



# Annual Report

**2020**

# NOTICE OF ANNUAL GENERAL MEETING OF TEA GARDENS COUNTRY CLUB LIMITED

(A COMPANY LIMITED BY COMPANY GUARANTEE)  
A.B.N. 30 001 038 660

NOTICE IS HEREBY GIVEN THAT the 49th Annual General Meeting of Tea Gardens Country Club Limited (the Club) will be held in the Clubhouse, 2A Yalinbah Street, Tea Gardens, 2324 on Sunday 29th November, 2020 at 9.00 am.

The meeting will consider the following:-

## **Business:**

- To confirm the minutes of the previous Annual General Meeting.
- To receive and consider the reports of the Board.
- To deal with any Resolutions recommended by the Board.
- To receive and consider the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, and the report of the Auditor.
- To receive and consider the Detailed Profit and Loss Statement.
- To confirm the elected Board for the ensuing year.
- To deal with any business of which due notice may be given.

To deal with any other business that the meeting may approve of which due notice has been given.

All business and notices of motion to be dealt with at an Annual General Meeting must be handed to the Secretary at least twenty-one (21) days prior to the date of such meeting.

## **Questions regarding Finance:**

Members wishing to ask questions regarding finance at the Annual General Meeting are asked to convey those questions in writing to the General Manager on no later than the 16th November, 2020. This allows staff time to carry out any necessary research to provide more informative answers.

## **Meeting Procedures for Motions:**

- Each resolution must be passed as a whole and may not be amended by motions from the floor of the meeting or dealt with as two or more separate resolutions.
- In order to be passed, an ordinary resolution must receive votes in its favour from not less than a simple majority of those members who attend and vote and are entitled to vote at the meeting.

**As Ordinary Resolutions recommended by the Board of Directors:**

1. THAT the Club provide a reasonable meal and or refreshments to each Director before, after or during each meeting of the Board of Directors.
2. THAT the Directors be reimbursed by the Club for reasonable expenses incurred in the following activities of the Directors on production of invoices, receipts or other proper documentary evidence:
  - i. Travelling by either private or public transport to and from any meeting of the Board of Directors or any other meeting of any committee as approved by the Board of Directors from time to time;
  - ii. Carrying out their duties as Directors of the Club within the Club or elsewhere as approved by the Board of Directors from time to time including, without limitation, expenses associated with entertainment of guests of the Club and any other promotional activities;
  - iii. Attending the Annual General Meeting of Clubs NSW or meetings of any other associations or bodies of which the Club is a member, provided such attendance is approved by the Board of Directors from time to time;
  - iv. Attending any seminar, lecture, trade display or similar event provided such attendance is approved by the Board of Directors from time to time;
  - v. Attending other clubs for the purpose of viewing and assessing facilities and methods of operation provided such attendance is approved by the Board of Directors as being necessary for the benefit of the Club.
3. THAT the Club provide to Directors or reimburse Directors in respect of Club blazers and associated apparel for use by the Directors when representing the Club.
4. THAT the Club pay or reimburse the reasonable costs of each Director and their spouse attending a Christmas Function.
5. THAT the members acknowledge that the benefits referred to in Resolutions 1 to 4 inclusive above are not available to members but only to those Directors or President of the Club.
6. THAT the expenses incurred by the Club in the provision of the benefits referred to in Resolutions 1-4 above be limited to a total amount of not more than \$10,000 per annum
7. THAT the Club provide or reimburse the reasonable cost of meals and or refreshments to volunteer workers undertaking voluntary work for and on behalf of the Club where such voluntary work is approved by the Board of Directors.

**TEA GARDENS COUNTRY CLUB LIMITED**

**A.B.N. 30 001 038 660**

**CLUB EXECUTIVES 2019 / 2020**

<b>PRESIDENT</b>	Terry Munright
<b>VICE PRESIDENT</b>	Heather Vaughan
<b>HONORARY TREASURER</b>	Marcia Smith
<b>DIRECTORS</b>	Russell Armstrong Ross Barry Danny Johnson Malcolm Motum Graeme Watkins Ron Webster
<b>GENERAL MANAGER</b>	Warren Gooley

## PRESIDENT'S REPORT

I am pleased to present my report accompanying the Clubs Audited Accounts.

This year has been one of the most challenging times in history due to the Coronavirus and its subsequent impact on our Australian way of life.

The hospitality industry has been changed in ways we could never have anticipated. We were forced to close on 23rd March due to lockdowns and unable to reopen until July. As a consequence, we were unable to trade for more than three months with the obvious impact to our income.

From the time of the closure the rules became a moving feast from the point of JobKeeper entitlements to the conditions of re-opening when sanctioned. Only permanent and long-term casuals were eligible to support payments. I note that our General Manager, Warren, volunteered to take a substantial pay cut during the shutdown to further support the Club's ongoing economic situation.

The decision was made to initiate repairs and maintenance opportunities that had been scheduled for 2020-21 during the forced shutdown. As a result, the exterior and interior of the club was painted to a high standard and the carpet, which was past its use by date, was replaced. At this point I should mention that all our loyal staff chipped in by removing the old carpet and refurbishing the tables and planter boxes. We are truly indebted to them for their support and on my own behalf and that of the Board sincerely thank them for their dedication.

Poker Machine rules were also changed in that every second machine had to be turned off to satisfy Social Distancing requirements. As this would result in effectively halving our gaming income, which would have significantly reduced the future viability of the Club moving forward, we were forced to take the hard decision to remove the Snooker and Pool Tables and move Pokies to the TAB Area of the Club. The decision was not taken lightly as we were removing a member amenity, however, the survival of the Club made the decision unavoidable.

Our GM Warren has been outstanding during this Pandemic in his dedication to the Members, Staff and long-term future of our wonderful Club and I thank him for his leadership and enthusiasm.

Warren is supported by fantastic staff whose sole task is to make your experience an enjoyable one. Their friendly nature and respectful demeanour are a credit to their collective professionalism and on your behalf I thank them.

Your Board have governed the Club in the best interest of the members in these trying times and I thank them for their dedication and diligence in securing the future of our club. They volunteer their time without hesitation working many unseen hours on your behalf and I personally thank them for their unquestionable loyalty.

I thank you the members for your continued adherence to imposed Safe Distancing requirements during the unusual catch-22 we now face. We

will continue to keep the Club a safe place to come to as we slowly move toward whatever **normal** may be in the not too distant future.

We will get through this unprecedented challenge and enjoy each other's company for many years to come.

**Terry Munright JP**  
**President**

## HONORARY TREASURER'S REPORT

Dear fellow Members

Our Club ceased trading on 23rd March 2020 at 12 noon due to the COVID 19 pandemic restrictions.

For the year ended 30th June 2020 the club recorded an audited loss of \$102,398, (\$264,024 loss in 2019) after noncash items, depreciation and amortisation expense of \$293,003 (\$311,741 in 2019).

Due to the three and a half months closure all income areas of the club reduced by an average 25%

During the enforced shut down the Club undertook much needed repairs and maintenance. Repairs and Maintenance for the year totalled \$209,631.

The Board continued to invest Capital Expenditure of \$183,000.

During the year the club made donations of over \$16,000 to various sporting clubs and other worthy causes including Pindimar/Tea Gardens Rural Fire Service \$3,000, TGHN Surf Lifesaving Club Pig Day Out \$10,000, Junior League and Soccer, Little Athletics and Men's Shed to name just a few.

This will be my final report as Honorary Treasurer of the Club as I am stepping aside to allow other candidates to join the Board and inject a different point of view. I wish the Board both old and new all the best in dealing with the upcoming challenges.

**Marcia Smith**  
**Honorary Treasurer**

# GENERAL MANAGER'S REPORT

Little could we suspect in our March 2020 Director's General Meeting, when presenting a profit of over \$200,000 year to date and with over \$250,000 cash at hand, the devastating occurrence about to befall our Club.

March 23rd, 2020 was the day we were sent into forced shutdown by the COVID 19 pandemic and indeed would turn out to be our last day of trade for the financial year. Many decisions had to be made by the Board and myself over the coming weeks and months with constant revision in line with ever changing rules and restrictions. Thankfully the JobKeeper legislation was introduced to provide for most of our Staff and our banks and suppliers provided some relief from regular fixed costs for services for which we could not avail ourselves during the shutdown.

Although the length of shutdown time was unknown, and many thought we would be trading again by Easter, the decision was made by the Board to utilise the time to make long needed improvements to the overall look of your Club. Quotes were raised for painting, carpeting, bathroom refurbishments, new smoking areas and, later, an extra gaming area to counter the requirement of poker machine spacing. Well in excess of \$100,000 was spent improving the facility we now have to offer our members and their guests, and we are immensely proud of what we achieved. A massive thank you must go to all our Staff who laboured and helped where possible with painting both in the Club and the cottage, moving all the furniture and pulling up the old carpets, cleaning prior to reopen and anything else that was asked of them. In addition to saving us a considerable amount of money it was also a good exercise in team building and maintaining morale throughout the lock down.

We reopened for trade on 1 July 2020 and although trade has been modest the government assistance and changes that were put in place by the Directors during the shut-down have seen us coming through what is traditionally a very quiet quarter with quite impressive financial results. Unfortunately, it seems unlikely we will qualify for JobKeeper 2 so we enter the second quarter of the year hoping to see some relaxation to regulations regarding permissible numbers and events so that we can maintain the momentum into Christmas. We have implemented all the measures of our COVID 19 safety plan to make our Club as safe as possible for our Staff and Members. We will continue to review and comply with all health regulations and go above and beyond to have our members and guests feel as safe as possible whilst attending our club.

With our material going to print slightly later this year I am able to reveal our new Board in this report. We had two new Board aspirants apply to be Directors this year, Colin Haigh and Terry Moore. Colin has worked in the Department of Defence, Mining and Power Supply industries and has extensive experience in project and business management among other attributes. Terry has owned a home in the area since 1989 and was employed by Australia Post for over 30 years in varying roles before his retirement. He also worked in the Finance Industry for 10 years previous to that. Our Honorary Treasurer of 6 years, Marcia Smith has

stood aside as has Director Graeme Watkins to allow the new applicants the opportunity to test their mettle in the big game and also negate the requirement for a costly election. Director Malcolm Motum has assumed the role of Honorary Treasurer. My heartfelt thanks to both Marcia and Graeme for their support and friendship and contribution to the cause throughout their time on the Board and both would be welcome back at any time in the future.

I wish to reiterate my thanks to my great team of staff. I have never seen a time where it is so difficult to be in the hospitality industry and everybody has rallied to ensure we provide a safe, enjoyable environment. Jason and his team in the Myall Bistro continue to work tirelessly and receive positive feedback. Steve Green enters his second year as greenkeeper and has the place looking a picture. To my Directors I thank you for your ongoing support and encouragement and your continued efforts within the Club. Finally, I must acknowledge the efforts of my wife Elaine for her support throughout what has been a particularly demanding year.

In closing, to all those who have lost loved ones throughout the year, my sincere condolences and God bless.

**Warren Gooley**  
**General Manager**

## WOMEN'S BOWLING CLUB PRESIDENT'S REPORT

This year we have a membership of 55 affiliated ladies. WBNSW has returned to one level of membership as favoured by members. Due to COVID19 many NDWBA Pennants, events and championships are not able to be completed, or take place.

At our AGM on 4th August 2020, Deyonne Page was re-elected President. Our Vice Presidents are Lorraine Murphy and Judi Polak, Secretary Karen McPhie and Treasurer Lynda Richards. Lynda is also our historian and publicity officer. Kathie Rimmer has again volunteered as our Welfare Officer. We currently have 3 coaches and continue to retain 7 umpires. Thanks Pam Gilchrist who has retired from Umpire Duties. Robyn Webster has taken over the role of Match, with support from Kathie Rimmer and Lyn Nightingale. Our Social committee is wonderful in their support of our special lunches for championships and trophy days, as well as our other special days.

Pennant season this year included 3 sides, until COVID19 when bowls was paused!

Club Championship winners this year are Major Singles – Robyn Beaumont; Pairs – Robyn Beaumont and Dale Winter; Triples – yet to be completed; Fours – Robyn Beaumont, Liv Everingham, Lynne Green and Kayelene Pearson. We thank our umpires and controlling bodies during our games and a big thank you to our Greenkeeper Stephen Green for his work.

Our interclub challenges this year have been deferred to 2021.

Tea Gardens CCWBC continues to support our local clinic bus with donations and we continue to support the Oncology Unit at the Mater Hospital with the Mater Auxiliary supporting us. We raised \$4 700 in 2019 for Oncology and we look forward to another successful day with our own members and a giant raffle to be organised.

First State National Real Estate continues their sponsorship and we look forward to Versatility Day as our sponsorship day. We also thank the Myall Bistro & Café for the continued support of our Women's Bowling Club. Thanks to the Country Club staff and directors for all their work for all members of our club.

We look forward to a wonderful end of year with events being run with COVID19 safe practices.

2021 will be an interesting year as Bowls NSW and WBNSW work together to achieve Unification.

**Deyonne Page**      **Karen McPhie**  
**President**            **Secretary**

## MEN'S BOWLING CLUB PRESIDENT'S REPORT

Like everyone else we have had a tough time recently, but we have managed to get through it so far.

Thanks to the Board of directors for allowing us to resume playing as soon as was possible and thank you to all of our Committeemen and to those Members who helped us to abide by the restrictions. Well done.

We were doing well in the Pennant rounds with two of our sides leading when play came to a sudden halt. Hopefully, we can do well again next year as it's been 11 years since we were able to win one.

We have been able to complete our Championships except for the Triples and Mixed Pairs. Our Combined Presentation Night with the Women's Club will be on Monday 7th December. As usual we will have dinner and drinks, but the entertainment and dancing are under a cloud at this time. It's always a good night as we wine and dine and celebrate our various Champions, so please mark the date in your diary.

At our AGM five Committeemen decided not to stand again. Stewart Sturrock stood down but has since been elected as a Selector; our last two Clubman of the Year winners, Col Amos and John Yabsley, have both been ill of late and have retired; Col Saillard has been ill and he too has retired; and Dave Benson is involved with other local organisations and he's retired too. I have always spoken highly of the work that the committeemen do, and these five chaps have all made wonderful contributions to our Club. To each and every one of these fine men I say, on your behalf, thank you boys for a job well done.

Thanks again to the board of directors for their continued support, particularly during these trying times. I look forward to another successful year and to working with the old and the new members of our Committee. A big thank you to all Members for your support and patience during the year, and hopefully we can kick on and grab those elusive Pennants next year.

**Noel Jackson**  
**President**

## SUNDAY BOWLS REPORT

Prior to the pandemic we had our usual members who enjoyed the sport and conviviality and organisers are hopeful of a restart in the next few weeks albeit without lunch. This can be purchased from the bistro.

Any club member is welcome to participate but note that after 3 months would be expected to join their relevant club or sports membership.

An entry list for Sunday's games is located in the Bowls alcove under Sunday.

Names need to be in by 9 am Sunday for 10 am start. We hope to see a good rollup of interested bowlers, new bowlers and those that wish for a refresher.

**Frank Dunn**

**Co-ordinator**

## FISHING CLUB PRESIDENTS REPORT

This year has seen many changes to our 2019-20 competition, due to COVID-19 and its restrictions three of our monthly outings had to be cancelled. The Gibber to Gibber also has been postponed to a date to be announced, hopefully early next year.

The annual Inter Club Challenge Comp between Hawks Nest GC Fishing Club and ourselves was held on the 21st-23rd February, it was hosted and won by Hawks Nest, with the presentation of prizes & a BBQ held at Hawks Nest Golf Club, it will be our turn to host this event in 2021.

This year's presentation of winners for trophies & prizes is unclear at the time of writing this report, due to the ever changing COVID-19 restrictions.

Our AGM this year saw the following Office Bearers elected:-

**President** – John Vaughan

**Vice President** – Michael Groth

**Treasurer** – Heather Vaughan

**Secretary** – Megan Markham

**Club Captain** – Michael Johnson

**Weighmaster** – Sean McKeough

**Asst Weighmaster** – Will Markham

**Recorder** – Robin Hill Smith

**Publicity Officer** – Luke Boyd

**Catering Officer** – Jim Stott

Thank you to outgoing Secretary Brad Markham and Catering officer Stew Dempsey for their great help over the years.

Looking forward to a COVID-19 free 2020-21 season.

**John Vaughan**

**President**

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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## CLUB PROPERTY DECLARATION

Pursuant to Section 41J(2) of the Registered Clubs Act the Directors declare that, for the financial year ended 30 June 2019, the classification of the leasehold land is as follows:

Property Address	Current Usage	Classification
Lot 2 DP 870920 Yalinbah St Tea Gardens	Club House & Bowling Greens	Core
Lot 3 DP 870920 Yalinbah St Tea Gardens	Motel	Core
Lot 1 DP 870920 Yalinbah St Tea Gardens	Block Adjacent to Bayview Rd	Non-core
Lot 27 DP 737629 Myall St Tea Gardens	Caretakers Cottage	Non-core

### Notes to Members

Section 41(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Tea Gardens Country Club (the Club) as at the end of the financial year to which the report relates.

1. Core property is any real property owned or occupied by the Club that comprises:
  - a. The defined premises of the Club; or
  - b. Any facility provided by the Club for use of its members and their guests; or
  - c. Any other property declared by a resolution passed by a majority of the members presents at a general meeting of Ordinary members of the Club to be core property of the Club
2. **Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.**
3. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
  - a. The property has been valued by a registered valuer within the meaning of the *Valuers Act 2003*;
  - b. The disposal has been approved at a general meeting of the ordinary member of the Club at which the majority of the votes cast support the approval; and
  - c. Any sale is by way of public auction or open tender conducted by an independent real estate agency or auctioneer.
4. These disposal provisions and what constitutes a disposal for the purpose of section 41J are to some extent modified by regulations

made under the *Registered Clubs Act 1976 (NSW)* and by Section 41J itself. For example, the requirements in paragraph 3 (a) above do not apply to;

- a. Core property that is being leased or licensed for a period not exceeding 10 years on terms that have to be subject of a valuation by a registered valuer.

## DIRECTORS' REPORT

The Directors present their report on Tea Gardens Country Club Limited for the financial year ended 30 June 2020.

### Information on directors

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

#### Mr Russell Armstrong

Appointed 2018

Experience Russell brings to the Board over 30 years of corporate experience including 20 years at Bond Coats Patons and 10 years at the Central Coast Leagues Club as Purchasing Manager. Russell has completed the Director Foundation and Management Collaboration and Finance for Clubs Director courses.

#### Mr Ross Barry

Appointed 2016

Experience 4 years on the Board of Tea Gardens Country Club, Ross has completed the Director Foundation and Management Collaboration and Finance for Clubs Director courses. Ross ran his own business for 10 years and worked as an electrical supervisor with Downer EDI prior to his retirement.

#### Mr Danny Johnson

Appointed 2012

Experience 8 years on the Board of Tea Gardens Country Club. Danny has completed the Director Foundation and Management Collaboration and Finance for Clubs Directors Course. Danny has over 25 years experience as a Federal Law enforcement Officer.

#### Mr Terry Munright

Appointed 2008

Experience 12 years on the Board of Tea Gardens Country Club, Terry has completed 4 years as President after 4 years as Vice President. Terry has also been the President of Tea Gardens RSL Sub-Branch.

### **Mr Malcolm Motum**

Appointed 2017

Experience Malcolm is semi-retired after spending 34 years in the Australian Army as an aircraft engineer. The Motum family has been in Tea Gardens for four generations. Malcolm has completed the Director Foundation and Management Collaboration and Finance for Clubs Director courses.

### **Mrs Marcia Smith**

Appointed 2014

Experience 6 years on the Board of Tea Gardens Country Club as Honorary Treasurer. Marcia has completed the Foundations and Management Collaboration and Finance for Clubs. Marcia has a Certificate IV in Accounting and has worked in Administration Management for over 10 years.

### **Mrs Heather Vaughan**

Appointed 2013

Experience 7 years on the Board of the Tea Gardens Country Club, the last 3 years as Vice President. Heather has completed the Directors Foundation and Management Collaboration and Finance for Clubs Mandatory Directors' Course. She is a past employee of the club and has had an association with the club and the community for over 40 years.

### **Mr Ron Webster**

Appointed 2014

Experience 6 years on the Board of Tea Gardens Country Club, Ron has completed the Directors Foundation and Management Collaboration and Finance for Clubs Course. He was self employed in the transport industry for over 40 years.

### **Mr Graeme Watkins**

Appointed 2018

Experience Graeme previously served on the Board in 2012 2013. Graeme has completed the Director Foundation and Management Collaboration and Finance for Clubs Director courses.

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

### **Principal activities**

The principal activities of Tea Gardens Country Club Limited during the financial year were the operation of the licensed Club and the promotion of various sports and recreational pursuits within the local community as dictated by current trends.

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

### **Short term objectives**

The Company's short term objectives are:

- To diversify income streams to reduce dependence of the Club on gaming operations and ensure the Club maintains profitability in all areas of operations;
- To assist the local community via sponsorships and donations and/or the use of the Club's facilities;
- To provide modern facilities; and
- To promote the club and its facilities.

### **Long term objectives**

The Company's long term objectives are:

- To maintain long term profitability enabling the Club to continue updating Clubhouse facilities and equipment to offer the best possible facilities to the Club's members and guests;
- To provide and maintain clubhouse and associated structures in connection with the objectives of the Club and to permit the same and all other property of the Club to be used by its members, guests, and invitees either gratuitously or for payment;
- To update and maintain the motel to make it the place of choice for accommodation for visitors to the town and in turn increase patronage of the Club and its facilities;
- To establish and maintain a strong relationship with the local community; and
- To continue to operate on a not for profit basis, preserving any surpluses for the benefit of members.

### **Strategy for achieving the objectives**

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

- The Club maintains a stable level of membership with strong engagement with the local Community;
- The Board continually monitors membership levels and customer satisfaction and participation in Club promotions and events;
- The Board strongly supports local charity and sporting organisations;
- The Board provides a high level of entertainment and promotions for the enjoyment of members and guests;
- The Board continues to train staff to comply with Government legislation; and
- The Board continues to upgrade and provide modern amenities for the benefit of members.
- Key performance measures
- The following measures are used within the Company to monitor performance:

**Key performance measures**

The following measures are used within the Company to monitor performance:

- The Company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the Company and whether the Company's short and long term objectives are being achieved. The Company measures and monitors performance by comparing actual monthly and year to date results. The Board reviews key performance indicators including membership numbers, gross and net profit margins, and trading results in key income areas such as bar and gaming operations.

Full Memberships: 30 June 2019 - 3,847

Full Memberships: 30 June 2020 - 3,713

**Members' guarantee**

Tea Gardens 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 \$5 for members that are corporations and \$5 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$ 18,565 (2019: \$ 19,235).

**Future developments and results**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**Meetings of directors**

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

**Directors' Meetings**

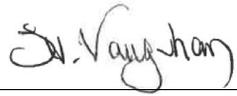
	Number attended	Number eligible to attend
Mr Russell Armstrong	10	12
Mr Ross Barry	12	12
Mr Danny Johnson	10	12
Mr Malcolm Motum	11	12
Mr Terry Munright	11	12
Mrs Marcia Smith	10	12
Mrs Heather Vaughan	11	12
Mr Graeme Watkins	8	12
Mr Ron Webster	12	12

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 7 of the financial report.

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

Director:   
 Terry Munright

Director:   
 Mrs Heather Vaughan

**Dated 18 September 2020**

# AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF TEA GARDENS COUNTRY CLUB LIMITED

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2020, there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

**Name of Firm:** National Audits Group Pty Ltd  
 Authorised Audit Company



**Name of Director:** \_\_\_\_\_  
 Stephen Prowse

**Address:** 1/185 Morgan Street Wagga Wagga NSW 2650

**Dated 18 September 2020**

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	Note	\$	\$
Revenue		2,411,532	3,603,877
Other income		659,000	-
	4	<u>3,070,532</u>	<u>3,603,877</u>
<b>Less: Expenses</b>			
Purchases net movement of inventories	5	335,058	469,293
Administration expenses		71,381	103,556
Advertising		21,089	45,114
Cleaning and contractors		174,011	218,210
Depreciation and amortisation expense		293,003	311,741
Employee benefits expense		985,969	1,199,565
Equipment hire & rental		52,848	56,048
Freight and cartage		7,521	10,841
Insurance expense		82,666	74,107
Interest paid		67,158	69,830
Loss on disposal of non-current asset		10,809	2,026
Members amenities		66,370	98,314
Members promotions		74,538	90,687
Members rewards		37,631	3,645
Other expenses		118,000	222,114
Poker machine expenses		171,602	237,391
Raffle prizes		149,763	208,086
Repairs and maintenance		209,631	138,528
Subscriptions & fees		125,098	137,721
Utilities & rates		118,784	171,084
		<u>(102,398)</u>	<u>(264,024)</u>
<b>Loss before income tax</b>		(102,398)	(264,024)
Income tax expense	2(b)	-	-
Other comprehensive income		-	-
		<u>-</u>	<u>-</u>
<b>Total comprehensive expense for the year</b>		<b>(102,398)</b>	<b>(264,024)</b>

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	90,274	160,610
Trade and other receivables	7	79,388	18,807
Inventory	8	28,876	21,562
Other assets	9	88,406	112,579
<b>TOTAL CURRENT ASSETS</b>		<u>286,944</u>	<u>313,558</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	4,544,662	4,674,010
Investment property	11	36,379	36,379
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,581,041</u>	<u>4,710,389</u>
<b>TOTAL ASSETS</b>		<u>4,867,985</u>	<u>5,023,947</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	176,904	304,164
Borrowings	13	2,220,000	2,116,655
Other liabilities	14	104,681	148,805
Employee benefits	15	212,599	171,114
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,714,184</u>	<u>2,740,738</u>
<b>NON-CURRENT LIABILITIES</b>			
Other liabilities	14	23,636	37,817
Employee benefits	15	22,117	34,946
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>45,753</u>	<u>72,763</u>
<b>TOTAL LIABILITIES</b>		<u>2,759,937</u>	<u>2,813,501</u>
<b>NET ASSETS</b>		<u>2,108,048</u>	<u>2,210,446</u>
<b>EQUITY</b>			
Retained earnings		2,108,048	2,210,446
<b>TOTAL EQUITY</b>		<u>2,108,048</u>	<u>2,210,446</u>

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>Balance at the beginning of the year</b>	2,210,446	2,474,470
Loss for the year attributable to the members	(102,398)	(264,024)
<b>Balance at the end of the year</b>	<u>2,108,048</u>	<u>2,210,446</u>

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,345,150	3,641,868
Payments to suppliers and employees	(2,892,654)	(3,534,341)
Receipts from government funding	179,000	-
Interest received	87	-
Interest paid	(67,158)	(69,830)
<b>Net cash provided by/(used in) operating activities</b>	<b>(435,575)</b>	<b>37,697</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(175,551)	(77,494)
Receipt from sale of motel business	480,000	-
Proceeds from sale of non-current assets	5,714	1,096
<b>Net cash provided by/(used in) investing activities</b>	<b>310,163</b>	<b>(76,398)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	103,345	-
Payment of finance lease liabilities	(48,269)	-
<b>Net cash provided by financing activities</b>	<b>55,076</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(70,336)</b>	<b>(38,701)</b>
Cash and cash equivalents at beginning of year	160,610	199,311
<b>Cash and cash equivalents at end of financial year</b>	<b>6 90,274</b>	<b>160,610</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

The functional and presentation currency of Tea Gardens Country Club Limited is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

Comparatives are consistent with prior years, unless otherwise stated.

The financial report was authorised for issue by the Directors on 18 September 2020.

### 1. BASIS OF PREPARATION

#### Statement of Compliance

The financial statements of the Club comply with Australian Accounting Standards - Reduced Disclosure Requirements, *Corporations Act 2001* and *Corporations Regulation 2001*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Adoption of new and revised accounting standards

The Company has adopted the following standards which became effective for the first time as of 1 July 2019:

- AASB 15 Revenue from Contracts with Customers;
- AASB 1058 Income for Not-for-Profit Entities; and
- AASB 16 Leases.

The adoption of these standards has not caused any material adjustments to the reported financial position, performance, cash flow, or disclosure requirements of the Company.

#### b. Income Tax

The mutuality principle has been applied to the calculation of the Company's income tax.

The Company does not recognise deferred tax assets as the Company has assessed the tax losses carried forward from prior periods as unrecoverable.

The accompanying notes form part of these financial statements.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### c. Revenue and other income

For comparative year

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

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

#### Revenue from contracts with customers

For current year

Under AASB 15 the Company recognises revenue on a basis that reflects the transfer of promised goods or services to patrons 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

Under AASB 1058, the Company recognises revenue when the Company gains control over an asset transferred to them.

The Company's accounting policies for recognising revenue is outlined in further detail below.

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

#### Sales revenue

For comparative year

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

For current year

Revenue derived through bar sales is recognised on transfer of goods to the patron as this is deemed to be the point in time when all the risks and rewards associated with the goods are transferred, there is no longer any ownership or effective control over the inventory and the Company's performance obligations have been met.

#### Rendering of services

For comparative year

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

#### Rendering of services

For current year

Revenue from the rendering of services is recognised upon delivery of the service to the customer or patron as that is determined to be the point in time the performance obligation is met.

#### Interest revenue

For comparative and current year

Interest is recognised using the effective interest method.

#### Other income

For comparative year

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

For current year

Other income is recognised on an accruals basis when the Company is entitled to it after satisfying a specific and enforceable performance obligation.

Other income includes subsidies from the Government and is recognised as revenue in profit or loss when the assistance is received. During the period the Company received the JobKeeper subsidy and a COVID-19 cash flow boost.

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

#### d. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and cash at bank which is readily convertible to known amounts of cash and which is subject to an insignificant risk of change in value.

#### 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 the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written off in the statement of profit or loss and other comprehensive income when deemed to be damaged or obsolete.

Inventories are measured at the lower of cost and net realisable value.

#### **f. 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.

#### **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.

#### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost.

#### **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.

#### **Impairment of financial assets**

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant 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.

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 measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

#### **h. 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.

#### **Land and buildings**

Land and buildings are measured using the cost 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 assets 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	2.5-20%
Plant and Equipment	20-50%
Motor Vehicles	12.5-20%
Improvements	2.5-25%

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.

**i. Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses recognised at date of revaluation.

**j. 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.

**k. Going concern**

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The Company is expecting to generate net profits and positive cashflows in the upcoming year and the Directors have concluded the going concern assumption in the preparation of the current year financial statements is appropriate.

For the year ended 30 June 2020, the Company reported a net loss of \$102,398, a negative cash flow from operations of \$435,575 and working capital deficiency of \$2,427,240 (Current Assets less Current Liabilities). The negative working capital balance was mainly due to the loan from Commonwealth Bank of Australia (CBA) of \$2,220,000 being classified as a current liability, as the Company does not have an unconditional right to defer settlement beyond 12 months. The CBA loan balance was subject to a rollover on November 2019. The Directors believe the Company will have sufficient working capital to operate over the next 12 months, however additional capital funding will be necessary to repay the CBA loan balance should the lender call in the loan.

Based on the loan facility's terms and conditions and the projected long-term profitability of the Company, the Directors do not anticipate the

Company's lenders to request full repayment of these facilities within the next 12 months. In the unlikely event the lenders do recall the debt, the Directors are confident they will be able to source alternative funding.

Liaison with CBA has indicated during the current climate of COVID-19, the bank is committed to supporting the community and clients and believe in doing so the business will return to pre-COVID-19 performance. Subject to further risk approval, CBA expects to extend the rollover period of the load for another 1 - 5 year period and are seeking a 3-year term extension.

As detailed in Note 18 and 19, the COVID-19 pandemic may have an impact on the operations of the Company over the foreseeable future. However, the Federal and State Governments, suppliers and financial institutions are providing financial support when significant impacts occur.

### 3. 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 - 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.

**Key estimates - revenue recognition**

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

**Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

**Key estimates - inventory**

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

**Key judgments - Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the goods, and services offered, customers, supply chain and staffing. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavorably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

## 4. REVENUE AND OTHER INCOME

	2020	2019
	\$	\$
<b>Revenue from contracts with customers (AASB 15)</b>		
- Accommodation	48,096	519,378
- Bar sales	834,506	1,129,760
- Bingo	51,328	66,074
- Profit on sale of non-current assets	5,714	3,123
- Green fees	30,893	39,493
- Interest	87	-
- Keno commissions	49,723	70,072
- Lease income	86,973	-
- Membership subscriptions	20,015	20,981
- Other revenue	10,688	26,070
- Poker machines	1,105,116	1,493,919
- Raffles	102,304	136,216
- Rebates	26,509	37,214
- Rental income	25,746	42,420
- TAB Commissions	13,834	19,157
	<u>2,411,532</u>	<u>3,603,877</u>
<b>Other income</b>		
- Cash flow boost (COVID-19)	50,000	-
- JobKeeper subsidy	129,000	-
- Proceeds from sale of motel business	480,000	-
	<u>659,000</u>	<u>-</u>
<b>Total Revenue and other income</b>	<u><u>3,070,532</u></u>	<u><u>3,603,877</u></u>

## 5. COST OF GOODS SOLD (BAR)

	2020	2019
	\$	\$
Opening Inventory	21,343	19,349
Purchases	342,372	471,287
Less: Closing Inventory	<u>(28,657)</u>	<u>(21,343)</u>
	<u>335,058</u>	<u>469,293</u>

## 6. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	<u>90,274</u>	<u>160,610</u>
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## 7. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	8,251	15,388
GST receivable	14,036	-
Other receivables	<u>57,101</u>	<u>3,419</u>
	<u>79,388</u>	<u>18,807</u>

### a. Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2020 is determined to be immaterial and has not been recognised.

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.

## 8. INVENTORIES

CURRENT		
At net realisable value:		
Stock on hand - bar	28,657	21,343
Stock on hand - bingo	<u>219</u>	<u>219</u>
	<u>28,876</u>	<u>21,562</u>

## 9. PREPAYMENTS

CURRENT		
Prepayments	<u>88,406</u>	<u>112,579</u>

## 10. PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	\$	\$
Freehold land		
At cost	605,025	605,025
Buildings		
At cost	2,883,555	2,893,555
Accumulated depreciation	(998,157)	(915,642)
	1,885,398	1,977,913
Improvements		
At cost	2,048,890	2,037,841
Accumulated depreciation	(745,793)	(704,978)
	1,303,097	1,332,863
Plant and equipment		
At cost	2,969,480	2,842,523
Accumulated depreciation	(2,266,539)	(2,147,380)
Total plant and equipment	702,941	695,143
Motor vehicles		
At cost	116,848	116,848
Accumulated depreciation	(68,647)	(59,964)
	48,201	56,884
Capital works in progress		
At cost	-	6,182
Total plant and equipment	2,054,239	2,091,072
<b>Total property, plant and equipment</b>	<b>4,544,662</b>	<b>4,674,010</b>

## 11. 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:

	Capital Works in Progress	Land	Buildings	Improvements	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2020</b>							
Balance at 1 July 2019	6,182	605,025	1,977,913	1,332,863	695,143	56,884	4,674,010
Additions	-	-	11,050	-	164,501	-	175,551
Disposals/transfers	(6,182)	-	-	-	(5,714)	-	(11,896)
Depreciation expense	-	-	(103,565)	(29,766)	(150,989)	(8,683)	(293,003)
Balance at 30 June 2020	-	605,025	1,885,398	1,303,097	702,941	48,201	4,544,662
<b>2019</b>							
Balance at 1 July 2018	28,152	605,025	2,060,330	1,375,298	784,656	67,214	4,920,675
Additions	-	-	-	-	91,749	-	91,749
Disposals/transfers	(21,970)	-	-	-	(4,702)	-	(26,672)
Depreciation expense	-	-	(82,417)	(42,435)	(176,560)	(10,330)	(311,742)
<b>Balance at 30 June 2019</b>	<b>6,182</b>	<b>605,025</b>	<b>1,977,913</b>	<b>1,332,863</b>	<b>695,143</b>	<b>56,884</b>	<b>4,674,010</b>

## 11. INVESTMENT PROPERTY

	2020	2019
	\$	\$
Cottage Lot 27 Myall St, Tea Gardens at Cost	36,379	36,379

## 12. TRADE AND OTHER PAYABLES

CURRENT		
Trade payables	27,677	201,307
Accrued expense	97,252	64,898
Other payables	51,975	37,959
	<u>176,904</u>	<u>304,164</u>

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.

## 13. BORROWINGS

Bank loans	<u>2,220,000</u>	<u>2,116,655</u>
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### Summary of borrowings

On 16 November 2017, the Company entered into a bank loan facility agreement with the Commonwealth Bank of Australia (CBA). The loan facility provided was \$2,500,000 for a term of 3 years. Repayment terms for the facility is interest only repayments payable in arrears with a variable interest rate, which was 2.70% at commencement.

The security for the loan facility is a Registered Mortgage over the Company's property situated at 129 Myall St & 2A Yalinbah St, Tea Gardens.

On 10 June 2020, the Company entered into a Business Loan - Coronavirus Guarantee Scheme arrangement with CBA. The scheduled amount provided by the arrangement is \$150,000 for a term of 3 years. Repayment terms for the facility is interest only repayments payable in arrears with a variable interest rate, which was 4.50% at commencement.

The funding holds special conditions with:

- First 6 months of term with no repayments and interest is deferred and capitalised;
- Principal and Interest payments for the remaining term;
- Multiple drawings are permitted by way of using redraw feature;
- Waiver of Facility fees (Loan Service fees, Commitment fee and establishment fee); and
- Waiver of the Premium interest rate.

The loans provided by the CBA have been recognised as a current liability of the Company due to the bank's ability to call upon the outstanding loan amount at any time.

## 14. OTHER LIABILITIES

	2020	2019
	\$	\$
CURRENT		
Financed asset liability	24,180	58,269
Premium funding - insurance	80,501	90,537
	<u>104,681</u>	<u>148,806</u>
NON-CURRENT		
Financed asset liability	23,636	37,817

## 15. EMPLOYEE BENEFITS

CURRENT		
Long service leave	125,337	101,937
Annual Leave	82,205	64,690
Other employee benefits	5,057	4,487
	<u>212,599</u>	<u>171,114</u>
NON-CURRENT		
Long service leave	22,117	34,946

## 16. RELATED PARTIES

The Company's main related parties are as follows:

Tea Gardens Country Club Limited was deemed to have the power and authority to exercise control over its subsidiary Clubs. The subsidiary Clubs operating during the year were as follows:

- Tea Gardens Country Club Limited: Women's Bowling Club;
- Tea Gardens Country Club Limited: Men's Bowling Club; and
- Tea Gardens Country Club Limited: Fishing Club.

The Directors have assessed the financial position of each subsidiary Club as at 30 June 2020 and their financial performance for the year ended on that date to determine whether the exclusion of the subsidiaries would materially misstate the Company's financial report.

In the Directors opinion, the abovementioned subsidiaries were deemed to be material to the Company's overall operations and therefore have been included in the financial report.

### Transactions with related parties

There were no material transactions with related parties during the current and previous financial year.

## 17. KEY MANAGEMENT PERSONNEL DISCLOSURES

### *Total remuneration paid*

The total aggregate compensation made to key management personnel of the Company was in the range of \$100,000 - \$110,000 (2019: \$100,000 - \$150,000).

Board related transactions for the current period totaled \$5,917 (2019: \$4,310).

## 18. CONTINGENCIES

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The impacts of the pandemic continue to evolve and are dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions, economic sanctions imposed and economic stimulus that may be provided.

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

## 19. EVENTS AFTER THE END OF THE REPORTING PERIOD

The financial report was authorised for issue on 18 September 2020 by the Board of Directors.

The coronavirus outbreak in early 2020 lead to all clubs and other licensed venues being ordered to temporarily cease trading on 23 March 2020 until further notice. This trading restriction was subsequently relaxed, and the Company recommenced operating from 1 July 2020.

The Company has received the Cash Boost payments from the Australian Government and claimed job keeper subsidies from the Australian Government.

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

## 20. STATUTORY INFORMATION

The registered office and principal place of business of the company is: Tea Gardens Country Club Limited

2a Yalinbah St

Tea Gardens NSW 2324

## DIRECTORS DECLARATION

FOR THE YEAR ENDED 30 JUNE 2020

The directors of the Company declare that:

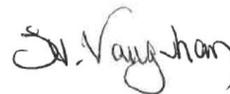
1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director: \_\_\_\_\_

Terry Munright



Director: \_\_\_\_\_

Mrs Heather Vaughan

**Dated 18 September 2020**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEA GARDENS COUNTRY CLUB LIMITED

FOR THE YEAR ENDED 30 JUNE 2020

## Report on the Audit of the Financial Report

### Opinion

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

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

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

### Basis for Opinion

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

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

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

### Material Uncertainty Related to Going Concern

We draw attention to Note (k)2 in the financial report, which indicates that the Company incurred a net loss of \$102,398 during the year ended 30 June 2020 and, as of that date, the Company's current liabilities exceeded its current assets by \$2,427,240. As stated in Note 2(k), these events or conditions, along

with other matters as set forth in Note 2(k), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Name of Firm:** National Audits Group Pty Ltd  
Authorised Audit Company

**Name of Director:**   
Stephen Prowse

**Address:** 1/185 Morgan Street Wagga Wagga NSW 2650

**Dated 18 September 2020**

## DISCLAIMER ON OTHER FINANCIAL INFORMATION DETAILED INCOME AND EXPENDITURE STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

The additional financial data presented on page 32 to 34 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2020. It should be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person other than Tea Gardens Country Club Limited, in respect of such data, including any errors of omissions therein however caused.

**Name of Firm:** National Audits Group Pty Ltd  
Authorised Audit Company

**Name of Director:**   
Stephen Prowse

**Address:** 1/185 Morgan Street Wagga Wagga NSW 2650

**Dated 18 September 2020**

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>Consolidated</b>		
<b>Sale</b>		
Bar sales	834,506	1,129,760
Poker machine revenue	1,105,116	1,493,919
Cost of sales	<u>(335,058)</u>	<u>(469,293)</u>
<b>Gross Profit</b>	1,604,564	2,154,386
<b>Other Income</b>		
Accommodation	135,069	519,378
Membership subscriptions	20,015	20,981
Other income	37,818	54,917
Deposit for sale of motel business	480,000	-
Government subsidies	179,000	-
Interest received	87	-
Rental income	25,746	42,420
Donations	-	9,622
Keno commissions	49,723	70,072
TAB commissions	13,834	19,157
Bingo	51,328	66,074
Green fees	30,022	38,238
Raffles	102,304	136,216
Gain on sale of non-current assets	<u>5,714</u>	<u>3,123</u>
<b>Total other income</b>	1,130,660	980,198
<b>Total income</b>	<u>2,735,224</u>	<u>3,134,584</u>
<b>Less Expenses</b>		
Advertising	21,089	45,114
Badge draw	13,273	16,364
Bank charges	59,924	63,025
Cleaning materials	3,089	11,596
Cleaning contractors	97,614	131,130
Complimentary items	1,202	40,504
Computer expenses	19,662	29,030
Courtesy bus expenses	13,267	12,697

The accompanying notes form part of these financial statements.

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Consulting & professional fees	12,073	26,000
Commissions & discounts	3,247	34,234
Depreciation	293,003	311,741
Donations	16,564	48,597
Electricity & gas	91,853	122,244
Equipment hire	40,191	7,139
Entertainment expenses	48,875	80,973
Freight & cartage	7,521	10,841
Insurance	103,331	95,952
Interest paid	67,158	69,830
Linen & hire	2,526	28,106
Poker machine expenses	176,294	243,312
Payroll tax	1,728	15,561
Postage	4,913	4,950
Member promotions and amenities	144,191	138,401
Repairs and maintenance	196,654	126,761
Salaries & wages	941,321	1,111,252
Staff amenities	6,111	7,428
Printing & stationery	9,178	9,202
Rates & taxes	37,319	54,887
Raffle prizes	149,763	208,086
Registration fees	21,947	12,410
Subscriptions	1,858	6,517
Superannuation contributions	84,888	116,034
Entertainment Expenses	9,689	7,828
Travel	7,016	9,769
Uniforms	709	1,340
Other expenses	118,581	139,753
Motel goodwill write-off	10,000	-
<b>Loss for the year</b>	<u>(102,398)</u>	<u>(264,024)</u>

The accompanying notes form part of these financial statements.

# DETAILED TRADING ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>Motel Division</b>		
<b>Income</b>		
Accommodation	48,096	519,378
Proceeds from sale of motel business	480,000	-
Rental income	86,973	-
Sundry Income	56	209
	<u>615,125</u>	<u>519,587</u>
<b>Less: Direct expenses</b>		
Advertising	3,960	15,200
Bank fees	59,924	63,025
Cleaning materials	3,089	11,596
Computer expenses	1,011	4,824
Commissions & discounts	3,247	34,234
Complimentary items	1,202	40,504
Depreciation	67,377	62,377
Electricity & gas	5,339	23,468
Fringe benefits	28,586	-
Insurance	14,613	11,810
Interest	57,241	58,967
Linen & hire	2,526	28,106
Rates & taxes	2,075	24,411
Fees	4,572	318
Repairs & maintenance	9,628	23,727
Salaries & wages	17,477	125,961
Subscriptions	1,858	4,408
Superannuation contributions	2,061	12,392
Telephone expenses	1,307	2,397
Uniforms	-	24
	<u>(287,093)</u>	<u>(547,749)</u>
<b>Net profit/(loss)</b>	<u>328,032</u>	<u>(28,162)</u>

The accompanying notes form part of these financial statements.



**Fully licensed Club featuring BBQ and  
Playground areas, 2 Bowling Greens adjacent to  
a 30 Room Motel which offers spacious  
ground floor rooms.**

**For more information contact the Club on;**

Club Ph: (02) 4997 0250

Fax: (02) 4997 0236

Restaurant: (02) 4997 0200

Email: [gm@tgcc.com.au](mailto:gm@tgcc.com.au)

Visit: [www.teagardenscountryclub.com.au](http://www.teagardenscountryclub.com.au)

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