



ANNUAL REPORT

2019-2020



YOUR CLUB IN NUMBERS



4058
Members



Staff
16 Males
33 Females



\$41,366.97
donated through
Club Grants Scheme
Total Category 1 & 2



1067 Barista Coffee's Made



68,167 Schooners of
beer sold



33,878
Bistro Meals Served



\$1,560,000
Wages Paid



FREE Live Entertainment
provided by local bands



2616 Facebook Likes

COMMUNITY GROUPS WE SUPPORT



Dayview Club, Leeton

Gogeldrie Rural Fire Brigade

Koori Kids ANZAC School Initiatives

Leeton and District Cricket Association

Leeton Branch Unity Hospital Auxiliaries

Leeton Can Assist

Leeton Chamber of Commerce

Leeton Community Care Development Inc

Leeton Community Cup

Leeton Community Op Shop

Leeton Galloping Greens Football Club

Leeton Golf Club

Leeton Jockey Club

Leeton Motorsports Club

Leeton Pre School

Leeton Public School P&C Association

Leeton Scouts Association of Australia

Leeton Shire Men's Shed

Leeton Soldiers Bridge Club

Leeton Soldiers Club Darts Team

Leeton Soldiers Colts Cricket Club

Leeton Soldiers Indoor Bowls Club

Leeton Soldiers Ladies Lawn Bowlers

Leeton Soldiers Men's Lawn Bowlers

Leeton St Vincent De Paul Society

Leeton Touch Football Association

Leeton United Football Club

Leeton VRA Rescue Squad Inc

Legacy

Light Up Leeton

Lions Club of Leeton

MIA Branch of MS

MIA Cruisers

Old Yanconian Union

Parkview Public School

Probus Club

Red Cross

Road Safety Education Limited

SunRice Pro Am

Yanco Public School

PRESIDENT REPORT

The effects of the COVID-19 pandemic saw the club forced to shut down its operations temporarily for the first time in our recent history. This pandemic has been our biggest challenge since our voluntary administration problems in 2012.

Fortunately, we were in such a strong financial position at the time of the closure in March this year that we were able to “weather the storm” and survive to re-open once the Government gave its approval two months later.

Thanks to the Jobkeeper initiative, not only were we able to retain 21 of our most valuable staff through this crisis, but we were able to restrict our financial outgoings, during lock-down, to essential costs such as electricity, insurance and some wages.

Directors also created history during the shut-down by conducting Board meetings remotely, or later, being sparsely seated to comply with legislative requirements.

Despite the temporary closure, our club was still able to record a trading profit of \$793,165 for the financial year, even though this represented fractionally less than ten months of full operations.

This was a fantastic result under the circumstances and is again an indication of how your Board and management have been able to responsibly sustain/protect your Club under trying conditions.

Once again it is with great sadness that I have to report on the passing of another dear friend and colleague in Teresa Sarah, the much loved wife of our Treasurer, David Sarah.

Teresa lost her battle with a sudden illness in early January this year. It has been a tough time for David as he also lost his elderly mother in April. The condolences of all members are with David and his family as they are with any member who may have lost someone dear to them during the reporting year.

Amid the gloom, there is some exciting news surrounding our club, with the planning for our facilities up-grade nearing finalisation. The project was ‘put on ice’ whilst we battled the challenges of enforced closure, but is now proceeding to plan. This will be the first stage of a long term strategy developed by your Board after years of planning

Of course this redevelopment has only been made possible through the dedicated support of our members who continue to visit our club on a regular basis. It is critical now, more than ever, that you all continue to support the many services that our Club provides for our members to ensure that we are able to continue to function successfully.

I certainly trust that all members will gain some personal benefit from our refurbished venue and enjoy the improved facilities that will eventually be provided.

Another critically important facility provided through the year for member's safety has been the purchase of an automated external defibrillator. This life saving equipment is situated behind the counter in the foyer of the club and staff have been trained for its emergency operation.

On behalf of the Board and members I must acknowledge the leadership of Secretary/Manager Adam McIntyre and his dedicated band of committed staff. This has been a difficult time in our history and the administrative staff particularly have been required to wade into uncharted waters to keep the business functioning successfully.

Our Club continues to enjoy the benefit of a gifted band of staff members. Their collective efforts were in some way rewarded at the revamped Leeton Chamber of Commerce "virtual" awards this year when we were successful in winning the categories of "business focus during downtime" and "exceptional communication" categories.

The club has again contributed significantly in financial and in-kind support to the local community during the year. A list of sponsored/supported groups is again included with this year's report for member's information.

Management and the Board continue to support our sub-clubs, and have again negotiated and implemented partnership arrangements to assist many local community and sporting groups throughout the year.

Our mandatory Category 1 community donation through ClubGRANTS this financial year was \$19,416 and was distributed between fifteen deserving local applicants following a stringent assessment process.

On behalf of the Board of Directors I would like to thank each and every club member for their continued contribution to the success of the Leeton Soldiers Club during these difficult times. With your valued support, the Board will continue to work diligently towards a prosperous future for our Club.

I would also like to acknowledge my personal appreciation to my fellow Directors for their valuable contributions to the successful operation of our business over the last year. We welcomed new Director Ron Arel late last year and he has become a valuable member of our Board.

Under the new three-tier constitutional rule approved by members at the last Annual General Meeting, three Directors [Director Sue Gavel, Director Dom Delguzzo and myself] will finish our current terms of office at the end of 2020 and are all eligible for re-election at the next Annual General Meeting to be held on 21st October, 2020.

Barry Greatz
President

SECRETARY MANAGERS REPORT

It gives me great pleasure to deliver this annual report for the year 2019/2020. The Club has again delivered a solid profit of \$793,165, up 79% on 2019 figures.

The Club managed to deliver a 1.3% increase in total sales for the year, which in the current economic climate is a very pleasing result. It would be remiss of me not to touch on some of the challenges we faced as an organisation during the previous year. March 23 2020 will forever be etched into the memory of those in the industry as the day we received a forced closure notice due to Covid-19. We had around 14 hours to prepare for what resulted in a 71-day closure period, with a reopening date of June 1. This was like no other challenge our industry has ever faced. I am pleased to report that our Club was able to support our staff through these challenges and we were very well placed to weather the storm without significant damage to our business. Thank you to our Board from all staff for the support shown throughout this worrying period. The arrival of Government support through its Jobkeeper stimulus was welcome assistance and enabled the Club to further assist staff.

I am pleased to report that since reopening, trading conditions have been favourable but as to what the future holds, there are many unknowns. It seems "physical distancing" will be with us for some time to come and thank you to all of our Members who have been so critical in embracing the many mandated changes to the way we use our Club, our staff are very grateful for your ongoing support in these troubling times.

Fran McLaughlin and her administration team continue to go from strength to strength delivering excellent budget forecasts and accurate and detailed financial reporting which allows for solid evidence-based decision making. This year has thrown up many challenges but our administration team have been up to the task and then some. Congratulations to all involved, the ongoing strengthening of our business is in no small way attributable to the work you do. The quality of your work makes facing these ongoing challenges far less stressful and I value the contribution you make.

Our ancillary staff who take care of all the Clubs cleaning, grounds, cellar and maintenance needs have again delivered excellent results on tight budgets. Members are seeing the results of your efforts, well done. Our bowling greens are widely recognised as some of the finest in the District. There have been many Covid-19 mandated changes that our crew have met swiftly and unbegrudgingly. Great work team.

I would like to take this opportunity to also congratulate all of our operational staff. Our business relies heavily on repeat custom to achieve sustainability, and your welcoming manner and professionalism go greatly to allowing our venue to achieve this. The gaming floor continues to grow having achieved an increased gaming turnover of 53% while gaming profits are up 8%. This area is the cornerstone of our organisation and I thank our staff in this area for their wonderful service and dedication.

Our Catering department, led by Alison Egan and her team of dedicated chefs and a brilliant front-of-house team have again provided the business with quality products, with a continued focus on consistent service. This has been a challenge which Alison continues to focus strongly on now and into the future. Whilst we have been unable to provide the community with larger events since March, our team remains ready for the day the Government eases restrictions and we can again provide those community groups with the myriad of events we have always enjoyed hosting.

Thank you to our dedicated group of Directors who have again given much time, energy and expertise to the Club for the benefit of the members. The Board has faced many challenges this year in various forms but at no stage wavered from our goal of providing a sustainable, financially sound and, more recently, Covid-safe Club.

Whilst juggling these issues, the Board has managed to also keep a strong focus on the future direction of our organisation and, as touched on in the Presidents report, the time has come for the Club to start to invest in itself. Whilst this is primarily compliance driven, with good planning and smart investment, these works will be of commercial benefit also.

We, as a Club will continue to find further educational pathways and platforms to grow our staff as not just employees but also as people. We strive to become an employer of choice. This year the Club contributed over \$1.5 million in wages to the local economy through our staff and we take our role as an employer very seriously. Our dedication to this area was recognised this year through the inaugural 'Leeton Pivotal Business Awards' for which the Leeton Soldiers Club was nominated by the community for two of the five award categories. We then had the honour of winning both of our categories, collecting awards for 'Exceptional Communication' and 'Business Focus During Downtime'.

Throughout the last year the Club has been fortunate to have the services of Alison Egan. Ali's role has increased operationally with each passing year and through Covid-19 Ali has been instrumental in making sure the Club is compliant with the myriad of regulation changes that have come with the tightening, easing and retightening of restrictions both pre and post closure.

This has been a complex job with rapid change and Ali has navigated us through these choppy waters with an unflinching resolution which provides much inspiration to those around her. Ali has developed into a leader for our staff and is a beacon of integrity and fairness and we are a better organisation for having her with us.

Finally, to all of the members who have continued to support our Club - thank you. Without our valued Members continued support of our venue, none of these results would be possible. Through your support the Club has been able to continue to stabilise its position and is now starting to be able to reinvest in the company in the way it should.

The next chapter should be an exciting one as the Club embarks on some long overdue reinvestment. The business will continue to transition from our original period of survival through our current consolidation to a period of growth and renewal.

Secretary/ Manager
Adam McIntyre

SQUASH CLUB REPORT

This year has been a very different one for squash while responding to Covid-19 restrictions.

Before the end of 2019, we completed the spring competition with 60 players, then a 5-week doubles competition with 32 players.

2020 saw the commencement of the summer competition which had to be abandoned before reaching the finals rounds. The ongoing restrictions also saw the cancellation of junior squash and all representative squash for both juniors and seniors.

With assistance from the Soldiers Club, casual squash playing was able to re-commence in July under the management of the squash committee.

As the Covid restrictions start to ease, we look forward working towards recommencing competition squash in the near future.

I'd like to thank the committee for their efforts in coordinating the competitions and other events throughout the year.

Our thanks also go to the Soldiers Club for their continued support of the squash club.

Colin Thompson
Leeton Soldiers Squash Club President.

MENS BOWLS REPORT

This Bowls Year has been unlike any other in recent memory. Unfortunately the outlook for 20/21 is still uncertain.

I thank all Bowlers for their support throughout the year .

To the committee, selectors and match committee for all their efforts. In particular to the Manager, the Board & Staff Members for their help. Thanks to Adam & Alison Egan for their help through the Covid minefield & helping us return to Bowls.

Pennants was a write off because of the Covid crisis, & our results were not spectacular. Well done to Rattles & Mark Lemon for keeping three sides on the greens with great difficulty at times. Congratulations to all the Champions, especially John Leech for winning the Singles once again. Thank you to Garry for his work on the greens, it is very much appreciated.

I wish to mention the monthly Pairs Tournaments we hold in conjunction with the L & D. I feel it is important these continue. It is important that all Bowlers in Leeton cooperate with an eye to the future.

In conclusion, best wishes for the coming year. I hope it will be a better one.

Regards,

David Noad, President

L.S.C. Men's Bowls.

LADIES BOWLS REPORT

We had teams attending Leeton and District President's day in July. A good day was had by all. Also, teams travelled to Lockhart, Wagga Wagga RSL Women's Bowling Club and Coleambally. Thank you, ladies, for representing our club and I know everyone enjoyed the days.

Mixed bowls winners for 2019 were Anne Chant and John Leech, congratulations to you both.

We took a Christmas break in December and we resumed bowling again in February .

Due to Covid-19 restrictions the women's Pennants were cancelled so two of our ladies played in the Men's team.

Social bowls was enjoyed each week until the virus restricted all activities, but we made a most welcomed return in mid-August.

This year marked the 70th anniversary of Leeton Soldiers Club lady bowlers, unfortunately we were unable to celebrate as we would have liked.

I would like to thank the Leeton Soldiers Club board of Directors, Manager Adam McIntyre, and all the staff, especially greenkeeper Garry for all their assistance and support throughout the year. Also, thanks to Secretary Jan Munro for keeping things running smoothly and the Match Committee for all their hard work.

Hopefully in the new year we might get back to some kind of normality.

Barbara Gullotta

President

BOARD OF DIRECTORS



PRESIDENT
Barry Greatz



VICE PRESIDENT
Dom DelGuzzo



VICE PRESIDENT
Sue Mills



TREASURER
David Sarah



DIRECTOR
Garry Lanham



DIRECTOR
Brian Troy



DIRECTOR
Suzanne Gavel



DIRECTOR
Ron Arel



DIRECTOR
Paul Burley

HISTORY OF SOLDIERS CLUB

PAST PRESIDENTS

| | |
|----------------|----------------|
| T H Dunn | 1940 - 48 |
| R A Struck | 1948 - 58 |
| J W Hough | 1958 - 61 |
| D J Clark | 1961 - 62 |
| C P O'Brien | 1962 - 63 |
| S J Axtill | 1963 - 79 |
| K L Roberts | 1979 - 81 |
| A Bowyer | 1981 - 83 |
| N T Blencowe | 1983 - 86 |
| J H Martin | 1986 - 87 |
| N T Blencowe | 1987 - 88 |
| A J F Sullivan | 1988 - 90 |
| L Bonham | 1990 - 10 |
| R B Greatz | 2010 - Present |

PATRON

Leslie Bonham 2010 - 2019

LIFE MEMBERS

J Sharpe *
O H Edwards *
T H Dunn *
E Wightwood *
J Ramsbotham *
C Andrews *
J Breed *
A Palmer *
MF Ross *
R A Struck *
R E Hinch *
A E Vincent *
S J Axtill *
W Miller *
R McGhee *
N L Gray *
A A Payten *
W B Campbell *
A G Brackpool *
A Bowyer *
J P Troy *
N T Blencowe *
J A Dunbar
K E Moss
L Bonham*

* Deceased

FINANCIALS YEAR END 30.6.20

CONTENTS

| | |
|---|----------|
| Directors' Report | pg 12,13 |
| Directors' Declaration | pg 14 |
| Independent Auditor's Report | pg 15-17 |
| Auditor's Independence Declaration | pg 18 |
| Statement of Profit or Loss & Other Comprehensive | pg 19 |
| Income Statement of Financial Position | pg 20 |
| Statement of Changes in Equity | pg 21 |
| Statement of Cash Flows | pg 22 |
| Notes to the Financial Statements | pg 23-33 |

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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

DIRECTORS

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

| | | |
|-------------------|---------------|------------------------|
| Robert Greatz | Suzanne Gavel | |
| Domenico Delguzzo | Garry Lanham | |
| Sue Mills | Paul Burley | |
| David Sarah | Ron Arel | (appointed 16/10/2019) |
| Brian Troy | | |

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

INFORMATION ON DIRECTORS

| DIRECTOR | QUALIFICATIONS | SPECIAL |
|-------------------|--|----------------|
| Robert Greatz | Retired Director 13 years | President |
| Domenico Delguzzo | Retired Director 19 years | Vice President |
| Sue Mills | Business Solutions Executive Director 4 years | Vice President |
| David Sarah | Retired Director 6 years | Treasurer |
| Brian Troy | Retired Director 11 years | |
| Suzanne Gavel | Retired Director 7 years | |
| Garry Lanham | Business Owner Director 7 years | |
| Paul Burley | Career Consultant Director 1 year | |
| Ron Arel | Co-ordinator Director <1 year | |

| MEETINGS OF DIRECTORS | ELIGIBLE | PRESENT | APOLOGY |
|------------------------------|-----------------|----------------|----------------|
| Robert Greatz | 12 | 11 | 1 |
| Domenico Delguzzo | 12 | 11 | 1 |
| Sue Mills | 12 | 10 | 2 |
| David Sarah | 12 | 11 | 1 |
| Brian Troy | 12 | 12 | 0 |
| Suzanne Gavel | 12 | 11 | 1 |
| Garry Lanham | 12 | 11 | 1 |
| Paul Burley | 12 | 10 | 2 |
| Ron Arel | 9 | 7 | 2 |

During the financial year there were 12 monthly meetings.

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

PRINCIPAL ACTIVITIES

The principal continuing activities of the Club is the encouragement of sport and the provision of recreational facilities for its members.

SHORT AND LONG TERM OBJECTIVES

The Board has established short and long term objectives as outlined in the Club's strategic plan which is reviewed on an annual basis. These objectives are both financial and non financial, and are aimed towards providing a comfortable and secure environment for its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the registered club industry.

STRATEGIES

To achieve its stated objectives, the company has adopted the following strategies:

The Club will provide staff with structured training and development. This will assist to provide members with a professional and welcoming Club through consistent levels of customer service.

A more strategic approach in regard to marketing has been implemented. This will maximise the Club's profile and therefore improve financial performance.

Policies and procedures continue to be introduced to all areas of Club operations to ensure "best practice" is adopted Club-wide. This will enable the Club to reduce costs and maximise efficiency.

KEY PERFORMANCE MEASURES

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

MEMBERS' GUARANTEE

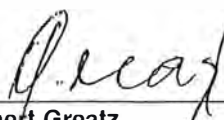
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that the members of the company are liable to contribute if the company is wound up is \$3,812 (2019: \$5,353).

AUDITOR'S INDEPENDENCE DECLARATION

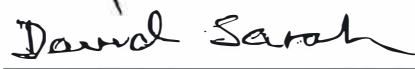
The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 8 of the financial report.

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

Director


Robert Greatz

Director


David Sarah

Dated:

25 September 2020

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

In accordance with a resolution of the directors of Leeton Soldiers' Club Ltd, the directors declare that:


1. The financial statements and notes, as set out on pages 9 to 23, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the company.
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, depending on trading conditions remaining stable and consistent.

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

Director


Robert Greatz

Director


David Sarah

Dated:

25 September 2020

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andrezza CPA
Angela C Favell CPA
John P Farronato CA
Michael J Harris CA

LEETON SOLDIERS' CLUB LIMITED ABN 55 001 037 136

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEETON SOLDIERS' CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Leeton Soldiers' Club Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion, the accompanying financial report of Leeton Soldiers' Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Leeton Soldiers' Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andrezza CPA
Angela C Favell CPA
John P Farronato CA
Michael J Harris CA

LEETON SOLDIERS' CLUB LIMITED
ABN 55 001 037 136

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LEETON SOLDIERS' CLUB LIMITED**

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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

My 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 my 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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.

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andreazza CPA
Angela C Favell CPA
John P Farronato CA
Michael J Harris CA

LEETON SOLDIERS' CLUB LIMITED
ABN 55 001 037 136


**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LEETON SOLDIERS' CLUB LIMITED**

- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that I identify during my audit.



John P Keenan CPA
Registered Company Auditor 156228
135 Yambil Street Griffith NSW 2680

Dated this 25 day of September 2020

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andreazza CPA
Angela C Favell CPA
John P Farronato CA
Michael J Harris CA

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF
LEETON SOLDIERS' CLUB LTD

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.


John P Keenan CPA
Registered Company Auditor 156228

PinnacleHPC Pty Ltd
135 Yambil Street Griffith NSW 2680

Dated: 25 September 2020

LEETON SOLDIERS' CLUB LIMITED
ABN 55 001 037 136

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

| | Note | 2020 \$ | 2019 \$ |
|--|------|-----------------------|-----------------------|
| Revenues from ordinary activities | 2 | 4,849,280 | 4,786,613 |
| Employee benefits expense | 3 | (1,194,474) | (1,213,512) |
| Depreciation and amortisation expense | 3 | (294,691) | (240,914) |
| Finance costs | 3 | (98) | (7,236) |
| Other expenses | | <u>(2,566,853)</u> | <u>(2,883,010)</u> |
| Profit/(loss) before income tax expense | | <u><u>793,165</u></u> | <u><u>441,940</u></u> |
| Income tax expense | | <u>-</u> | <u>-</u> |
| Profit/(loss) for the year | | <u><u>793,165</u></u> | <u><u>441,940</u></u> |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u><u>793,165</u></u> | <u><u>441,940</u></u> |
| Profit/(loss) attributable to members of the entity | | <u>793,165</u> | <u>441,940</u> |
| Total comprehensive income attributable to members of the entity | | <u><u>793,165</u></u> | <u><u>441,940</u></u> |

The accompanying notes form part of these financial statements.

LEETON SOLDIERS' CLUB LIMITED
ABN 55 001 037 136

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|-------|-------------------------|-------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 1,438,280 | 807,675 |
| Trade and other receivables | 5 | 28,401 | 59,718 |
| Inventories | 6 | 43,018 | 36,915 |
| Other current assets | 7 | 142,103 | 26,529 |
| TOTAL CURRENT ASSETS | | <u>1,651,802</u> | <u>930,838</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 2,526,223 | 2,271,650 |
| Intangible assets | 9 | 1,170,000 | 975,000 |
| TOTAL NON-CURRENT ASSETS | | <u>3,696,223</u> | <u>3,246,650</u> |
| TOTAL ASSETS | | <u>5,348,026</u> | <u>4,177,488</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 436,604 | 260,501 |
| Provisions | 11 | 120,430 | 105,905 |
| Borrowings | 12 | 31,065 | 33,282 |
| Other | 13 | 3,902 | 2,614 |
| TOTAL CURRENT LIABILITIES | | <u>592,001</u> | <u>402,302</u> |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 11 | 23,187 | 20,079 |
| Borrowings | 12 | - | 20,162 |
| Other | 13 | 11,705 | 1,977 |
| TOTAL NON-CURRENT LIABILITIES | | <u>34,893</u> | <u>42,219</u> |
| TOTAL LIABILITIES | | <u>626,894</u> | <u>444,521</u> |
| NET ASSETS | | <u><u>4,721,131</u></u> | <u><u>3,732,966</u></u> |
| EQUITY | | | |
| Asset revaluation reserve | 15(a) | 694,954 | 499,954 |
| Retained profits | | 4,026,177 | 3,233,012 |
| TOTAL EQUITY | | <u><u>4,721,131</u></u> | <u><u>3,732,966</u></u> |

The accompanying notes form part of these financial statements.

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

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

| | Note | Retained Earnings | Asset Revaluation Reserve | Total |
|---|--------------|----------------------|---------------------------------|-----------|
| Balance at 1 July 2018 | | 2,791,071 | 608,287 | 3,399,358 |
| Comprehensive income | | | | |
| Surplus for the year attributable to members | | 441,940 | - | 441,940 |
| Revaluation of assets | 15(a) | - | (108,333) | (108,333) |
| Total comprehensive income attributable to members | | 441,940 | (108,333) | 333,607 |
| Balance at 30 June 2019 | | 3,233,012 | 499,954 | 3,732,965 |
| Comprehensive income | | | | |
| Surplus for the year attributable to members | | 793,165 | - | 793,165 |
| Revaluation of assets | 15(a) | - | 195,000 | 195,000 |
| Total comprehensive income attributable to members | | 793,165 | 195,000 | 988,165 |
| Balance at 30 June 2020 | | 4,026,177 | 694,954 | 4,721,130 |

The accompanying notes form part of these financial statements.

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 4,750,430 | 4,726,437 |
| Payments to suppliers and employees | | (3,612,888) | (4,042,993) |
| Interest received | | 410 | 587 |
| Finance costs | | (98) | (7,236) |
| Net cash provided by operating activities | | <u>1,137,853</u> | <u>676,795</u> |
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | 71,000 | 26,364 |
| Payments for property, plant and equipment | | (555,869) | (336,431) |
| Net cash provided by investing activities | | <u>(484,869)</u> | <u>(310,067)</u> |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | - |
| Repayment of borrowings | | (22,380) | (126,798) |
| Net cash used in financing activities | | <u>(22,380)</u> | <u>(126,798)</u> |
| Net increase/(decrease) in cash held | | 630,604 | 239,930 |
| Cash at beginning of financial year | | 807,675 | 567,745 |
| Cash at end of financial year | 4 | <u>1,438,280</u> | <u>807,675</u> |

The accompanying notes form part of these financial statements.

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

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

The financial statements cover Leeton Soldiers' Club Ltd as an individual entity, incorporated and domiciled in Australia. Leeton Soldiers' Club Ltd is a company limited by guarantee.

The financial statements were authorised for issue on 23 September 2020 by the directors of the company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. 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) Revenue

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

Donations and bequests are recognised when revenue is received.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

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

Freehold Property

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

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

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

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

Note 1: Summary of Significant Accounting Policies (cont'd)

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

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

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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 in the financial period in which they are incurred.

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

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Poker machines are depreciated on a diminishing value basis.

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

| | |
|---------------------|-----------|
| Land and Buildings | 2.5% |
| Plant and Machinery | 5% - 100% |

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

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

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

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

Note 1: Summary of Significant Accounting Policies (cont'd)

The entity holds poker machine licences either acquired through a past business combination or granted for no consideration by the NSW government. AIFRS requires that licences outside of a pre-AIFRS transition business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to profit and loss to recognise the grant immediately as income. Until new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined the fair value at grant date for licences granted pre April 2002 to be zero. Licences granted to the entity post April 2002 are initially recognised at fair value. Poker machine entitlements are subsequently valued at market value and have been stated at the market value amount at 30 June 2020.

(d) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

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

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

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

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

(e) Financial Instruments

Initial recognition and measurement

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

Classification and subsequent measurement

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

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

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

Note 1: Summary of Significant Accounting Policies (cont'd)

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

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

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

Note 1: Summary of Significant Accounting Policies (cont'd)

(v) Financial liabilities

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

Impairment

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

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

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

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

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

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

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

Note 1: Summary of Significant Accounting Policies (cont'd)

(f) Impairment of Assets

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

(g) 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.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

(i) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(j) Goods and Services Tax

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).

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

LEETON SOLDIERS' CLUB LTD
ABN 55 001 037 136

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

Note 1: Summary of Significant Accounting Policies (cont'd)

(k) Provisions

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

(l) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(m) Accounts Payable and Other Payables

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

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(o) Not-For-Profit Status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) Requirements. The Club has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the Club has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

LEETON SOLDIERS' CLUB LIMITED
ABN 55 001 037 136

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

| | 2020 \$ | 2019 \$ |
|--|-------------------------|-------------------------|
| 2 REVENUE | | |
| Operating activities of the company: | | |
| Sales revenue | 1,205,568 | 1,595,373 |
| Gaming revenue | 3,024,000 | 2,796,823 |
| Subscriptions and nominations | 1,313 | 20,567 |
| Interest received | 2(a) 410 | 587 |
| Other revenue | 539,444 | 347,745 |
| | <u>4,770,735</u> | <u>4,761,095</u> |
| (a) All interest received is from other corporations. | | |
| Non-operating activities: | | |
| Net gain/(loss) on disposal of non-current assets | 78,545 | 25,518 |
| | <u>78,545</u> | <u>25,518</u> |
| Total revenue | <u>4,849,280</u> | <u>4,786,613</u> |
| 3 PROFIT FROM ORDINARY ACTIVITIES | | |
| Profit from ordinary activities before income tax has been determined after: | | |
| Expenses: | | |
| Administration | 1,848,539 | 1,970,189 |
| Amenities and entertainment | 204,210 | 247,013 |
| Cost of goods sold | 514,104 | 665,808 |
| | <u>2,566,853</u> | <u>2,883,010</u> |
| Employee costs | 1,175,950 | 1,226,574 |
| Provision for employee entitlements | 18,523 | (13,062) |
| | <u>1,194,474</u> | <u>1,213,512</u> |
| Borrowing costs | 3(a) 98 | 7,236 |
| Depreciation and amortisation | 294,691 | 240,914 |
| Total expenses from ordinary activities | <u>4,056,115</u> | <u>4,344,673</u> |
| (a) All borrowing costs are payable to other corporations. | | |
| 4 CASH AND CASH EQUIVALENTS | | |
| Cash on hand | <u>1,438,280</u> | <u>807,675</u> |

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | | |
|---------------------------------|-------------------------|-----------------------|
| Cash | 171,200 | 133,000 |
| NAB Employee Provisions Account | - | 130,000 |
| Westpac Working Account | 1,630 | 81,813 |
| NAB Poker Tax Account | 81 | 50,445 |
| NAB Working Account | 21,276 | 44,289 |
| Westpac Community Solutions | 100 | 302,869 |
| NAB Reinvestment Account | - | 65,259 |
| CBA Main Account | 326,813 | - |
| CBA Capex | 588,337 | - |
| CBA Employee Provision | 130,000 | - |
| CBA OSR | 198,843 | - |
| | <u>1,438,280</u> | <u>807,675</u> |

LEETON SOLDIERS' CLUB LIMITED
ABN 55 001 037 136

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

| | 2020 \$ | 2019 \$ |
|--|-------------------------|-------------------------|
| 5 ACCOUNTS AND OTHER RECEIVABLES | | |
| CURRENT | | |
| Accounts receivable | 6,884 | 7,140 |
| Other receivables | 21,517 | 52,578 |
| | <u>28,401</u> | <u>59,718</u> |
| 6 INVENTORIES | | |
| CURRENT | | |
| At cost: | | |
| Stock on hand | <u>43,018</u> | <u>36,915</u> |
| 7 OTHER ASSETS | | |
| CURRENT | | |
| Prepaid expenses | 77,603 | 25,003 |
| Accrued income | 64,500 | 1,526 |
| | <u>142,103</u> | <u>26,529</u> |
| 8 PROPERTY, PLANT AND EQUIPMENT | | |
| Land at valuation | <u>300,000</u> | <u>300,000</u> |
| Buildings at valuation | 1,511,011 | 1,384,755 |
| Less accumulated depreciation | <u>(245,152)</u> | <u>(209,307)</u> |
| Total buildings | <u>1,265,859</u> | <u>1,175,448</u> |
| Total land and buildings | <u>1,565,859</u> | <u>1,475,448</u> |
| Plant and equipment at valuation | 2,035,155 | 1,769,695 |
| Less: accumulated depreciation | <u>(1,260,476)</u> | <u>(1,066,026)</u> |
| | <u>774,679</u> | <u>703,669</u> |
| Work in Progress | <u>185,685</u> | <u>92,532</u> |
| Total property, plant and equipment | <u>2,526,223</u> | <u>2,271,650</u> |

Asset revaluations

The plant and equipment were independently valued at 30 June 2013 as part of the Administration process. The valuation was based on the fair value less cost to sell. The Board decided to adopt the valuation as of 1 July 2013 in order to clearly reflect the current values of plant and equipment. The valuation resulted in a revaluation increment of \$44,954 being recognised in the revaluation reserve for the year ended 30 June 2014.

(a) Land

Under the *Registered Clubs Act 1976*, the company is required to distinguish between its core and non-core property.

(b) Core & Non-Core Property

Pursuant to Section 41J(2) of the *Registered Clubs Act 1976*, for the financial year ended 30th June 2020.

- (a) all property held by the company, not listed as non-core property below, is to be classified as core property; and
- (b) the non-core property of the company consists of:
 - Drill Hall block;
 - bowling greens;
 - tennis courts & BBQ area; and
 - property on which manager's residence was previously situated.

LEETON SOLDIERS' CLUB LIMITED
ABN 55 001 037 136

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

| | 2020 \$ | 2019 \$ |
|---|-----------------------|-----------------------|
| 9 INTANGIBLE ASSETS | | |
| NON-CURRENT | | |
| Poker machine licences | <u>1,170,000</u> | <u>975,000</u> |
| 10 ACCOUNTS AND OTHER PAYABLES | | |
| CURRENT | | |
| Accounts payable | 145,555 | 177,484 |
| Accrued charges | 251,306 | 74,184 |
| Other payables | 39,743 | 8,833 |
| 10(a) | <u>436,604</u> | <u>260,501</u> |
| (a) Financial liabilities at amortised cost classified as trade and other payables | | |
| Accounts and other payables | | |
| - Total current | 436,604 | 260,501 |
| - Total non-current | <u>-</u> | <u>-</u> |
| | <u>436,604</u> | <u>260,501</u> |
| 11 PROVISIONS | | |
| CURRENT | | |
| Employee entitlements | 115,044 | 99,629 |
| Sundry provisions | 5,386 | 6,276 |
| | <u>120,430</u> | <u>105,905</u> |
| NON-CURRENT | | |
| Employee entitlements | <u>23,187</u> | <u>20,079</u> |
| Provision for Non-current Employee Benefits | | |
| A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of the leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(g) to these financial statements. | | |
| 12 BORROWINGS | | |
| CURRENT | | |
| Equipment finance liability | 30,243 | 30,243 |
| NAB credit card | 821 | 3,039 |
| Bank loans | - | - |
| | <u>31,065</u> | <u>33,282</u> |
| NON-CURRENT | | |
| Equipment finance liability | <u>-</u> | 20,162 |
| | <u>-</u> | <u>20,162</u> |
| Lease liabilities are secured by the underlying leased assets. | | |
| 13 OTHER LIABILITIES | | |
| CURRENT | | |
| Subscriptions in advance | 3,902 | 2,614 |
| | <u>3,902</u> | <u>2,614</u> |
| NON-CURRENT | | |
| Subscriptions in advance | 11,705 | 1,977 |
| | <u>11,705</u> | <u>1,977</u> |

LEETON SOLDIERS' CLUB LIMITED
ABN 55 001 037 136

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

| | 2020 \$ | 2019 \$ |
|---|------------|------------|
| 14 CAPITAL AND LEASING COMMITMENTS | | |
| (a) Finance Lease Commitments | | |
| Payable - minimum lease payments | | |
| - not later than 12 months | 30,243 | 30,243 |
| - later than 12 months but not later than 5 years | - | 20,162 |
| - greater than 5 years | - | - |
| Present value of minimum lease payments | | |

15 RESERVES

(a) Revaluation Reserve

The revaluation reserve records the revaluation of non-current assets.

16 PRIOR YEAR ADJUSTMENT

Two adjustments to retained earnings were required at 30 June 2019. One was due to the termination of a contract entered into in 2012 which had not been accounted for correctly. Additionally, an adjustment was required to land and buildings after a review of the fixed asset register identified an error in the land value.

NEW WEBSITE LAUNCHED IN 2020

WWW.LEETONSOLDIERS.COM.AU

