# Bellingen RSL Country Club Limited

ABN: 25 001 018 819

## Financial Statements

**For the Year Ended 31 December 2019**

**Bellingen RSL Country Club Limited**

**ABN: 25 001 018 819**

# Contents

## For the Year Ended 31 December 2019

# Directors' Report
## 31 December 2019

The directors present their report on Bellingen RSL Country Club Limited for the financial year ended 31 December 2019.

### 1. General information

#### Information on directors

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

| | |
|---|---|
| Nick Jenkins | |
| Ruth Hall | |
| Special responsibilities | Treasurer |
| Stephen Glyde | |
| Stan McMaster | |
| Maurice Tate | Resigned 08/05/2019 |
| Special responsibilities | President |
| Jamie Burley | |
| Dianna Lowe | Resigned 08/05/2019 |
| Kevin Linley | Appointed 08/05/2019 |
| Kellie Lee | Appointed 08/05/2019 |
| Special responsibilities | President |

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 activity of Bellingen RSL Country Club Limited during the financial year was the operation of a licensed golf club.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### Short term objectives

The Company's short term objectives are to:

- Provide modern and up to date facilities for members and visitors.

# Directors' Report

## 31 December 2019

### 1. General information

**Long term objectives**

The Company's long term objectives are to:

- Be a viable community provider of sporting and recreational facilities for members and visitors.

**Strategy for achieving the objectives**

To achieve these objectives, the Company has adopted the following strategies:

- Continuing to expand the sporting facilities offered to members and visitors since the merger with Bellingen Bowling and Sporting Club.

- Continuing to provide an excellent country golf course and recreational facilities for members and visitors.

**Performance measures**

The company measures its own performance by monitoring poker machine revenue, bar trading and membership facilities, on both an ad hoc basis and also formally at regular board meetings.

**Members' guarantee**

Bellingen RSL Country Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $ 2, subject to the provisions of the company's constitution.

At 31 December 2019 the collective liability of members was $ 1,612 (2018: $ 1,766).

### 2. Other items

**Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Honorariums**

No honorariums were paid during the financial year.

# Directors' Report

## 31 December 2019

### Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

| | Directors' Meetings | |
|---|---|---|
| | Number eligible to attend | Number attended |
| Nick Jenkins | 11 | 10 |
| Ruth Hall | 11 | 10 |
| Stephen Glyde | 11 | 10 |
| Stan McMaster | 11 | 10 |
| Maurice Tate | 3 | 2 |
| Jamie Burley | 11 | 10 |
| Dianna Lowe | 3 | 3 |
| Kevin Linley | 8 | 8 |
| Kellie Lee | 8 | 8 |

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 4 of the financial report.

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

Director: ..........................................................................................................................................

Director: ..........................................................................................................................................

Dated this .............................. day of .............................. 2020

Tel: (02) 6652 2333
Fax: (02) 6651 2958

13 - 15 Park Avenue
(PO Box 919)
Coffs Harbour NSW 2450

enquiries@hqb.com.au
**www.hqb.com.au**

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BELLINGEN RSL COUNTRY CLUB LIMITED

In relation to our audit of the financial report of Bellingen RSL Country Club Limited for the year ended 31 December 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

HQB Accountants Auditors Advisors

James Davis – Partner in HQB Accountants Auditors Advisors

13-15 Park Avenue
Coffs Harbour
Dated:

# Statement of Profit or Loss and Other Comprehensive Income

## For the Year Ended 31 December 2019

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| Sales revenue | 5 | **890,284** | 903,717 |
| Cost of sales | | **(352,409)** | (344,254) |
| Gross profit | | **537,875** | 559,463 |
| Finance income | 6 | **2,588** | 2,777 |
| Other income | 5 | **38,169** | 34,796 |
| Employee benefits expense | | **(426,611)** | (346,100) |
| Depreciation and amortisation expense | | **(92,675)** | (79,295) |
| Other operating expenses | | **(152,785)** | (157,934) |
| Finance expenses | 6 | **(18,258)** | (21,343) |
| **Profit before income tax** | | **(111,697)** | (7,636) |
| Income tax expense | | **-** | - |
| **Profit from continuing operations** | | **(111,697)** | (7,636) |
| **Profit for the year** | | **(111,697)** | (7,636) |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Revaluation changes for property, plant and equipment | | **-** | (38,663) |
| **Other comprehensive income for the year, net of tax** | | **-** | (38,663) |
| **Total comprehensive income for the year** | | **(111,697)** | (46,299) |

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

**Bellingen RSL Country Club Limited**

**ABN: 25 001 018 819**

# Statement of Financial Position

## As At 31 December 2019

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 8 | **33,706** | 65,998 |
| Trade and other receivables | 9 | **17,008** | 17,756 |
| Inventories | 10 | **14,324** | 16,312 |
| Other financial assets | 11 | **120,105** | - |
| Other assets | 14 | **5,693** | 6,222 |
| TOTAL CURRENT ASSETS | | **190,836** | 106,288 |
| NON-CURRENT ASSETS | | | |
| Other financial assets | 11 | **-** | 120,105 |
| Property, plant and equipment | 12 | **1,381,302** | 1,352,506 |
| Intangible assets | 13 | **320,000** | 320,000 |
| Right-of-use assets | 15 | **12,535** | - |
| TOTAL NON-CURRENT ASSETS | | **1,713,837** | 1,792,611 |
| TOTAL ASSETS | | **1,904,673** | 1,898,899 |
| **LIABILITIES** | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 16 | **83,416** | 51,709 |
| Borrowings | 17 | **121,625** | 107,138 |
| Other financial liabilities | 18 | **15,457** | 15,437 |
| Employee benefits | 19 | **68,157** | 57,505 |
| TOTAL CURRENT LIABILITIES | | **288,655** | 231,789 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 17 | **96,879** | 26,734 |
| Deferred tax liabilities | | **125,823** | 137,431 |
| Employee benefits | 19 | **6,472** | 7,378 |
| TOTAL NON-CURRENT LIABILITIES | | **229,174** | 171,543 |
| TOTAL LIABILITIES | | **517,829** | 403,332 |
| NET ASSETS | | **1,386,844** | 1,495,567 |
| **EQUITY** | | | |
| Reserves | | **944,612** | 933,004 |
| Retained earnings | | **442,232** | 562,563 |
| | | **1,386,844** | 1,495,567 |
| TOTAL EQUITY | | **1,386,844** | 1,495,567 |

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

# Statement of Changes in Equity
## For the Year Ended 31 December 2019

**2019**

| | Retained Earnings | Asset Revaluation Surplus | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Balance at 1 January 2019** | **562,563** | **933,004** | **1,495,567** |
| Restatement due to adoption of AASB 16 | **(8,634)** | **-** | **(8,634)** |
| **Balance at 1 January 2019 restated** | **553,929** | **933,004** | **1,486,933** |
| Loss attributable to members of the entity | **(111,697)** | **-** | **(111,697)** |
| Movement in Deferred Tax Liability | **-** | **11,608** | **11,608** |
| **Balance at 31 December 2019** | **442,232** | **944,612** | **1,386,844** |

**2018**

| | Retained Earnings | Asset Revaluation Surplus | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Balance at 1 January 2018** | 570,199 | 967,911 | 1,538,110 |
| Loss attributable to members of the entity | (7,636) | - | (7,636) |
| **Transactions with owners in their capacity as owners** | | | |
| Increase in carried forward losses available | - | 3,756 | 3,756 |
| Poker machine revaluation, less sales | - | (38,663) | (38,663) |
| **Balance at 31 December 2018** | 562,563 | 933,004 | 1,495,567 |

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

## Bellingen RSL Country Club Limited

**ABN: 25 001 018 819**

# Statement of Cash Flows

## For the Year Ended 31 December 2019

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Receipts from customers | | **1,013,637** | 1,026,596 |
| Payments to suppliers and employees | | **(972,252)** | (947,712) |
| Interest received | | **2,588** | 2,777 |
| Interest paid | | **(18,258)** | (21,343) |
| Net cash provided by/(used in) operating activities | 29 | **25,715** | 60,318 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Proceeds from sale of plant and equipment | | **-** | 2,600 |
| Purchase of property, plant and equipment | | **(113,114)** | (40,014) |
| Purchase of financial assets | | **-** | (887) |
| Net cash provided by/(used in) investing activities | | **(113,114)** | (38,301) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from borrowings | | **114,336** | - |
| Repayment of borrowings | | **(61,819)** | (30,129) |
| Net cash provided by/(used in) financing activities | | **52,517** | (30,129) |
| Net increase/(decrease) in cash and cash equivalents held | | **(34,882)** | (8,112) |
| Cash and cash equivalents at beginning of year | | **9,703** | 17,815 |
| Cash and cash equivalents at end of financial year | 8 | **(25,179)** | 9,703 |

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The financial report covers Bellingen RSL Country Club Limited as an individual entity. Bellingen RSL Country Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Bellingen RSL Country Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

### 2 Change in Accounting Policy

**Leases - Adoption of AASB 16**

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

The Company has recognised right-of-use assets of $20,891 and lease liabilities of $29,526 at 1 January 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 January 2019 was 5.00%.

| | $ |
|---|---|
| Operating lease commitments at 31 December 2018 financial statements | 36,265 |
| Discounted using the incremental borrowing rate at 1 January 2019 | (6,739) |
| Add: | |
| Finance lease liabilities | 36,265 |
| **Lease liabilities recognised at 1 January 2019** | 29,526 |

### 3 Summary of Significant Accounting Policies

#### (a) Income Tax

The Company uses the mutuality principle to calculate income tax.

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

### 3 Summary of Significant Accounting Policies

#### (a) Income Tax

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

#### (b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

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.

#### (c) Revenue and other income

**Revenue from contracts with customers**

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 Company 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 the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

### 3 Summary of Significant Accounting Policies

#### (c) Revenue and other income

**Revenue from contracts with customers**

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

**Interest revenue**

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

**Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

#### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

#### (f) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

### 3 Summary of Significant Accounting Policies

#### (f) Property, plant and equipment

**Land and buildings**

Land and buildings are measured using the revaluation model.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the Company, commencing when the asset is ready for use.

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

| Fixed asset class | Depreciation rate |
|---|---|
| Buildings | 2% - 2.5% |
| Plant and Equipment | 9% - 67% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

**3 Summary of Significant Accounting Policies**

**(g) Financial instruments**

**Financial assets**

- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

*Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

*Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

### 3 Summary of Significant Accounting Policies

#### (g) Financial instruments

**Financial assets**

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

*Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

**Financial liabilities**

The Company classifies financial liabilities into either:

- liabilities measured at fair value through profit or loss; or
- other financial liabilities.

Liabilities measured at fair value through profit or loss comprise of derivative financial instruments and changes in fair value are recorded in profit or loss at each reporting period.

Other financial liabilities are initially recorded at fair value less transaction costs; subsequently financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise trade payables, bank and other loans and finance lease liabilities.

#### (h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of an impairment indicator for non-financial assets.

## 3 Summary of Significant Accounting Policies

### (h) Impairment of non-financial assets

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

### (i) Intangible Assets

**Amortisation**

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### (j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

### (k) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Employee benefits expected to be settled more than one year after the end of the reporting period 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 high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

## 3 Summary of Significant Accounting Policies

### (l) Going concern

As at 31 December 2019, current liabilities of the Company exceed current assets by $97,819. Although cash flow has decreased overall from the prior year by $34,882, the Company is now able to use the previously restricted funds of $120,000 to assist with working capital requirements. In addition to this, some other mitigating factors have been identfiied:

- Of the net current liabilities quoted above, $68,157 relates to employee leave liabilities. Although current, if the Company continues to trade, these liabilities are unlikely to be paid simultaneously.

- The Company delivered positive cash flows of $25,715 from operating activities for the year.

- Some assets, most notably a portion of poker machines and poker machine licences, could be sold without affecting the ability of the Company to continue trading.

After balancing the factors above, management and the board of directors believe that the Company can continue to trade and pay its debts as and when they fall due; however as at 31 December 2019 there is material uncertainty as to whether the Company can continue as a going concern. Therefore the Company may be unable to realise its assets and discharge its liabilitiers in the normal course of business or for the balances disclosed in the financial report.

### (m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

## 4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

**Key estimates - impairment of property, plant and equipment**

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

**Key estimates - intangible assets held at fair value**

The Company measures the poker machine entitlements at fair value. In determining fair value management will consider recent sales of similar poker machine entitlements made during the current year and make an assessment as to whether the poker machine entitlements held by the Company should be revalued.

### 4 Critical Accounting Estimates and Judgments

**Key estimates - property held at fair value**

An independent valuation of property (land and buildings) carried at fair value was obtained on 31 March 2016. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Note 26 provides information on inputs and techniques to determine valuation.

**Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

# Notes to the Financial Statements
## For the Year Ended 31 December 2019

### 5 Revenue and Other Income

**Revenue from continuing operations**

| | 2019 $ | 2018 $ |
|---|---|---|
| Revenue from contracts with customers (AASB 15) | | |
| - sale of goods | **890,284** | 903,717 |
| **Total Revenue** | **890,284** | 903,717 |

| | 2019 $ | 2018 $ |
|---|---|---|
| Other Income | | |
| - fees | **6,386** | 5,839 |
| - commissions | **2,689** | 713 |
| - rental income | **19,654** | 8,367 |
| - recoveries | **-** | 13,000 |
| - other income | **8,459** | 2,954 |
| - donations | **436** | 2,964 |
| - net gain on disposal of property, plant and equipment | **545** | 960 |
| | **38,169** | 34,797 |
| Total Revenue and Other Income | **928,453** | 938,514 |

### 6 Finance Income and Expenses

**Finance income**

| | 2019 $ | 2018 $ |
|---|---|---|
| Interest income | | |
| - Assets measured at amortised cost | **2,588** | 2,777 |
| **Total finance income** | **2,588** | 2,777 |

**Finance expenses**

| | 2019 $ | 2018 $ |
|---|---|---|
| Interest expense | **18,258** | 21,343 |

# Notes to the Financial Statements

## For the Year Ended 31 December 2019

### 7 Result for the Year

The result for the year includes the following specific expenses:

| | 2019 $ | 2018 $ |
|---|---|---|
| Cost of sales | **352,409** | 344,254 |
| Other expenses: | | |
| Employee benefits expense | **426,611** | 346,100 |
| Impairment of receivables: | | |
| - Bad debts | **-** | 900 |

### 8 Cash and Cash Equivalents

| | 2019 $ | 2018 $ |
|---|---|---|
| Cash at bank and in hand | **33,706** | 65,998 |
| | **33,706** | 65,998 |

**Reconciliation of cash**

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

| | | 2019 $ | 2018 $ |
|---|---|---|---|
| Cash and cash equivalents | | **33,706** | 65,998 |
| Bank overdrafts | 17 | **(58,885)** | (56,295) |
| **Balance as per statement of cash flows** | | **(25,179)** | 9,703 |

### 9 Trade and Other Receivables

| | 2019 $ | 2018 $ |
|---|---|---|
| CURRENT | | |
| Trade receivables | **17,574** | 17,245 |
| Provision for impairment | **(9,810)** | (4,465) |
| | **7,764** | 12,780 |
| Other receivables | **9,244** | 4,976 |
| **Total current trade and other receivables** | **17,008** | 17,756 |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 9 Trade and Other Receivables

**Reconciliation of changes in the provision for impairment of receivables is as follows:**

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Balance at beginning of the year (calculated in accordance with AASB 139) | **4,465** | 4,465 |
| Amounts written off as uncollectible | | |
| Movement through provision | **5,345** | - |
| **Balance at end of the year** | **9,810** | 4,465 |

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over 2 years past due, whichever occurs first.

### 10 Inventories

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| At cost: | | |
| Merchandise | **14,324** | 16,312 |
| | **14,324** | 16,312 |

Write downs of inventories to net realisable value during the year were $ NIL (2018: $ NIL).

### 11 Other Financial Assets

**(a) Financial assets at fair value through profit or loss**

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Other financial assets | **120,105** | - |
| | **120,105** | - |

### 11 Other Financial Assets

**11 Other Financial Assets**

**(a) Financial assets at fair value through profit or loss**

**(a) Financial assets at fair value through profit or loss**

| | 2019 $ | 2018 $ |
|---|---|---|
| NON-CURRENT | | |
| Term deposits | - | 120,105 |
| | - | 120,105 |

### 12 Property, plant and equipment

| | 2019 $ | 2018 $ |
|---|---|---|
| LAND AND BUILDINGS | | |
| Freehold land | | |
| At fair value | **425,000** | 425,000 |
| Total freehold land | **425,000** | 425,000 |
| Total Land | **425,000** | 425,000 |
| Buildings | | |
| At fair value | **743,000** | 743,000 |
| Accumulated depreciation | **(82,458)** | (63,883) |
| Total buildings | **660,542** | 679,117 |
| Total land and buildings | **1,085,542** | 1,104,117 |
| PLANT AND EQUIPMENT | | |
| Plant and equipment | | |
| At cost | **677,645** | 564,609 |
| Accumulated depreciation | **(510,515)** | (478,340) |
| Total plant and equipment | **167,130** | 86,269 |
| Poker Machines | | |
| At cost | **588,666** | 588,666 |
| Accumulated depreciation | **(460,036)** | (426,546) |
| Total poker machines | **128,630** | 162,120 |
| Total plant and equipment | **295,760** | 248,389 |
| **Total property, plant and equipment** | **1,381,302** | 1,352,506 |

### 12 Property, plant and equipment

#### (a) Movements in carrying amounts of property, plant and equipment

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

| | Land | Buildings | Plant and Equipment | Poker Machines | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Year ended 31 December 2019** | | | | | |
| Balance at the beginning of the year | **425,000** | **679,117** | **86,269** | **162,120** | **1,352,506** |
| Additions | **-** | **-** | **113,114** | **-** | **113,114** |
| | **-** | **(18,575)** | **(32,253)** | **(33,490)** | **(84,318)** |
| **Balance at the end of the year** | **425,000** | **660,542** | **167,130** | **128,630** | **1,381,302** |

| | Land | Buildings | Plant and Equipment | Poker Machines | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Year ended 31 December 2018** | | | | | |
| Balance at the beginning of the year | 425,000 | 697,692 | 103,784 | 166,952 | 1,393,428 |
| Additions | - | - | 2,790 | 37,224 | 40,014 |
| Disposals | - | - | (1,641) | - | (1,641) |
| Depreciation expense | - | (18,575) | (18,664) | (42,056) | (79,295) |
| **Balance at the end of the year** | 425,000 | 679,117 | 86,269 | 162,120 | 1,352,506 |

### 13 Intangible Assets

| | | |
|---|---|---|
| Poker Machine Entitlements | **320,000** | 320,000 |
| **Total Intangibles** | **320,000** | 320,000 |

#### (a) Movements in carrying amounts of intangible assets

| | Poker Machine Entitlements | Total |
|---|---|---|
| | $ | $ |
| **Year ended 31 December 2019** | | |
| Balance at the beginning of the year | **320,000** | **320,000** |
| **Closing value at 31 December 2019** | **320,000** | **320,000** |

# Notes to the Financial Statements

## For the Year Ended 31 December 2019

### 13 Intangible Assets

#### (a) Movements in carrying amounts of intangible assets

| | Poker Machine Entitlements | Total |
|---|---|---|
| | $ | $ |
| **Year ended 31 December 2018** | | |
| Balance at the beginning of the year | 373,328 | 373,328 |
| Revaluation decrease recognised in equity | (53,328) | (53,328) |
| **Closing value at 31 December 2018** | 320,000 | 320,000 |

### 14 Other Assets

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Prepayments | **5,693** | 6,222 |
| Total other assets | **5,693** | 6,222 |

### 15 Leases

**Right-of-use assets**

| | Right-of-use Asset: Plant & Equipment | Total |
|---|---|---|
| | $ | $ |
| **Year ended 31 December 2019** | | |
| Balance at start of year | **-** | **-** |
| Restatement due to application of AASB 16 | **20,892** | **20,892** |
| Amortisation charge | **(8,357)** | **(8,357)** |
| **Balance at end of year** | **12,535** | **12,535** |

### 16 Trade and Other Payables

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Current | | |
| Trade payables | **49,738** | 34,247 |
| GST payable | **9,195** | (196) |
| Other payables | **24,483** | 17,658 |
| | **83,416** | 51,709 |

## 16 Trade and Other Payables

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## 17 Borrowings

| | | 2019 | 2018 |
|---|---|---|---|
| | | $ | $ |
| CURRENT | | | |
| Secured liabilities: | | | |
| Bank overdraft | | **58,885** | 56,295 |
| Lease liability | 21 | **56,962** | 47,989 |
| Other loans | | **5,778** | 2,853 |
| **Total current borrowings** | | **121,625** | 107,137 |

| | | 2019 | 2018 |
|---|---|---|---|
| | | $ | $ |
| NON-CURRENT | | | |
| Secured liabilities: | | | |
| Lease liability | 21 | **96,879** | 25,535 |
| Other loans | | **-** | 1,199 |
| **Total non-current borrowings** | | **96,879** | 26,734 |
| **Total borrowings** | | **218,504** | 133,871 |

**Summary of borrowings**

During the current and prior year, there were no defaults or breaches on any of the loans.

The bank overdraft is secured by a registered first mortgage over certain freehold properties owned by the Company.

Leased liabilities are secured by the underlying leased assets.

## 18 Other Financial Liabilities

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Deferred income | **15,457** | 15,437 |
| **Total** | **15,457** | 15,437 |

# Notes to the Financial Statements

## For the Year Ended 31 December 2019

### 19 Employee Benefits

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Provision for employee benefits | **68,157** | 57,505 |
| | **68,157** | 57,505 |

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| NON-CURRENT | | |
| Provision for employee benefits | **6,472** | 7,378 |
| | **6,472** | 7,378 |

### 20 Reserves

#### (a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model. Poker machine entitlements are valued at market value as at 31 December 2019.

### 21 Capital and Leasing Commitments

#### (a) Finance Leases

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Minimum lease payments: | | |
| - not later than one year | **63,039** | 49,032 |
| - between one year and five years | **106,900** | 27,635 |
| Minimum lease payments | **169,939** | 76,667 |
| Less: finance changes | **(16,098)** | (3,117) |
| Present value of minimum lease payments | **153,841** | 73,550 |

Finance leases are in place for plant and equipment and normally have a term between 1 and 5 years.

#### (b) Operating Leases

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Minimum lease payments under non-cancellable operating leases: | | |
| - not later than one year | **-** | 7,660 |
| - between one year and five years | **-** | 28,605 |
| | **-** | 36,265 |

### 22 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

**Specific risks**

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

**Financial instruments used**

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Lease liabilities

**Objectives, policies and processes**

The Board of Directors have overall responsibility for the establishment of Bellingen RSL Country Club Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Bellingen RSL Country Club Limited's activities.

The day-to-day risk management is carried out by Bellingen RSL Country Club Limited's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below.

### 22 Financial Risk Management

**Liquidity risk**

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

*Trade receivables*

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

### 22 Financial Risk Management

**Credit risk**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the Company's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

| | | | Past due but not impaired (days overdue) | | | | |
|---|---|---|---|---|---|---|---|
| | Gross amount | Past due and impaired | < 30 | 31-60 | 61-90 | > 90 | Within initial trade terms |
| | $ | $ | $ | $ | $ | $ | $ |
| **2019** | | | | | | | |
| Trade receivables | **17,574** | **9,810** | **1,114** | **654** | **1,295** | **4,324** | **377** |
| Other receivables | **9,244** | **-** | **-** | **-** | **-** | **-** | **9,244** |
| Total | **26,818** | **9,810** | **1,114** | **654** | **1,295** | **4,324** | **9,621** |
| **2018** | | | | | | | |
| Trade receivables | 17,245 | 4,464 | 614 | 842 | 8,981 | - | 2,344 |
| Other receivables | 4,976 | - | - | - | - | - | 4,976 |
| Total | 22,221 | 4,464 | 614 | 842 | 8,981 | - | 7,320 |

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

### 22 Financial Risk Management

*(i) Interest rate risk*

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| **Floating rate instruments** | | |
| Bank overdrafts | **56,761** | 56,295 |

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2018: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the cash at bank balances less overdraft balances at each reporting date. Note that all other term deposits and borrowings are fixed rate, therefore not included in this analysis. All other variables are held constant.

| | 2019 | | 2018 | |
|---|---|---|---|---|
| | +1.00% | -1.00% | +1.00% | -1.00% |
| | $ | $ | $ | $ |
| Net results | **(515)** | **515** | (153) | 153 |
| Equity | **(515)** | **515** | (153) | 153 |

### 23 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 $ 2 each towards meeting any outstandings and obligations of the Company. At 31 December 2019 the number of members was 806 (2018: 883).

### 24 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Bellingen RSL Country Club Limited during the year are as follows:

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Short-term employee benefits | **67,279** | 49,711 |
| Post-employment benefits | **6,392** | 4,385 |
| | **73,671** | 54,096 |

### 25 Auditors' Remuneration

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Remuneration of the auditor for: | | |
| - auditing the financial statements | **11,800** | 11,600 |
| - financial statement preparation and other non-audit services | **4,800** | 1,600 |
| **Total** | **16,600** | 13,200 |

### 26 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
  - Land
  - Buildings
- Poker Machine Entitlements

**Fair value hierarchy**

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

| | |
|---|---|
| Level 1 | Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. |
| Level 2 | Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. |
| Level 3 | Unobservable inputs for the asset or liability. |

The table below shows the assigned level for each asset and liability held at fair value by the company:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **31 December 2019** | **$** | **$** | **$** | **$** |
| **Recurring fair value measurements** | | | | |
| **Property, plant and equipment** | | | | |
| Land | **-** | **-** | **425,000** | **425,000** |
| Buildings | **-** | **-** | **660,542** | **660,542** |
| Poker Machine Entitlements | **-** | **320,000** | **-** | **320,000** |
| | **-** | **320,000** | **1,085,542** | **1,405,542** |

# Notes to the Financial Statements

## For the Year Ended 31 December 2019

### 26 Fair Value Measurement

**Fair value hierarchy**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **31 December 2018** | **$** | **$** | **$** | **$** |
| **Recurring fair value measurements** | | | | |
| **Property, plant and equipment** | | | | |
| Land | - | - | 425,000 | 425,000 |
| Buildings | - | - | 679,117 | 679,117 |
| Poker Machine Entitlements | - | 320,000 | - | 320,000 |
| | - | 320,000 | 1,104,117 | 1,424,117 |

**Level 2 measurements**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Poker machine entitlements are valued based on the sales prices of the most recent poker machine entltement transactions that occurred during the reporting period. As there are no significant variances between poker machine entitlements held by different establishments, it is deemed appropriate to classify these entitlements as Level 2.

**Level 3 measurements**

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Balance at beginning of year | **1,104,117** | 1,122,692 |
| **Other movements** | | |
| Depreciation | **(18,575)** | (18,575) |
| **Balance at end of year** | **1,085,542** | 1,104,117 |

The entity obtains independent valuations of its land and buildings on a triennial basos and at the end of each reporting period the valuation of the land and buildings is assessed by management for impairment to ensure the financial statements reflect the most up-to-date valuation.

External valuations are based on discounted net cash inflows from expected future income and/or comparable sales of similar assets. Appropriate discount rates determined by the independent valuer are used to determine the present value of the net cash inflows based on a market interest rate adjusted for the risk premium specific to each asset. The fair value is determined using valuation techniques that are not supported by prices from an observable market. The fair value of these investments recognised in the statement of financial position could change significantly if the underlying assumptions made in estimating the fair values were significantly changed.

### 26 Fair Value Measurement

**Transfers between levels of the hierarchy**

There were no transfers between levels of the fair value hierarchy.

**Highest and best use**

The current use of each asset measured at fair value is considered to be its highest and best use.

### 27 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018:None).

### 28 Related Parties

**(a) The Company's main related parties are as follows:**

Key management personnel - refer to Note 24.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

**(b) Transactions with related parties**

There have been no transactions with related parties during the year.

### 29 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Profit for the year | **(111,697)** | (7,636) |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - amortisation of right-to-use asset | **8,357** | - |
| - depreciation | **84,318** | 79,295 |
| - net (gain)/loss on disposal of property, plant and equipment | **-** | (960) |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | **749** | 1,178 |
| - (increase)/decrease in prepayments | **529** | (149) |
| - (increase)/decrease in inventories | **1,988** | (4,380) |
| - increase/(decrease) in trade and other payables | **31,725** | (12,834) |
| - increase/(decrease) in employee benefits | **9,746** | 5,804 |
| Cashflows from operations | **25,715** | 60,318 |

### 30 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### 31 Statutory Information

The registered office and principal place of business of the company is:

Bellingen RSL Country Club Limited
Hyde Street
Bellingen NSW 2454