

**BLUE CHIP
ACCOUNTING**

**WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC
ABN 54 220 229 784**

**Financial Statements
For the year ended 31 December 2020**

**BLUE CHIP ACCOUNTING
130 GRAFTON STREET
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Committee's Report
For the year ended 31 December 2020

Your committee members submit the financial accounts of the WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC for the financial year ended 31 December 2020.

Committee Members

The names of committee members at the date of this report are:

Peter Kemp - President
Bronwyn Christensen - Treasurer
Lorraine Dent - Junior Vice President
Wendy Campbell
Harry Liabon - Senior Vice President
Thea Francis
Jenny Beasant
Jamie Fisher
Trevor Devine
Kevin Neal

Principal Activities

The principal activities of the association during the financial year were: The operation of an RSL Services Club.

Significant Changes

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

Operating Result

The profit from ordinary activities after providing for income tax amounted to

Year ended 31 December 2020	Year ended 31 December 2019
\$ 169,905	\$ (396,049)

WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC ABN 54 220 229 784

Committee's Report

For the year ended 31 December 2020

Signed in accordance with a resolution of the Members of the Committee on:



Peter Kemp



Bronwyn Christiansen

Statement of Financial Performance
For the year ended 31 December 2020

	Note	2020 \$	2019 \$
Revenues from ordinary activities	2	2,825,289	3,988,897
Changes in inventories of:			
- Finished goods		10,553	(993)
Raw materials and consumables used		(459,454)	(961,223)
Borrowing costs expense	3	(74,432)	(82,743)
Depreciation and amortisation expenses	3	(242,356)	(290,704)
Other expenses from ordinary activities		(1,889,695)	(3,049,283)
Profit from ordinary activities before income tax	2	<u>169,905</u>	<u>(396,049)</u>
Income tax expense relating to ordinary activities			
Net profit attributable to members of the association		<u>169,905</u>	<u>(396,049)</u>

Statement of Financial Position as at 31 December 2020

	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash assets	4	486,134	276,493
Receivables	5	83,451	10,762
Inventories	6	49,369	38,816
Other	8	74,818	98,795
Total Current Assets		<u>693,771</u>	<u>424,866</u>
Non-Current Assets			
Other financial assets	7	750	750
Property, plant and equipment	9	<u>6,315,596</u>	<u>6,520,571</u>
Total Non-Current Assets		<u>6,316,346</u>	<u>6,521,321</u>
Total Assets		<u>7,010,117</u>	<u>6,946,187</u>
Liabilities			
Current Liabilities			
Payables	10	474,270	205,345
Current tax liabilities			301,351
Provisions	12	<u>117,214</u>	<u>140,816</u>
Total Current Liabilities		<u>591,484</u>	<u>647,512</u>
Non-Current Liabilities			
Financial liabilities	11	<u>1,394,500</u>	<u>1,444,447</u>
Total Non-Current Liabilities		<u>1,394,500</u>	<u>1,444,447</u>
Total Liabilities		<u>1,985,984</u>	<u>2,091,959</u>
Net Assets		<u>5,024,133</u>	<u>4,854,228</u>
Equity			
Reserves		890,707	890,707
Retained profits		<u>4,133,426</u>	<u>3,963,521</u>
Total Members' Funds		<u>5,024,133</u>	<u>4,854,228</u>

Statement of Cash Flows
For the year ended 31 December 2020

	2020	2019
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	2,752,142	3,989,980
Payments to Suppliers and employees	(2,632,221)	(4,148,670)
Interest received	17	113
Interest and other costs of finance	(74,432)	(82,743)
Net cash provided by (used in) operating activities (note 2)	45,506	(241,319)
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	(37,381)	(3,127)
Proceeds from disposal of:		
Shares in other companies		10
Proceeds from sale of property	441	1,309
Net cash provided by (used in) investing activities	(36,940)	(1,808)
Cash Flow From Financing Activities		
Proceeds of borrowings	227,960	251,021
Repayment of borrowings	(26,886)	(6,683)
Net cash provided by (used in) financing activities	201,074	244,338
Net increase (decrease) in cash held	209,641	1,211
Cash at the beginning of the year	276,493	275,282
Cash at the end of the year (note 1)	486,134	276,493

Statement of Cash Flows
For the year ended 31 December 2020

2020

2019

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

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

Cash at Bank - Machine Account	197,376	72,672
Cash at Bank - Keno Account	10,540	4,145
Cash at Bank - General Account	73,908	30,352
Cash at Bank - Club TAB	2,999	3,181
Gaming Link Provision	75	31,284
Card It - Provision Account	9,966	9,966
Bank - Business Online Saver	43,819	18,020
Cash on hand	142,450	101,874
Deposit - Club TAB	5,000	5,000
	486,134	276,493

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	169,905	(396,049)
Depreciation	242,356	290,704
(Profit) / Loss on sale of property, plant and equipment	(441)	(1,309)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(72,689)	2,506
(Increase) decrease in finished goods	(10,553)	993
(Increase) decrease in prepayments	23,977	3,135
Increase (decrease) in trade creditors and accruals	(10,551)	(396,168)
Increase (decrease) in other creditors	28,455	(9,294)
Increase (decrease) in employee entitlements	2,171	(7,067)
Increase (decrease) in sundry provisions	(327,124)	271,230
Net cash provided by operating activities	45,506	(241,319)

Notes to the Financial Statements
For the year ended 31 December 2020

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the .

The financial report covers WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC as an individual entity. WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC is an association incorporated in .

The financial report of WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC and the controlled entity and WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(A) Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from the 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the company's accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. The entities have however elected to adopt exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer the Notes for further details.

Reconciliations of the transition from previous Australian GAAP to IFRS have been included in Note 2 to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(B) Accounting Policies

Income tax

Notes to the Financial Statements
For the year ended 31 December 2020

The change for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of Benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

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 losses.

a) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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

b) Plant and equipment

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

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

Notes to the Financial Statements
For the year ended 31 December 2020

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in members equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over their useful lives to WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC commencing from the time the asset is held ready for use.

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

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or 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.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. 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 their estimated useful lives where it is likely that WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC will obtain ownership of the asset or over the term of the lease

Lease payments under operating leases, where substantially all the risks and benefits remain with the leaser, 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.

Financial Instruments

a) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

b) Financial assets at fair value through profit and loss

Notes to the Financial Statements
For the year ended 31 December 2020

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in fair value of these assets are included in the income statement in the period in which they arise.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are stated at amortised cost using the effective interest rate method.

d) Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

e) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

f) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

g) Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

h) Fair Value

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

i) Impairment

At each reporting date, the committee members assess whether there is objective evidence that financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Impairment of Assets

At each reporting date, the committee members review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

Notes to the Financial Statements
For the year ended 31 December 2020

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Provisions

Provision are recognised when WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, 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 balance sheet.

Revenue

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

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

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

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

Goods and Service Tax (GST)

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

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

Comparative Figures

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

a) Critical accounting estimates and judgments

Notes to the Financial Statements
For the year ended 31 December 2020

The committee members evaluate estimates and judgments incorporated into the financial report 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 internally.

Key estimates - Impairment

The committee members assesses impairment at each reporting date 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 assessing recoverable amounts incorporate a number of key estimates.

Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
Note 2: Revenue and Other Income		
Sales revenue:		
Non-primary production trading revenue	1,032,680	1,948,012
	1,032,680	1,948,012
Other revenue:		
Interest revenue	17	113
Gaming Machines - Gross Profit	1,857,424	2,858,531
Less OLGR Tax	(359,111)	(579,877)
Less Gaming Monitoring	(70,830)	(97,197)
Less Gaming Access	(124,900)	(206,752)
Less Gaming Maintenance		(1,121)
Less GST on Gaming	(164,997)	(258,862)
Less Promotions	(16,235)	(24,506)
Keno - Gross Profit	34,724	60,072
Sales - Bingo	6,359	60,985
Commissions - General	9,182	26,963
Commissions - TAB	15,354	20,488
Subscriptions - Members	25,278	30,144
Shows		41,809
Insurance recoveries	24,041	
Raffles Nett	20,893	90,979
Sundry Income	11,252	2,246
Cash Flow Bonus	100,000	
Jobkeeper Subsidy	409,500	
Rebates & Subsidies	14,216	15,561
	1,792,168	2,039,575
Other income:		
Profit on sale of property, plant, equip	441	1,309
	441	1,309

Notes to the Financial Statements
For the year ended 31 December 2020

2020

2019

Note 3: Profit from Ordinary Activities

Profit (loss) from ordinary activities before
income tax has been determined after:

Crediting as Income:

Net gain on disposal of property, plant & equipment	441	1,309
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Charging as Expense:

Borrowing costs	74,432	82,743
Cost of non-primary production goods traded	449,966	971,185
Depreciation of non-current assets:		
- Plant and equipment	242,356	290,704
Total depreciation expenses	242,356	290,704

Note 4: Cash assets

Bank accounts:

Cash at Bank - Machine Account	197,376	72,672
Cash at Bank - Keno Account	10,540	4,145
Cash at Bank - General Account	73,908	30,352
Cash at Bank - Club TAB	2,999	3,181
Gaming Link Provision	75	31,284
Card It - Provision Account	9,966	9,966
Bank - Business Online Saver	43,819	18,020

Other cash items:

Cash on hand	142,450	101,874
Deposit - Club TAB	5,000	5,000
	486,134	276,493

Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
Note 5: Receivables		
Current		
Trade debtors	83,451	10,762
	83,451	10,762
	83,451	10,762
 Note 6: Inventories		
Current		
Inventory	49,369	38,816
	49,369	38,816
	49,369	38,816
 Note 7: Other Financial Assets		
Available for sale financial assets include:		
Non-Current		
Shares in Warwick Credit Union	750	750
	750	750
	750	750
Available for sale financial assets	750	750
	750	750
 Note 8: Other Assets		
Current		
Prepayments	74,818	98,795
	74,818	98,795
	74,818	98,795

Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
Note 9: Property, Plant and Equipment		
Freehold land:		
- At independent valuation	1,450,000	1,450,000
	1,450,000	1,450,000
Buildings:		
- At cost	2,389,399	2,389,399
- At independent valuation	800,000	800,000
- Less: Accumulated depreciation	(417,216)	(343,146)
	2,772,183	2,846,253
Plant and equipment:		
- At written down value	1,038,933	1,067,221
	1,038,933	1,067,221
Other plant and equipment:		
- At written down value	989,025	1,091,643
	989,025	1,091,643
Other property, plant and equipment:		
- At written down value	65,455	65,455
	65,455	65,455
	6,315,596	6,520,571

Note 10: Payables

Unsecured:		
- Trade creditors	366,185	125,715
- Other creditors	108,085	79,630
	474,270	205,345
	474,270	205,345

Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
Note 11: Borrowings		
Non-Current		
Unsecured:		
- Bank loans	1,122,114	1,149,000
- Debentures	47,590	44,426
- ATO debt arrangement	224,796	251,021
	1,394,500	1,444,447
	1,394,500	1,444,447

Note 12: Provisions**Current**

Employee entitlements*	66,292	64,121
Sundry provisions	50,922	76,695
	117,214	140,816
	66,292	64,121

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note: Statement of significant account policies.

**Statement by Members of the Committee
For the year ended 31 December 2020**

In the opinion of the Committee the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC as at 31 December 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Peter Kemp
President



Bronwyn Christensen
Treasurer

30 March, 2021

Independent Audit Report to the Members

Report on the Audit of the Financial Report

Qualification

A portion of the associations income is derived from sources such as raffle proceeds, and are mostly received in cash. Consequently it is impractical for the association to establish normal commercial controls over those types of income prior to the entry into accounting records. My examination of income was therefore limited to the amounts as recorded; there is no way of ensuring all income has been recorded.

Opinion

We have audited the financial report of WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC (the association), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of WARWICK RSL SERVICES & CITIZENS MEMORIAL CLUB INC is in accordance with the Associations Incorporation Act 1981 including:

- (a) giving a true and fair view of the association's financial position as at 31 December 2020 and of its performance for the year then ended; and
- (b) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

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 association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code.

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

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

The committee of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Audit Report to the Members

Responsibilities of the Committee for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Queensland Associations Incorporation Act 1981 and for such internal control as the committee determines 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 committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

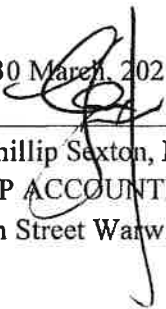
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 association'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 association 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 committee 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.

Independent Audit Report to the Members

Signed on 30 March, 2021:



Geoffrey Phillip Sexton, FCA
BLUE CHIP ACCOUNTING
130 Grafton Street Warwick Queensland

Trading Account
For the year ended 31 December 2020

	2020	2019
	\$	\$
<hr/>		
Trading Income		
Sales - Bar & Bottle Shop	499,804	851,408
Sales - Catering	532,876	1,096,604
Total Trading Income	<u>1,032,680</u>	<u>1,948,012</u>
Cost of Sales		
Add:		
Opening Stock - Bar	20,782	25,999
Opening Stock - Catering	18,034	13,810
Purchases - Bar	237,564	474,556
Purchases - Catering	221,890	486,666
	<u>498,270</u>	<u>1,001,032</u>
Less:		
Closing Stock - Bar	36,296	20,782
Closing Stock - Catering	13,073	18,034
	<u>49,369</u>	<u>38,816</u>
Add:		
Bar Expenses	1,065	586
Kitchen Expenses		8,383
	<u>1,065</u>	<u>8,969</u>
Cost of Sales	449,966	971,185
Gross Profit from Trading	<u><u>582,714</u></u>	<u><u>976,828</u></u>

Income and Expenditure Statement
For the year ended 31 December 2020

	2020	2019
	\$	\$
Income		
Trading profit	582,714	976,828
Gaming Machines - Gross Profit	1,857,424	2,858,531
Less OLGR Tax	(359,111)	(579,877)
Less Gaming Monitoring	(70,830)	(97,197)
Less Gaming Access	(124,900)	(206,752)
Less Gaming Maintenance		(1,121)
Less GST on Gaming	(164,997)	(258,862)
Less Promotions	(16,235)	(24,506)
	1,121,352	1,690,215
Keno - Gross Profit	34,724	60,072
Sales - Bingo	6,359	60,985
Commissions - General	9,182	26,963
Commissions - TAB	15,354	20,488
Subscriptions - Members	25,278	30,144
Shows		41,809
Insurance recoveries	24,041	
Interest received	17	113
Raffles Nett	20,893	90,979
Sundry Income	11,252	2,246
Cash Flow Bonus	100,000	
Jobkeeper Subsidy	409,500	
Profit on sale of property, plant, equip	441	1,309
Rebates & Subsidies	14,216	15,561
Total income	2,375,323	3,017,712
Expenses		
Advertising, Postage & Stationary	5,826	28,659
Amusements & Entertainments	16,815	88,525
Auditors Remuneration	17,420	18,077
Bank Fees And Charges	10,668	11,748
Bookkeeping Fees	42,787	76,676
Computer Supplies	5,698	8,839
Cleaning/rubbish removal	19,699	137,598
Consultants fees	25,323	67,820