.

Recognition and measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company recognises a right-of-use asset and a correspond lease liability with respect to all lease arrangements in which the lease, except for short term leases (Defined as leases with a lease term of 12 months or less) and leases of low value assets.

	2019 \$	2018 \$
7 Trade and Other Payables		
Trade payables	132,482	93,205
Goods and Services Tax (GST) payable	85,076	77,182
Other payables and accrued expenses	178,064	187,010
	<hr/>	<hr/>
	395,622	357,397
	<hr/>	<hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

7 Trade and Other Payables (continued)

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

8 Employee Benefits

Current	132,829	120,657
	<hr/> <hr/>	<hr/> <hr/>
Non-current	29,307	23,984
	<hr/> <hr/>	<hr/> <hr/>

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.5% of each employee’s base salary to a superannuation fund.

Recognition and Measurement

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees’ services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees’ services provided to reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

9 Borrowings

	2019 \$	2018 \$
Current Bank Loan	190,848	241,526
Non-current Bank Loan	420,725	611,573

The borrowing has been secured against the kitchen equipment acquired as part of renovation works undertaken during the year. As part of the agreement the bank has the rights over the assets in the event of a default, with the assets being unable to be sold without prior permission from the bank.

The borrowings balance is made up of a bank loan that was taken out with Westpac Bank. The loan is due to be repaid over a 64-month period at an interest rate of 5.78%. This loan is expected to mature in 2022.

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

10 Income In Advance

Current	64,669	88,500
Non-current	213,200	301,866

Recognition and Measurement

Income in advance is recognised when the company receives consideration in advance of the provision of the goods or services to which the consideration relates.

Income in advance is measured at the fair value of the consideration received and is amortised to the profit or loss when the company satisfies the performance obligation to which the deferred income is related.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

11 Lease Liability

	2019 \$	2018 \$
Current		
Lease Liabilities	215,181	-
	<hr/>	<hr/>
	215,181	-
	<hr/>	<hr/>
Non-Current		
Lease liabilities	3,917,315	-
	<hr/>	<hr/>
	3,917,315	-
	<hr/>	<hr/>

Recognition and measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

12 Contingent Liabilities

Bank Guarantees

The company has given the following bank guarantee in favour of TAB Limited:

5,123	5,000
<hr/>	<hr/>

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

13 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Name of director	Date of reappointment/appointment / Resignation
Martyn Bell	19 April 2009
John Heapy	22 September 1999
Paul Koerber	6 April 2013
John Ferguson	12 April 2014 (Resigned 22 July 2019)
Tommy McAuley	27 January 2015
Ken Cross	14 April 2018 (Resigned 3 April 2019)
Chris Hirst	14 April 2018
Mary Anne Cronin	Commenced 29 October 2019
Rachel Coghlan	Commenced 26 November 2019

(b) Key Management Personnel Compensation

	2019 \$	2018 \$
Benefits and payments made to Other Key Management Personnel	727,196	668,255

The increase in benefits and payments made to key management personnel relates to increased permanent employees needs, subsequent to the renovation.

14 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 13.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

15 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 December 2019 there were 8,968 members (2018: 9,232 members). The liability as at 31 December 2019 was \$17,936 (2017: \$18,464).

The registered office of the company is 118-120 Ramsgate Avenue, North Bondi NSW 2026.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

16 Events Subsequent to Reporting Date

Subsequent to reporting date, the company has extended their current lease agreement for the premises in which they operate. This being for an additional 5 years, maturing in 2034.

Apart from the matters above, there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

17 Summary of Other Significant Accounting Policies

(a) Goods and Services Tax

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

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(b) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(c) Cash and Cash Equivalent

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Trade Receivables

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

North Bondi RSL Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2019

17 Summary of Other Significant Accounting Policies (Cont.)

(f) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.