

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED

AND CONTROLLED ENTITY

ABN 56 000 144 963

FINANCIAL REPORT

YEAR ENDED 30 JUNE 2020

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**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

Peter Comerford	Francis J McKey	Bruce Knight
John Z Black	Neil Crouch	Scott Brereton
James Battese	Vickie McAlister	Brad Birney

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

Principal Activities

The principal activities of the consolidated entity during the financial year were:

- the operation of a licensed club and;
- landlords of investment properties.

The consolidated entity's short term and long term objectives are:

- To provide social, recreation and sporting facilities for its members.

To achieve these objectives the consolidated entity has adopted the following strategies:

- For the licensed club to provide excellent facilities and service to its members and that the Club achieve a level of profitability that provides stability to the consolidated entity.
- For the presentation and appearance of the Shopping Centre be maintained at its high level ensuring occupancy by tenants and patronage by shoppers.
- For the club staff to be trained and skilled to a level of service that members expect.

The consolidated entity's performance is measured principally in its monetary profitability, other measures adopted are members and tenants satisfaction levels.

Information on Directors

Director	Qualifications & Experience	Special Responsibility
Peter A Comerford	Solicitor	Director & President
Francis J McKey	Monumental Mason	Director & Vice President
Bruce Knight	Retired	Director & Vice President
John Z Black	Pharmacist	Director & Treasurer
Neil Crouch	Retired	Director
James A Battese	Purchasing Officer	Director
Vickie McAlister	Motel Proprietor	Director
Scott Brereton	Business Proprietor	Director
Brad Birney	Council Employee	Director

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

Meeting of Directors

During the year, seventeen meetings of directors were held. Attendances by each director during the year were as follows:

Directors Meetings

	Monthly Board Meetings		Special Board and Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Peter A Comerford	12	12	5	5
Francis J McKey	12	12	5	5
Bruce Knight	12	12	5	5
John Z Black	12	10	5	3
Neil Crouch	12	12	5	5
James A Battese	12	12	5	5
Vickie McAlister	12	11	4	3
Scott Brereton	12	12	4	4
Brad Birney	12	12	4	3

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 \$2 each towards meeting any outstanding obligations of the company. At 30 June 2020, the total amount that members of the company are liable to contribute if the company is wound up is \$15,766 (2019: \$14,756).

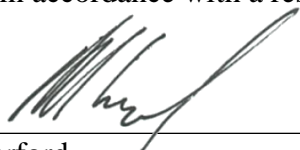
Operating Results

The operating profit for the club for the financial year amounted to \$292,412 (2019: \$343,303).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 has been received and is enclosed with the financial report.

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



P Comerford
Director

Dated this day 23rd of September 2020



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Casino Returned Servicemen's Memorial Club Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to the Casino Returned Servicemen's Memorial Club Limited and the entities it controlled during the period.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:

.....
A J BRADFIELD (Partner)
Registered Company Auditor

Dated at Lismore this 23rd day of September 2020.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Consolidated Group	
		2020 \$	2019 \$
Revenue	2	9,788,794	10,405,521
Cost of Goods Sold		(1,345,126)	(1,537,254)
Employee Benefits Expense		(3,012,064)	(3,118,832)
Depreciation and Amortisation Expense		(1,291,873)	(1,208,455)
Gaming Expenses		(1,112,174)	(1,299,811)
Other Expenses		(2,552,088)	(2,775,147)
Finance Costs		(30,814)	(14,582)
Profit Before Income Tax		444,655	451,440
Income Tax Expense	3	(152,243)	(108,137)
Profit Attributable to Members of the Company		292,412	343,303
Other Comprehensive Income		-	-
Total Comprehensive Income		292,412	343,303

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Notes	Consolidated Group	
		2020	2019
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	4	1,286,249	1,024,376
Trade and Other Receivables	5	159,295	173,283
Inventories	6	73,268	118,112
Other Assets	7	146,508	147,304
TOTAL CURRENT ASSETS		<u>1,665,320</u>	<u>1,463,075</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	16,767,433	16,830,311
Other Receivables	5	1,017,097	-
Intangible Assets	9	1,251,645	1,251,645
Deferred Tax Assets	10	122,252	123,822
TOTAL NON-CURRENT ASSETS		<u>19,158,427</u>	<u>18,205,778</u>
TOTAL ASSETS		<u>20,823,747</u>	<u>19,668,853</u>
CURRENT LIABILITIES			
Trade and Other Payables	12	1,022,520	974,066
Borrowings	13	730,383	1,437,587
Current Tax Liabilities	14	26,896	64,219
Provisions	15	315,212	368,486
Other Liabilities	16	93,994	96,566
TOTAL CURRENT LIABILITIES		<u>2,189,005</u>	<u>2,940,923</u>
NON-CURRENT LIABILITIES			
Borrowings	13	1,802,821	247,470
Deferred Tax Liabilities	14	-	2,030
Provisions	15	99,780	38,701
TOTAL NON-CURRENT LIABILITIES		<u>1,902,601</u>	<u>288,201</u>
TOTAL LIABILITIES		<u>4,091,606</u>	<u>3,229,124</u>
NET ASSETS		<u>16,732,141</u>	<u>16,439,729</u>
EQUITY			
Retained Earnings		<u>16,732,141</u>	<u>16,439,729</u>
TOTAL EQUITY		<u>16,732,141</u>	<u>16,439,729</u>

This Statement of Financial Position should be read in conjunction with the accompanying notes

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Consolidated Group	
		2020	2019
		\$	\$
Cash Flows From Operating Activities			
Receipts From Customers		9,800,211	10,331,177
Payments to Suppliers and Employees		(7,919,548)	(8,675,506)
Interest Paid		(30,814)	(14,582)
Income Tax (Paid)/Refunded		(190,027)	(45,153)
Net Cash Provided By / (Used By) Operating Activities		<u>1,659,821</u>	<u>1,595,936</u>
Cash Flows From Investing Activities			
Payment for Property, Plant & Equipment		(1,228,996)	(2,540,145)
Payment for Intangibles		-	-
Proceeds from Disposals of Plant & Equipment		-	-
Net Cash Provided By / (Used By) Investing Activities		<u>(1,228,996)</u>	<u>(2,540,145)</u>
Cash Flows From Financing Activities			
Borrowings in Year		1,555,350	1,025,940
Repayment of Borrowings		(770,330)	(614,667)
Net Cash Provided By / (Used By) Financing Activities		<u>785,020</u>	<u>411,273</u>
Net Increase / (Decrease) in Cash Held		1,215,844	(532,935)
Cash and Cash Equivalents at the Beginning of the Financial Year		<u>552,029</u>	<u>1,084,964</u>
Cash and Cash Equivalents at the End of the Financial Year	4(a)	<u><u>750,776</u></u>	<u><u>552,029</u></u>

This Statement of Cashflows should be read in conjunction with the accompanying notes

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Consolidated Group Retained Earnings \$
Balance at 30 June 2018	16,096,426
Profit for the year	<u>343,303</u>
Balance at 30 June 2019	16,439,729
Profit for the year	<u>292,412</u>
Balance at 30 June 2020	16,732,141

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the consolidated financial statements and notes of Casino Returned Servicemen's Memorial Club Limited and RSM Properties Pty Ltd. Casino Returned Servicemen's Memorial Club Limited is a company limited by guarantee which is incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 23rd September 2020.

Basis of Preparation

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

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

The financial statements 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.

Significant Accounting Policies

a) Principles of Consolidation

A controlled entity is any entity over which the Casino Returned Servicemen's Memorial Club Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Details of the controlled entity is contained in Note 11 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered the consolidated group during the year, their operating results have been included from the date control was obtained.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Income Tax (Cont'd)

Current income tax expense charged to the income statement is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Income tax payable is calculated using the Waratah formula which determines the taxable income for mutual entities.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

c) Inventories

Inventories comprise finished goods purchased for resale and promotions and are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis.

d) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their cost less subsequent depreciation of buildings.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Property, Plant and Equipment (Cont'd)

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriated proportion of fixed and variable overheads.

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 group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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 their useful lives to, the economic 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 to 8%
Plant and equipment	10 to 30%
Leased plant and equipment	12.5 to 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses, on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e) Leases

For the comparative year

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

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Leases (Cont'd)

For the current year

At inception of a contract, the Club assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

At the lease commencement, the Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club believes it is reasonably certain that the option will be exercised. The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Club's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Club's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Club has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Club recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Leases (Cont'd)

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity become a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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:

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

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Financial Instruments (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 in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held to maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(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 being included in profit or loss.

(ii) Loan 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(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.

Held to maturity investments are included in non current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Financial Instruments (Cont'd)

(iii) Held to maturity investments (Cont'd)

If during the period the Company sold or reclassified more than an insignificant amount of the held to maturity investments before maturity, the entire held to maturity investments category would be tainted and reclassified as available for sale.

(iv) Available for sale financial assets

Available for sale financial assets are non derivative financial assets that are either not suitable to be 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.

Available for sale financial assets are included in non current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) Financial Liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

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 reporting date.

Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available for sale financial assets

A significant or prolonged decline in value of an available for sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Intangible Assets

Poker machine entitlements were granted to the company by the NSW government prior 1 July 2004. Poker machine entitlements have been recognised in the statement of financial position at their fair value at 1 July 2004 which has been deemed to be their cost. Subsequent acquisitions of poker machine entitlements are recognised as cost.

Poker machine entitlements are assessed as being intangible assets with a definite useful life and have not been amortised. Poker machine entitlements continue to be carried at cost in the statement of financial position and are subject to an annual impairment test.

h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than twelve months after the end of the reporting have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

i) Provisions

Provisions are recognised when the group 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.

j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k) Revenue

For the comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
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ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Revenue (Cont'd)

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Rendering of services

Revenue in relation to rendering of services is recognised upon the delivery of the service to the customer.

For the current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to None of the revenue streams of the Club have any significant financing terms as there is less than 12

The revenue recognition policies for the principal revenue streams of the Club are:

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery to the customer as this is deemed to be the point in time when the performance obligation is satisfied.

Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Trade and Other Receivables

Trade receivables are recognised at their cost less impairment losses and a sale is recorded when goods have been dispatched to a customer pursuant to a sales order and the associated risks have passed to the carrier or customer. All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the statement of comprehensive income.

m) Trade and Other Payables

Trade and other payables represent goods and services provided to the company prior to the end of the reporting period. The accounts are usually settled on the supplier's trading terms. Payables to related parties are carried at cost.

n) Finance Costs

Finance costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are presented 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.

p) Comparative Figures

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

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

q) Critical Accounting Estimates and Judgements

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 group.

Key Estimates - Impairment

The group assesses impairment at the end of each reporting period by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessment of recoverable amounts incorporate a number of key estimates.

r) Fair Value Measurement

The Company may be required to measure some of its assets and liabilities at fair value on either a recurring or non recurring basis, depending on the requirements of the applicable Accounting Standard.

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

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

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

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

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

r) Fair Value Measurement (Cont'd)

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

s) Change in Accounting Policies

Revenue from Contracts with Customers - Adoption of AASB 15

The Club has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 July

The Club performed an impact assessment regarding the application of AASB 15 and AASB 1058. The assessment identified that the application of this standard had no material impact on the Club.

The key changes to the Club's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

AASB 15 and AASB 1058 supersedes AASB 111 Construction Contracts, AASB 118 Revenue, AASB 1004 Contributions and related interpretations and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Club has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. Any required adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

Leases - Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Under AASB 117, the Club assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Club or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

s) Change in Accounting Policies (Cont'd)

The Club has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

The Club performed an impact assessment regarding the application of AASB 16. The assessment identified that the application of this standard had no material impact on the Club.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Consolidated Group	
	2020	2019
	\$	\$
NOTE 2 - REVENUE		
Revenue From Contracts with Customers		
Operating Activities		
Sale of Goods	2,985,093	3,693,572
Rental Income	1,326,769	1,091,586
Gaming	4,631,426	5,268,563
Subscriptions	41,066	30,762
	8,984,354	10,084,482
Other Revenue		
Interest	56,766	-
Covid-19 Cashflow Boost	50,000	-
Jobkeeper	383,250	-
Other	314,424	321,040
	804,440	321,040
Total Revenue	9,788,794	10,405,521

NOTE 3 - INCOME TAX EXPENSE

The prima facie tax on profit from continuing operations is reconciled to the income tax expense as follows:

Prima facie tax payable on profit from continuing operations before income tax	135,794	134,713
Tax effect of non-deductible and non-assessable items	16,449	(26,576)
	152,243	108,137

The income tax expense comprises amounts set aside to:

Provision for Income Tax	152,704	127,313
Deferred Tax Assets/(Liabilities)	(461)	(19,176)
	152,243	108,137

Average Effective Tax Rate	34.24%	23.95%
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**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY**

ABN 56 000 144 963

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

	Consolidated Group	
	2020	2019
	\$	\$
NOTE 4 - CASH AND CASH EQUIVALENTS		
Cash at Bank and On Hand	<u>1,286,249</u>	<u>1,024,376</u>
a. Reconciliation of Cash		
Cash at Bank	1,286,249	1,024,376
Bank Overdraft	<u>(535,473)</u>	<u>(472,347)</u>
Cash and Cash equivalents - per the statement of Cash Flows	<u>750,776</u>	<u>552,029</u>
NOTE 5 - TRADE AND OTHER RECEIVABLES		
Current		
Trade Receivables	21,295	172,533
Less Provision for Impairment	<u>-</u>	<u>-</u>
	21,295	172,533
Sundry Receivables	<u>138,000</u>	<u>750</u>
	<u>159,295</u>	<u>173,283</u>
Non-current		
Loan to Woodburn Evans Head RSL	<u>1,017,097</u>	<u>-</u>
<p>In August 2019, the Company entered into a secured mortgage agreement with Woodburn Evans Head RSL Club. The debtor is secured against the land owned by the Club and Gaming Machine Entitlements. The loan is to be repaid within two years unless an amalgamation is agreed to. At the date of certifying the financial report there has been no formal agreement entered into for amalgamation.</p>		
NOTE 6 - INVENTORIES		
Current		
At Cost		
Finished Goods held for resale	<u>73,268</u>	<u>118,114</u>
NOTE 7 - OTHER ASSETS		
Current		
Prepaid Expenditure	146,508	147,304
Income Tax Refundable	<u>-</u>	<u>-</u>
	<u>146,508</u>	<u>147,304</u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 8 - PROPERTY, PLANT & EQUIPMENT

	Consolidated Group	
	2020	2020
	\$	\$
<i>Land</i>		
Freehold Land - at cost	2,515,296	2,515,296
<i>Buildings</i>		
Buildings - at cost	20,115,225	19,128,953
Less Accumulated Depreciation	(8,584,886)	(8,013,702)
	11,530,339	11,115,251
<i>Plant and Equipment</i>		
Plant and Equipment - at cost	9,587,071	9,346,748
Less Accumulated Depreciation	(6,865,273)	(6,146,984)
	2,721,798	3,199,764
Total Property, Plant and Equipment	16,767,433	16,830,311

Movements in Carrying Amounts

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

<u>2020</u>	Land	Buildings and work in progress	Plant & Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of the year	2,515,296	11,115,251	3,199,764	16,830,311
Additions	-	1,151,059	77,935	1,228,995
Transfers	-	(164,789)	164,789	-
Disposals	-	-	-	-
Depreciation expense and write-downs	-	(571,183)	(720,690)	(1,291,872)
Carrying amount at the end of the year	2,515,296	11,530,339	2,721,798	16,767,433

<u>2019</u>	Land	Buildings and work in progress	Plant & Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of the year	2,515,296	9,951,438	3,049,392	15,516,127
Additions	-	1,704,689	835,456	2,540,145
Disposals	-	-	(17,505)	(17,505)
Depreciation expense and write-downs	-	(540,876)	(667,579)	(1,208,455)
Carrying amount at the end of the year	2,515,296	11,115,251	3,199,764	16,830,311

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Consolidated Group	
	2020	2019
	\$	\$
NOTE 9 - INTANGIBLE ASSETS		
Poker Machine Entitlements - at cost	1,250,730	1,250,730
Formation Expenses - at cost	915	915
	1,251,645	1,251,645

NOTE 10 - DEFERRED TAX ASSETS

Deferred Tax Assets	122,252	123,822
The deferred tax assets comprise:		
Provisions	20,041	19,764
Property Plant & Equipment	101,140	100,969
Unearned revenue and accrued expenses	1,071	3,089
	122,252	123,822

Deferred tax assets not recognised, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur:

Capital losses	772,348	772,348
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NOTE 11 - CONTROLLED ENTITY

Controlled Entity Consolidated

Subsidiaries of Casino Returned Servicemen's Memorial Club Ltd:

- RSM Properties Pty Ltd

Country of Incorporation: Australia

Date of Incorporation: 31 May 2002

Percentage owned: 100%

NOTE 12 - TRADE AND OTHER PAYABLES

Current

Trade & Other Payables	1,022,520	974,066
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**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Consolidated Group	
	2020	2019
	\$	\$
NOTE 13 - BORROWINGS		
Current		
Bank Overdraft Secured	535,473	472,347
Bank Bill Secured	-	-
Bank Loan Secured	-	755,000
Chattel Finance	194,910	210,240
	<u>730,383</u>	<u>1,437,587</u>
Non-Current		
Bank Bill Secured	1,700,000	-
Bank Loan Secured	-	-
Chattel Finance	102,821	247,470
	<u>1,802,821</u>	<u>247,470</u>
Security		
a)	The bank overdraft, loan and bills are secured by a registered first mortgage over the freehold properties of RSM Properties Pty Ltd and a floating charge over the assets and undertaking of Casino Returned Servicemen's Club Ltd and RSM Properties Pty Ltd. The carrying amount of assets pledged as security is represented by total assets for the economic entity on the Statement of Financial Position.	

NOTE 14 - TAX LIABILITIES

Current		
Income Tax Payable	<u>26,896</u>	<u>64,219</u>
Non-Current		
Deferred Tax Liabilities	<u>-</u>	<u>2,030</u>
The deferred tax liabilities comprise:		
Property, Plant & Equipment	-	-
Prepayments	<u>-</u>	<u>2,030</u>
	<u>-</u>	<u>2,030</u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

		Consolidated Group	
		2020	2019
		\$	\$
NOTE 15 - PROVISIONS			
Current			
Employee Benefits	- Long Service Leave	132,528	179,770
	- Annual Leave	<u>182,684</u>	<u>188,716</u>
		<u><u>315,212</u></u>	<u><u>368,486</u></u>
Non-Current			
Employee Benefits	- Long Service Leave	<u>99,780</u>	<u>38,701</u>
NOTE 16 - OTHER LIABILITIES			
Current			
Rent Bond		2,203	2,203
Revenue Received in Advance		<u>91,791</u>	<u>94,363</u>
		<u><u>93,994</u></u>	<u><u>96,566</u></u>

NOTE 17 - RELATED PARTY INFORMATION

- a) Director Peter Comerford is a partner in the business Parker & Kissane which was paid \$5,958 in the year for legal work.
- b) Director Scott Brereton was paid \$2,860 for providing club vehicles services.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 17 - RELATED PARTY INFORMATION (CON'T)

	Consolidated Group	
	2020	2019
	\$	\$
c) Key Management Personnel Compensation	<u>829,859</u>	<u>845,687</u>

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the consolidated group, directly or indirectly, including any director is considered key management personnel. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

d) **Other Related Party Transactions**

Other related parties include close family members of key management personnel who are employees of the club.

Transactions with other related parties are on normal commercial terms and conditions no more favourable than those available to others. The total of those transactions for the year was \$213,274 (2019: \$139,841).

NOTE 18 - MEMBERS GUARANTEE

Casino Returned Servicemen's Memorial Club Ltd 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 two dollars (\$2) towards meeting outstanding obligations of the company. At 30 June 2020 there were 7,887 members (2019: 7,378).

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 19 - COMPANY DETAILS

The registered office and principal place of business of the company is:
162 Canterbury Street
CASINO NSW 2470

NOTE 20 - PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2020	2019
	\$	\$
BALANCE SHEET		
ASSETS		
Current Assets	759,061	2,302,157
Non Current Assets	10,561,437	14,873,162
TOTAL ASSETS	11,320,497	17,175,318
LIABILITIES		
Current Liabilities	1,374,658	1,605,135
Non Current Liabilities	297,731	247,470
TOTAL LIABILITIES	1,672,388	1,852,605
EQUITY		
Retained Earnings	9,648,109	15,322,714
TOTAL EQUITY	9,648,109	15,322,714
STATEMENT OF COMPREHENSIVE INCOME		
Total Profit	(33,958)	123,191
Total Comprehensive Income	(33,958)	123,191

Guarantees

Casino Returned Servicemen's Memorial Club Ltd has guaranteed the borrowings of RSM Properties Pty Ltd. Further particulars are provided at Note 13.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 21 - COMMITMENTS

Contingent Liabilities

As at 30 June 2020 Casino Returned Servicemen's Memorial Club Limited did not have any contingent liabilities. (2019: nil).

Contractual Commitments

Casino Returned Servicemen's Memorial Club Ltd has entered into contractual commitments for:

	2020	2019
Plant & Equipment Purchases	816,159	849,660
Land & Buildings	-	-
Payable:		
- not later than 12 months	816,159	849,660

NOTE 22 - FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, receivables, trade and other payables and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	2020	2019
		\$
<i>Financial Assets</i>		
Cash and cash equivalents	1,286,249	1,024,376
Trade and other receivables	159,295	173,283
	<u>1,445,544</u>	<u>1,197,659</u>
<i>Financial Liabilities</i>		
Financial Liabilities at Amortised Cost		
- Trade and other payables	1,022,520	974,066
- Borrowings	2,533,203	1,685,057
	<u>3,555,724</u>	<u>2,659,123</u>

As at 30 June 2020 an amount of \$378,000 was available to the group as an unused finance facility should they require.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 23 - EVENTS AFTER THE REPORTING DATE

The financial report was authorised for issue on 23rd September 2020 by the Board of Directors.

Attention is drawn to *Note 24 'COVID-19'* which describes the impact of the pandemic on the Company and the uncertainty as to the future trading restrictions.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs on the Company in future financial years.

NOTE 24 - COVID-19

During the week beginning 16 March 2020, the Australian Government together with the State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19 which had the subsequent effect of impacting the Company's operations.

In addressing and implementing the necessary changes to ensure the Company complied with the measures, the Directors implemented, amongst others, the following:

- Closure of the Registered Club for the period from 23 March 2020 until 1 June 2020;
- Review and revision of all variable costs during the period of closure;
- Actively pursued opportunities to receive the various government stimulus funding available. This includes the Australian Government's JobKeeper subsidy. During the financial year ended 30 June 2020, the Club received an amount of \$383,250 in JobKeeper subsidy payments and \$50,000 in cash flow boosts. The Club is eligible for further JobKeeper entitlements until September 2020;
- Applying to defer gaming tax payable for the February 2020 and May 2020 quarters to September 2020. The Club has received approval to pay this in installments over the period from October 2020 to August 2021.

The Registered Club re-opened on 1 June, 2020. Its current operations are subject to a number of restrictions imposed by the NSW State Government, including a limit on the numbers of patrons allowed in the venue, and adherence to social distancing requirements. There is uncertainty as to the extent and timing of restrictions that will be imposed into the future.

Despite the uncertainty around the future trading conditions, the Directors' believe there are no indicators of material uncertainty as to the ability of the Company to continue to operate on a going concern basis.

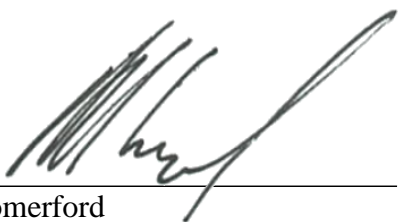
**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
A.B.N. 56 000 144 963
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020**

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 4 to 30 are in accordance with the *Corporations Act 2001* :
 - a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; 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 consolidated entity.
2. In the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

Dated at Casino this 23rd day of September 2020.



P Comerford
Director

Independent Auditor's Report to the Members of Casino Returned Servicemen's Memorial Club and its controlled entity

Report on the audit of the financial report

Opinion

We have audited the financial report of Casino Returned Servicemen's Memorial Club and its controlled entity ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

Emphasis of Matter – COVID-19

We draw attention to Note 24 of the financial report, which describes the effects of COVID-19 in relation to the Company's operations. Our opinion is not modified in respect of this matter.

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

The directors are responsible for the other information. The other information obtained at the date of the auditor's report is information included in the Directors report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:

A handwritten signature in black ink, appearing to read 'A J Bradfield', is written over a horizontal dotted line.

A J BRADFIELD (Partner)

Dated at Lismore this 23rd day of September 2020

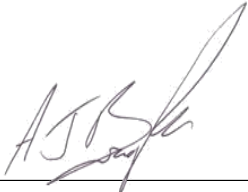
**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963**

**REPORT ON OTHER INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020**

To the Members of the Casino Returned Servicemen's Memorial Club Limited

Our examination was made for the purpose of forming an opinion on the statutory financial statements. The "other financial information" consisting of the Detailed Income and Expenditure Statement and Detailed Trading Statements are presented for the purposes of additional analysis and is not a required part of the statutory financial statements. Such information has been subjected to the auditing procedures applied in the examination of the statutory financial statements, however we do not express any opinion on the completeness or accuracy of the "other financial information".

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**



A J BRADFIELD (Partner)
Registered Company Auditor

Dated at Lismore this 23rd day of September 2020.

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Consolidated Group	
	2020	2019
	\$	\$
Bar Trading Statement		
Sales	1,428,962	1,785,390
Less Cost of Goods Sold		
Opening Stock	64,119	60,956
Purchases	581,391	760,376
	<u>645,510</u>	<u>821,332</u>
Less Closing Stock	<u>24,955</u>	<u>64,119</u>
Gross Profit - Bar	808,407	1,028,177
Less Expenses		
Depreciation	3,628	4,608
Replacements	17,307	16,779
Licence Fee	-	-
Repairs and Maintenance	2,618	2,148
Wages	412,678	467,284
Net Profit - Bar	<u><u>372,176</u></u>	<u><u>537,358</u></u>
Catering Trading		
Sales	1,409,573	1,720,484
Less Cost of Goods Sold		
Opening Stock	24,617	17,484
Purchases	593,139	679,609
	<u>617,756</u>	<u>697,093</u>
Less Closing Stock	<u>18,224</u>	<u>24,617</u>
Gross Profit - Catering	810,041	1,048,008
Less Expenses		
Depreciation	7,060	10,613
Gas	35,400	38,915
Laundry	5,181	9,700
Replacements	33,810	42,871
Repairs and Maintenance	33,130	10,123
Wages	821,084	917,923
Net Profit - Catering	<u><u>(125,624)</u></u>	<u><u>17,865</u></u>

**CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
AND CONTROLLED ENTITY
ABN 56 000 144 963
DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Consolidated Group	
	2020	2019
	\$	\$
Gaming Income		
Poker Machine Gross Receipts	4,454,099	5,055,626
Less Expenses		
Depreciation	436,725	409,934
Monitoring Fee	50,154	61,220
Poker Machine Tax	789,996	909,440
Repairs and Maintenance	172,776	164,463
Promotions and Prizes	104,887	109,827
Statewide Link Fees	-	-
	2,899,561	3,400,742
Poker Machines - Net Profit		
Add other gaming income		
Keno - Net Commissions	135,698	153,383
Tab - Net Commissions	3,351	12,765
	3,038,610	3,566,891
Less Wages	235,834	239,862
	2,802,777	3,327,029
Net Profit - Gaming	2,802,777	3,327,029

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated Group	
	2020	2019
	\$	\$
Income		
Trading Income		
Bar	372,176	537,358
Gaming	2,802,777	3,327,029
Catering	(125,624)	17,865
	<u>3,049,329</u>	<u>3,882,252</u>
Members Subscriptions		
Subscriptions	<u>41,066</u>	<u>30,762</u>
	41,066	30,762
Other Income		
Rent	1,326,769	1,091,586
Profit on Disposal of Assets	1,455	14,001
Sundry	633,912	154,636
	<u>1,962,136</u>	<u>1,260,223</u>
Total Income Received	<u>5,052,531</u>	<u>5,173,237</u>
Less Expenditure		
Accountancy Fees	21,132	36,463
Advertising	71,786	90,037
Auditor's Remuneration	22,550	15,550
Bank Charges	49,574	28,011
Computer Expenses	44,930	36,258
Cleaning Labour	277,244	295,542
Cleaning Materials	41,323	37,702
Consultants	54,103	25,558
Depreciation	844,460	783,300
Directors' Expenses	55,276	53,343
Electricity	162,411	213,509
Entertainment	114,540	196,167
Interest	29,080	14,582
Insurance	174,311	155,978
Land Tax	34,184	30,893
Lease Expenses	1,137	1,516
Legal	23,471	3,743
Long Service Leave	57,788	61,598
	<u>2,079,301</u>	<u>2,079,748</u>

CASINO RETURNED SERVICEMEN'S MEMORIAL CLUB LIMITED
ABN 56 000 144 963
DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated Group	
	2020	2019
	\$	\$
Sub Total	2,079,301	2,079,748
Loss on Disposal Of Assets	-	17,505
Motor Vehicle	71,797	64,556
Management Fees	15,267	1,081
Payroll Tax	73,599	110,093
Postage	-	-
Printing and Stationery	59,344	59,809
Promotions	428,666	467,414
Rates	152,226	139,966
Rents	24,761	13,571
Repairs and Maintenance	349,445	422,236
Security Service	48,504	58,799
Sponsorship	166,685	254,354
Staff Expenses	51,599	68,792
Staff Training	38,227	33,241
Sundry	14,165	12,614
Superannuation	221,990	238,514
Telephone	19,173	20,238
Trade Subscriptions	19,921	18,944
Wages and Salaries	635,241	474,426
	<hr/>	<hr/>
	4,469,911	4,555,901
Operating profit before associated club's net expenditure	582,620	617,335
Less Associated Clubs' Net Expenditure		
Bowling Club	61,701	99,659
Football Club	11,988	22,933
Junior League Club	22,898	9,681
Fishing Club	(5,364)	2,446
Carp Muster	4,348	(4,348)
Youth Club	17,723	9,147
Snooker Club	1,771	3,020
Pigeon Club	-	180
Railway Social Club	-	3,201
RSM Brumbies Touch Football	-	704
RSM Cavaliers Cricket Club	11,428	11,754
Juniors Cricket	5,461	7,370
Casino RSM Redbacks	6,472	146
RSM Garden Club	(461)	-
	<hr/>	<hr/>
	137,965	165,893
Operating Profit Before Income Tax	<hr/> <hr/>	<hr/> <hr/>
	444,655	451,442