



Mullumbimby
Ex-Services Club

Mullumbimby Ex-Services Club Ltd

ABN 61 000 994 767

Annual Report

2020

Notice is hereby given that the Annual General Meeting of Mullumbimby Ex-Services Club Ltd will be held in the Auditorium of the Club at 58 Dalley Street, Mullumbimby, on Monday 24th May 2021 at 7:00pm.

Business

1. Apologies
2. Confirmation of Minutes of the Annual General Meeting held on 5th July 2020.
3. Reports of the President & Manager.
4. Receive and consider the Annual Report of the Board of Directors.
5. Receive and consider the Audited Financial Statements including the Auditor's Report therein for the year ending 31st December 2020. **(Any questions regarding the contents of these reports are to be submitted in writing to the General Manager seven days prior to the AGM to enable a well-informed response to be made at the meeting)**
6. Official Declaration of Ballot for Directors 2021 - 2023
7. Fix the amount of Honorarium for President.
8. Fix Directors' monthly remuneration.
9. Special Business if in conformity with Articles of Association.
10. Intra-club Reports
11. General Business

FIRST ORDINARY RESOLUTION

That pursuant to the Registered clubs Act:

- (a) The members hereby approve and agree to expenditure by the club covering:
- i) The reasonable cost of meals and refreshments for each Director before or after each Board or Committee meeting.
 - ii) The reasonable cost in relation to the professional development and education of Directors including:
 - i) Directors attending the Annual General Meeting of ClubsNSW;
 - ii) Directors attending other meetings of Associations of which the Club is a member;
 - iii) Directors attending seminars, lectures, trade displays, organised study tours, fact finding tours and other similar events as may be determined by the Board from time to time;
 - iv) Directors attending other registered clubs or gaming venues for the purpose of observing their facilities and methods of operation;
 - v) Directors attending conferences and training sessions in relation to their roles and responsibilities under the Registered Clubs Act 1976, Corporations Act 2001, (Cth) (Corporations Act) and any other relevant legislation; and
 - vi) Directors attending functions when required to represent the Club.
 - iii) Reasonable expenses incurred by the Directors in travelling by either private or public transport to and from Board or other duly constituted Committee meetings, either within the Club or elsewhere and approved by the Board on production of documentary evidence of such expenditure.
 - iv) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
 - v) The reasonable cost of the provision of associated apparel for the use of each Director when representing the Club.
 - vi) The payment of Director's and Officers' insurance cover premiums

(b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are directors of the Club.

Notes to Members

Section 10(6A) of the Registered Clubs Act, allows for the authorisation of different benefits for different classes of members by a general meeting. As a result, it has now become common practice for registered clubs to set out all the costs and benefits associated with the directors in a notice to the members so that they can be approved at a general meeting.

Dated: April 2021

Andrew Spice

General Manager

On behalf of the Board of Directors it is once again my pleasure to present the President's Report for the 2020 financial year.

The 2020 financial year has certainly been an unforgettable and challenging year for the Mullumbimby Ex Services Club. Like many local businesses we experienced the uncertainty and emotional roller coaster that the COVID-19 pandemic provided.

We are extremely proud of the way in which our entire team responded to this unprecedented situation. The Club was closed for an extended period of ten weeks for the first time in history. The dedication and commitment demonstrated by our team to ensure that the Club not only survived this period but was in a strong position to re-open in a COVID Safe manner is greatly appreciated.

The Club entered this crisis in a fair financial position, and we moved fast to put ourselves in a good position to recover and thrive in the months and years ahead. The business result is a testament to the dedication of the entire team members and the General Manager who have all been highly effective in responding to the changing operational guidelines, needs of customers and supporting our local communities.

I am sure you will join me in thanking the local tradies used to undertake the improvements to our entry and foyer area during last year. There are too many to single out, but the result is fantastic, and it was a pleasure to work with all involved. Members may be aware that the Board and Management have been working with Project Leaders to develop a Building Master Plan. A copy of the current master plan is on display in the foyer area of the Club, with stage 1 complete and stage 2 due to start this year.

I would like to take this opportunity to recognize and thank my fellow Board members, their commitment and contribution to the many challenges confronted and for setting the business on a path towards our goals of financial stability and improved members' facilities is greatly appreciated. It has again been a pleasure to be President of such a dedicated, efficient, and professional Board.

The Club returned an operating trading surplus of \$402,299 which is a great result in the context of varying challenges we faced during the year. It is important to point out that we received Government stimulus amounts during the year totalling \$347,000 that contributed to the overall profit, which are outside of normal club trading.

Included in this Annual Report to Members is the 2020 Income Statement and Balance Sheet, Cash Flow Statement, along with the Club's External Auditor's independent report for the Club's financial year ending 31st December 2020.

Many thanks to our caterer Lenny & Emily, and their staff for the professional service and quality of food they provided through Societa.

To our General Manager, Andrew, and his friendly and efficient staff, I convey the Board's appreciation for your efforts and dedication over the past year.

In finishing, I would like to thank you the members for your continued support throughout the year. I encourage members to continue to participate in Club activities and enjoy the wonderful facilities the Club has to offer.

Maurie Maher
President

As anticipated in my report to the Members last year, 2019 was a year with many hard decisions being made. However at the time I was confident that in 2020 we would start to see the fruits of this labor. I can report, that even with the upheaval thrown upon us during the pandemic, and for the first time in many years, the Club has returned a profit from direct Club trading.

We are fortunate to have such a dedicated team of staff and I would like to thank our Duty Supervisors Caitlyn, Leigh & Mikeala and your wonderful service team for their cooperation, energy, and passion that you all bring to the Club.

Huge recognition is also due to Mandy in our Admin. We are a small team, but formidable in what we have achieved, and your efforts do not go unnoticed.

To our Bowls Greenkeeper Mark, who mostly works on his own, thank you for presenting the best facilities possible. You faced many challenges throughout the year and have risen to the task each time.

My thanks and appreciation is extended to Maurie Maher, Club President and the Board of Directors. We are honored to have such a dedicated team of Board Members who lighten the workload. My thanks to you all for your continued support and dedication.

Thank you to our contractors Societa Bistro and GSW Services, and their staff for the professional service they provide the Club and members.

To all our very committed volunteers involved in the Bowls Committee and Country Music Club, your countless hour of work are a vital part of the Club and I thank you for your contributions. I would like to congratulate all our bowls winners and thank you to those who represented the Club in Pennants. I am sure you did us all proud.

Through our Club Grants program, we have continued to support the local community with over \$12,000 donated in cash or in-kind support.

Cash Donations

Mullumbimby CWA \$3000

Brunswick Heads Surf Life Saving Club \$2000

Mullumbimby Giants Junior Rugby League \$2000

Mullumbimby Country Music Club \$2100

Brunswick Valley Woodchop \$250

Byron District Orchid Society \$500

In-kind support

Mullumbimby Show

Mullumbimby RSL Women's Auxiliary

St Johns Primary School

Mullumbimby High School

By the time you are reading this report, I hope to have completed another stage of our building master plan. Both indoor and outdoor Gaming areas will receive a makeover with most of the work being undertaken cosmetic and not structural. The makeover will see the rooms furnished with new carpet, new gaming stools, air conditioning in outdoor gaming area, new gaming bases and screening and reconfiguration of machines with increased spacing for player comfort.

In closing, I wish to convey my deepest condolences to all those members who went through the pain and adversity of losing family members and loved ones in the past twelve months. I sincerely hope you all have a healthy and prosperous 2021. Thank you to all our Members who support the Club on a daily, weekly, and periodic basis. It is your Club and whilst you continue to support it, you will continue to invest in the long-term future of your Club.

Andrew Spice
General Manager

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

**Financial Report For The Year Ended
31 December 2020**

Mullumbimby Ex-Services Club Ltd

ABN: 61 000 994 767

Financial Report For The Year Ended 31 December 2020

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MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2020.

Directors

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

Maurice Maher
Brian McDonald
Michael Burke
Frank Cornale
Luis Cristia resigned (28/01/2020)
Wayne Moffat
Ross Tucker OAM
Leigh Rickert appointed (14/02/2020)

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

Principal Activities

The principal activities of the entity throughout the year was to provide members and their guests with amenities and facilities usually associated with a Licensed Club (Ex Services & Bowling). No significant changes in the nature of that activity occurred during the year.

Short-term and Long-term Objectives

Improve and maintain the Clubs financial position to enable members, guests and the broader community to have access to sustainable services and facilities for the future years.

New Accounting Standards Implemented

- The entity's revenue recognition and measurement accounting principles are in agreement with the new revenue accounting standard AASB 15. There has been no effect on the current or previous financial year.
- The entity has no operating leases to which the new lease standard AASB 0016 would apply.

Key Performance Measures

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

Benchmarks

Wages to sales
Gross profit margins
Actual versus budget
EBIDA - earnings before interest, depreciation and amortisation

Information on Directors

| | | |
|----------------|---|---|
| Maurice Maher | — | President |
| Experience | — | Board member since 25/05/2015 |
| Qualifications | — | Beef Producer & Hay Contractor Retired Chairman Mullumbimby Rural Co Op Society & Board member for 25 years Retired Commonwealth Bank Manager 33 years of services |
| Brian McDonald | — | Vice-President Finance |
| Experience | — | Board member since 25/05/2015 |
| Qualifications | — | Salesman |

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

DIRECTORS' REPORT

| | | |
|-----------------|---|---|
| Michael Burke | — | Director |
| Experience | — | Board member since 28/08/2018, Secretary Mullumbimby Bowling Club |
| Qualifications | — | Retired school teacher |
| Frank Cornale | — | Director |
| Experience | — | Board member since 28/01/2014 |
| Qualifications | — | Electrical linesman |
| Luis Cristia | — | Director |
| Experience | — | Board member since 25/02/2014, retired 28/01/2020 |
| Qualifications | — | Architect and Sound Engineer |
| Wayne Moffat | — | Director |
| Experience | — | Board member since 29/05/2018 |
| Qualifications | — | Bachelor of Business, Master of Business Administration, Certified Club Manager |
| Ross Tucker OAM | — | Senior Vice President |
| Experience | — | Board member since 26/02/2019 |
| Qualifications | — | Primary Producer, Service Member |
| Leigh Rickert | — | Director |
| Experience | — | Board member since 14/02/2020 |
| Qualifications | — | Small Business Owner |

Meetings of Directors

During the financial year, 14 meetings of directors were held. Attendances by each director were as follows:

| | Directors' Meetings | |
|-----------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Maurice Maher | 14 | 14 |
| Brian McDonald | 14 | 14 |
| Michael Burke | 14 | 14 |
| Frank Cornale | 14 | 14 |
| Luis Cristia | 2 | - |
| Wayne Moffat | 14 | 11 |
| Ross Tucker OAM | 14 | 14 |
| Leigh Rickert | 11 | 9 |

Core – Non Core Property as required under Section 41J of The Registered Clubs Act

The Directors consider the Club's defined premises and all of its facilities to be Core Property. The directors do not consider the Club to have Non-Core Property.

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2020 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Maurice Maher



Director

12 March 2021

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MULLUMBIMBY EX-SERVICES CLUB LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Mullumbimby Ex-Services Club Ltd. As the lead audit partner for the audit of the financial report of Mullumbimby Ex-Services Club Ltd for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Name of Firm WFD Assurance Services Pty Ltd



Barry Dunnett

Date 11/03/2021

Address **Office**
11 Nunawading Court
Robina, QLD 4226

Registered Office
39 Wharf Street
Tweed heads, NSW 2485

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 | 2019 |
|--|-------------|----------------|----------------|
| | | \$ | \$ |
| Revenue | 2 | 2,622,962 | 2,658,502 |
| Other income | 2 | 347,000 | 300,627 |
| Employee benefits expense | 3(a) | (775,518) | (919,908) |
| Depreciation and amortisation expense | 3(a) | (229,114) | (239,167) |
| Interest expense | 3(a) | - | (200) |
| Cost of sales | 3(a) | (313,726) | (397,676) |
| Other expenses | 3(b) | (1,218,213) | (1,276,522) |
| Profit/(loss) before income tax | 16 | 433,391 | 125,656 |
| Tax (expense) / benefit | 4 | (31,092) | 6,354 |
| Profit/(loss) for the year | | <u>402,299</u> | <u>132,010</u> |

The accompanying notes form part of these financial statements.

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 | 2019 |
|--|-------------|----------------|----------------|
| | | \$ | \$ |
| Profit/(loss) for the year | | 402,299 | 132,010 |
| Total comprehensive income for the year | | <u>402,299</u> | <u>132,010</u> |

The accompanying notes form part of these financial statements.

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
(also known as the balance sheet)

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 749,660 | 376,751 |
| Trade and other receivables | | 18,087 | 16,795 |
| Inventories | | 76,090 | 69,487 |
| Prepayments | | 32,465 | 17,816 |
| Total current assets | | 876,302 | 480,849 |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 3,734,383 | 3,653,500 |
| Intangible assets | 7 | - | 306 |
| Deferred Tax | 8 | 68,872 | 99,964 |
| Total non-current assets | | 3,803,255 | 3,753,770 |
| TOTAL ASSETS | | 4,679,557 | 4,234,619 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | 182,111 | 199,966 |
| Borrowings | 10 | 167,046 | 104,808 |
| Provisions | 11 | 42,853 | 74,221 |
| Total current liabilities | | 392,010 | 378,995 |
| Non-current liabilities | | | |
| Trade and other payables | 9 | - | - |
| Borrowings | 10 | 217,906 | 183,414 |
| Provisions | 11 | - | 4,868 |
| Total non-current liabilities | | 217,906 | 188,282 |
| TOTAL LIABILITIES | | 609,916 | 567,277 |
| NET ASSETS | | 4,069,641 | 3,667,342 |
| EQUITY | | | |
| Retained surplus | | 3,049,928 | 2,647,629 |
| Reserves | | 1,019,713 | 1,019,713 |
| TOTAL EQUITY | | 4,069,641 | 3,667,342 |

The accompanying notes form part of these financial statements.

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| Note | Retained Earnings \$ | Capital Profit Reserve \$ | Total \$ |
|--|----------------------------|---------------------------------|-------------|
| Balance at 1 January 2019 | 2,515,619 | 1,019,713 | 3,535,332 |
| Comprehensive Income | | | |
| Profit/(loss) for the year after tax | 132,010 | - | 132,010 |
| Total comprehensive income attributable to the entity | 132,010 | | 132,010 |
| Balance at 31 December 2019 | 2,647,629 | 1,019,713 | 3,667,342 |
| Balance at 1 January 2020 | 2,647,629 | 1,019,713 | 3,667,342 |
| Comprehensive Income | | | |
| Profit/(loss) for the year after tax | 402,299 | - | 402,299 |
| Total comprehensive income attributable to the entity | 402,299 | - | 402,299 |
| Balance at 31 December 2020 | 3,049,928 | 1,019,713 | 4,069,641 |

The accompanying notes form part of these financial statements.

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 | 2019 |
|--|-------------|-----------------------|-----------------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members, patrons and ATO | 18 | 3,220,872 | 2,946,075 |
| Payments to suppliers, employees and ATO | 18 | (2,535,017) | (2,965,534) |
| Interest received | | 277 | 572 |
| Interest paid | | - | (200) |
| Net cash (used in)/generated from operating activities | 18 | <u>686,132</u> | <u>(19,087)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of poker machine entitlements | 2 | - | 225,000 |
| Payment for property, plant and equipment | | (223,239) | (17,445) |
| Net cash from/(used in) investing activities | | <u>(223,239)</u> | <u>207,555</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | | - | (10,597) |
| Repayment of supplier instalment arrangements | | (89,984) | (26,202) |
| Net cash from/(used in) financing activities | | <u>(89,984)</u> | <u>(36,799)</u> |
| Net increase in cash held | | 372,909 | 151,669 |
| Cash on hand at beginning of the financial year | | 376,751 | 225,082 |
| Cash on hand at end of the financial year | 5 | <u><u>749,660</u></u> | <u><u>376,751</u></u> |

The accompanying notes form part of these financial statements.

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Mullumbimby Ex-Services Club Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

The financial statements were authorised for issue on 12 March 2021 by the directors of the company.

Accounting Policies

(a) Revenue

Gaming subsidies are recognised in the period receipted, which aligns with the timeframe the poker machines are patronised.

Revenue from gaming is derived from poker machines and is recognised 'net' of payouts to players.

Revenue from beverage sales is recognised when beverage is acquired by patrons.

Revenue from raffles is derived from ticket sales and is recognised in the period the raffle is drawn.

Revenue from members subscriptions is aligned with the period the members utilise the facilities provided and paid for. Those received in advance for future years are deferred until those timeframes are reached and are recognised, in the meanwhile, as a liability in the statement of financial position.

Revenue from mat fees is recognised in the period the bowling green is used by playing patrons for such purposes. The receipt of fees and playing of bowls usually occurs in the same timeframe.

Commission revenue derived from patronising the ATM, Keno and TAB facilities provided, are recognised in the period it is earned.

Donations and bequests are recognised as revenue when received.

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

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

(b) Inventories

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

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

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(c) Property, Plant and Equipment

The entity applies the cost model as its accounting policy to property, plant and equipment (refer to change in accounting policy note 18).

Freehold Property

Freehold land is shown at cost.

Buildings are shown at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of buildings is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised in profit and loss.

Plant and Equipment

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

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

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Buildings | 2.5% |
| Plant and equipment | 2.5-50% |

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

(d) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or amortised cost using the effective interest method. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

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

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost.

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired.

Derecognition

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

(e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

(f) Employee Benefits

Employee benefit obligations are presented as current liabilities if the organisation does not have an unconditional/vested right to defer settlement for at least 12 months after the year end, irrespective of when the actual settlement is expected to take place, and are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

(i) Annual leave

Annual leave shall be presented as a current liability.

(ii) Long service leave

Long service leave shall be presented as a current liability, to the extent that employees have a vested right there to.

Long service leave shall be presented as a non-current liability, to the extent that employees do not have a vested right thereto.

Long service leave is accrued at the rate of pay that is expected to be in force when it is taken and then discounted back to current present value. This only applies to non-current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(g) Cash and Cash Equivalents

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

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(h) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(i) Income Tax

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

The income of the Company is assessable for income tax only to the extent that it comprises non-member income calculated under the special provisions applicable to registered clubs under the mutuality principle.

Where it is probable that tax losses will be available in the future to reduce income tax payable a deferred tax asset is recognised (Note 8).

(j) Provisions

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

(k) Comparative Figures

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

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Critical Accounting Estimates and Judgements

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

(n) Economic Dependence

Mullumbimby Ex-Services Club Ltd is dependent on the members and patrons for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the members and patrons will not continue to support Mullumbimby Ex-Services Club Ltd. The company is further dependent on the banks facilities, in light of the corona virus pandemic. Your attention is drawn to post balance sheet events note 12.

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Note 2 Revenue and Other Income

| | Note | 2020 \$ | 2019 \$ |
|---|------|------------------|------------------|
| Revenue | | | |
| Revenue from government grants and operating activities | | | |
| — Gaming | | 1,685,246 | 1,433,886 |
| — Beverage | | 663,279 | 928,007 |
| — Entertainment and promotions | | 105,585 | 132,387 |
| — Commission received | | 68,325 | 72,552 |
| — Subsidies and rebates | | 38,935 | 21,268 |
| — Bowls and tournaments | | 8,338 | 20,931 |
| — Other | | 52,977 | 48,899 |
| | 18 | <u>2,622,685</u> | <u>2,657,930</u> |
| Other revenue | | | |
| — Interest received | | 277 | 572 |
| | | <u>277</u> | <u>572</u> |
| Total revenue | | <u>2,622,962</u> | <u>2,658,502</u> |
| Other income | | | |
| — Federal government Jobkeeper subsidy | 18 | 234,000 | - |
| — Federal government Cash Boost subsidy | 18 | 100,000 | - |
| — NSW Small business grant | | 13,000 | - |
| — Profit on sale of poker machine entitlements | | - | 225,000 |
| — Fair value of poker machines received | | - | 56,818 |
| — Fair value of poker machine services received | | - | 18,809 |
| Total other income | | <u>347,000</u> | <u>300,627</u> |
| Total revenue and other income | | <u>2,969,962</u> | <u>2,959,129</u> |

Note 3 Expenses

| | Note | 2020 \$ | 2019 \$ |
|--|------|----------------|----------------|
| (a) Expenses | | | |
| Employee benefits expense: | | | |
| — Employee benefits expense including contributions to defined contribution superannuation funds | | 775,518 | 919,908 |
| — Employee on-costs | | 22,426 | 36,485 |
| Total employee benefits expense | 18 | <u>797,944</u> | <u>956,393</u> |
| Depreciation and amortisation: | | | |
| — Land and buildings | | 37,168 | 50,279 |
| — Plant and equipment | | 191,946 | 171,088 |
| — Poker machine entitlements | | - | 17,800 |
| Total depreciation and amortisation | | <u>229,114</u> | <u>239,167</u> |
| Finance costs: | | | |
| — Interest paid | | - | 200 |
| Cost of sales | | | |
| — MULLEX | | 285,702 | 307,620 |
| — BOWLO | | 28,024 | 90,056 |
| | 18 | <u>313,726</u> | <u>397,676</u> |

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(b) Other

| | | | |
|------------------------------------|----------------|-----------|-----------|
| — Entertainment & promotions | | 246,528 | 396,815 |
| — Gaming expenses | | 279,081 | 233,636 |
| — Repairs & maintenance | | 126,670 | 149,657 |
| — Loss on disposal of fixed assets | 3 c below | 97,900 | - |
| — Utilities | | 95,948 | 110,485 |
| Cleaning/contractors | | 91,206 | 21,357 |
| — Insurance | | 40,097 | 50,280 |
| — Employee on-costs | | 22,426 | 36,485 |
| — Rates | | 24,008 | 31,095 |
| — Security | | 22,406 | 26,601 |
| — Accountant & Auditor | | 32,754 | 23,426 |
| — Directors honorariums | | 12,470 | 17,920 |
| — Other expenses | | 126,719 | 178,765 |
| | 18 | 1,218,213 | 1,276,522 |

3 c. The foyer was renovated during the financial year. The carrying value of the foyer written off as part of this renovation process was \$86,483. This is the bulk of the loss on disposal.

Note 4 Income Tax

| | 2020 | 2019 |
|--|--------|---------|
| | \$ | \$ |
| The entity has a deferred tax expense of \$31,092 (2019 benefit: \$6,354). | 31,092 | (6,354) |

Note 5 Cash and Cash Equivalents

| | 2020 | 2019 |
|---|---------|---------|
| | \$ | \$ |
| CURRENT | | |
| Cash at bank – unrestricted | 634,129 | 265,451 |
| Cash on hand | 115,531 | 111,300 |
| Total cash on hand as stated in the statement of financial position and statement of cash flows | 749,660 | 376,751 |

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Note 6 Property, Plant and Equipment

| | Note | 2020 \$ | 2019 \$ |
|---|------|-------------|-------------|
| LAND AND BUILDINGS | | | |
| Freehold land: | | | |
| — At cost | | 1,397,086 | 1,397,086 |
| Total land | | 1,397,086 | 1,397,086 |
| Buildings: | | | |
| — At cost | | 1,924,004 | 2,017,354 |
| — Less accumulated depreciation | | (766,650) | (786,829) |
| Total buildings | | 1,157,354 | 1,230,525 |
| Total land and buildings | | 2,554,440 | 2,627,611 |
| PLANT AND EQUIPMENT | | | |
| Plant and equipment: | | | |
| — At cost | | 3,006,440 | 3,171,216 |
| — Less accumulated depreciation | | (1,953,860) | (2,145,327) |
| Total plant and equipment | | 1,052,580 | 1,025,889 |
| CAPITAL WORKS IN PROGRESS (CWIP) | | | |
| — At cost | | 127,363 | - |
| | | 127,363 | - |
| Total property, plant and equipment | | 3,734,383 | 3,653,500 |

Movements in Carrying Amounts

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

| | Note | Land \$ | Buildings \$ | Plant and Equipment \$ | Capital work in progress \$ | Total \$ |
|--|------|------------|-----------------|------------------------------|-----------------------------------|-------------|
| 2019 | | | | | | |
| Balance at the beginning of the year | | 1,397,086 | 1,276,772 | 854,274 | - | 3,528,132 |
| Additions at cost | | | 4,032 | 351,071 | - | 355,103 |
| Disposals | | | | (8,368) | - | (8,368) |
| Depreciation expense | | | (50,279) | (171,088) | - | (221,367) |
| Carrying amount at the end of the year | | 1,397,086 | 1,230,525 | 1,025,889 | - | 3,653,500 |
| 2020 | | | | | | |
| Balance at the beginning of the year | | 1,397,086 | 1,230,525 | 1,025,889 | - | 3,653,500 |
| Additions at cost | 6(a) | - | 50,968 | 231,622 | 127,363 | 409,953 |
| Disposals | | - | (86,636) | (13,320) | - | (99,956) |
| Depreciation expense | | - | (37,503) | (191,611) | - | (229,114) |
| Carrying amount at the end of the year | | 1,397,086 | 1,157,354 | 1,052,580 | 127,363 | 3,734,383 |

| | |
|---|-----------|
| (a) Fixed asset additions/assets capitalised in current financial year | 409,953 |
| — Less finance provided by poker machine suppliers through extended terms/ instalment arrangements (which doesn't involve the movement of cash) | (186,714) |
| — Fixed assets paid from the company's cash & cash equivalents and disclosed under 'investing activities' per cashflow statement | 223,239 |

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Note 7 Intangible Assets

| | 2020 | 2019 |
|--------------------------------------|----------|----------|
| | \$ | \$ |
| Poker machine entitlements - at cost | 42,324 | 42,324 |
| Accumulated amortisation | (42,324) | (42,018) |
| Net carrying amount | - | 306 |

Note 8 Deferred tax asset

| | 2020 | 2019 |
|------------------------------|--------|--------|
| | \$ | \$ |
| Deferred tax asset - at cost | 68,872 | 99,964 |

The deferred tax asset is represented by tax losses available to reduce taxable income. Refer note 4

Note 9 Trade and Other Payables

| | Note | 2020 | 2019 |
|--|-------------|---------|---------|
| | | \$ | \$ |
| CURRENT | | | |
| GST payable and PAYG | | 30,015 | 85,477 |
| Other payables | | 50,406 | 56,500 |
| Trade payables | | 94,322 | 50,621 |
| Deferred income - membership fees in advance | | 7,368 | 7,368 |
| | 9(a) | 182,111 | 199,966 |

(a) Financial liabilities at amortised cost classified as trade and other payables

| | | | |
|---|----|---------|---------|
| Trade and other payables: | | | |
| — Total current | | 182,111 | 199,966 |
| | | 182,111 | 199,966 |
| Less deferred income | | (7,368) | (7,368) |
| Financial liabilities as trade and other payables | 17 | 174,743 | 192,598 |

Note 10 Borrowings

| | Note | 2020 | 2019 |
|--|-------------|---------|---------|
| | | \$ | \$ |
| CURRENT | | | |
| Instalment arrangements - poker machines | | 167,046 | 104,808 |
| | | 167,046 | 104,808 |
| NON-CURRENT | | | |
| Instalment arrangements - poker machines | | 217,906 | 183,414 |
| | | 217,906 | 183,414 |
| TOTAL BORROWINGS | 17 | 384,952 | 288,222 |

The instalment arrangements are unsecured.

The company has a \$150,000 overdraft facility with The Commonwealth Bank Australia. Security therefore: First Registered Mortgage by Mullumbimby Ex-Services Club Ltd over Non Residential Real Property located at 58 Dalley Street Mullumbimby NSW 2482; First Registered Equitable Mortgage by Mullumbimby Ex-Services Club over whole of its asset (s) and undertaking (s) including uncalled capital

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Note 11 Provisions

| | 2020 | 2019 |
|---|--------|--------|
| CURRENT | \$ | \$ |
| Provision for employee benefits: annual leave | 33,619 | 45,602 |
| Provision for employee benefits: long service leave | 9,234 | 28,619 |
| | 42,853 | 74,221 |
| NON-CURRENT | | |
| Provision for employee benefits: long service leave | - | 4,868 |
| | - | 4,868 |
| | 42,853 | 79,089 |

Analysis of total provisions:

| | | |
|-----------------------------------|----------|--|
| Opening balance at 1 January 2020 | 79,089 | |
| Movement in provisions | 26,456 | |
| Amounts used / paid | (62,692) | |
| Balance 31 December 2020 | 42,853 | |

Note 12 Capital Commitments

| | 2020 | 2019 |
|---|---------|------|
| | \$ | \$ |
| (c) Capital Expenditure Commitments | | |
| Plant and equipment - poker machines (GST inclusive) (settled in January 2021) | 102,368 | - |

Note 13 Contingent Liabilities and Contingent Assets

The company is a third defendant in a personal injuries claim, where particulars were filed in court on 16 November 2020, through solicitors acting for a member of the public. The matter is ongoing. The financial outcome unknown. The company's insurers have been notified.

Note 14 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Note 15 Key Management Personnel Compensation

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the entity during the year are as follows:

| | 2020 | 2019 |
|-------------------|---------|---------|
| | \$ | \$ |
| KMP compensation: | 131,886 | 127,186 |

Note 16 Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

L and A Rickert - Director - weekly milk supplies - \$2,639

Note 17 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, short-term and long-term investments, payables and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

| | Note | 2020 \$ | 2019 \$ |
|------------------------------------|------|------------|------------|
| Financial assets | | | |
| — cash and cash equivalents | 5 | 749,660 | 376,751 |
| — trade and other receivables | | 18,087 | 16,795 |
| Total financial assets | | 767,747 | 393,546 |
| Financial liabilities | | | |
| — trade and other payables | 9(a) | 174,743 | 192,598 |
| — borrowings | 10 | 384,952 | 288,222 |
| Total financial liabilities | | 559,695 | 480,820 |

At 31 December 2020, the company had unused bank overdraft facilities of \$150,000. Security through is a first registered mortgage over non-residential real property located at 58 Daly Street Mullumbimby NSW 2482. In addition a first registered equitable mortgage over the whole of its assets and undertakings including uncalled capital.

MULLUMBIMBY EX-SERVICES CLUB LTD

ABN: 61 000 994 767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Note 18 Impact of COVID-19

The coronavirus pandemic (Covid-19) resulted in the closure of clubs and other hospitality venues from midday 23 March 2020, to slow its spread.

Clubs were permitted to reopen on 1 June 2020, but capacity was restricted under social distancing measures.

Federal Government's response to the pandemic, through various stimulus measures was designed to cushion the impact of the pandemic, more fully disclosed under 'other income' (note 2). These measures achieved that.

COVID-19 - and Federal Government's response via Job keeper and Cash Boost subsidies (note 2) - has had a material impact on the company's financial statements as a whole.

Cash flow boost

Effectively a waiver of the whole or part of the pay-as-you-go liability. It is conditional upon the company incurring a salary expense and therefore a withholding tax liability for pay-as-you-go.

Recognition has been in the period in which the relevant conditions were fulfilled.

Job keeper

Job keeper is a wage subsidy, payable as legislated for each employee.

Recognition has been in the period in which the relevant conditions were fulfilled.

Whilst the Covid-19 situation has continued, the club has remained open. Social distancing measures have gradually eased, in accordance with State government instructions, thereby permitting more patrons into the club.

Cash flow boost ended on 30 September 2020.

The company was ineligible for Job keeper 2 and 3 (September and December 2020 respectively).

The pandemic has caused considerable uncertainty for the world-wide economy. Its impact, if any, on the company's future financial performance, financial position and liquidity remains uncertain at the date of this report.

Note 19 Entity Details

The registered office of the entity is:

Mullumbimby Ex-Services Club Ltd
58 Dalley Street
Mullumbimby
NSW 2482

The principal place of business is:

Mullumbimby Ex-Services Club Ltd
58 Dalley Street
Mullumbimby
NSW 2482

Note 20 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the entity.

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Mullumbimby Ex-Services Club Ltd, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 5 to 20, satisfy the requirements of the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards applicable to the entity; and
 - (b) give a true and fair view of the financial position of the entity as at 31 December 2020 and of its performance for the year ended on that date.
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.



Maurice Maher

Director

Dated this 12th day of March 2021

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MULLUMBIMBY EX-SERVICES CLUB LTD

Opinion

We have audited the financial report of Mullumbimby Ex-Services Club Ltd (the entity), 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 directors' declaration.

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

- i. giving a true and fair view of the entity's financial position as at 31 December 2020 and of its financial performance for the year then 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 entity 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 Mullumbimby Ex-Services Club Ltd, 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.

Emphasis of matters

Without modifying our opinion, your attention is drawn to notes 2 (other income) and 18 (impact of COVID-19) which more fully describes the impact of COVID-19 and Government's response to the pandemic via Job keeper and Cash Boost subsidies. These matters are considered material to the financial statements as a whole.

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

The directors are responsible for the other information. The other information comprises the information included in the entity'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.

Responsibilities of the Directors for the Financial Report

The directors of the entity 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 entity'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 entity or to cease operations, or have no realistic alternative but to do so.

MULLUMBIMBY EX-SERVICES CLUB LTD
ABN: 61 000 994 767
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MULLUMBIMBY EX-SERVICES CLUB LTD

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

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.

Auditor's name and signature:


Barry Dunnett

Name of firm:


WFD Assurance Services Pty Ltd

Address:

Office
11 Nunawading Court
Robina, QLD 4226

Registered office
39 Wharf Street
Tweed Heads, NSW 2485

Dated this

13th

day of

March

2021