

# **John Edmondson V.C. Memorial Club Limited**

**ABN: 59 112 321 445**

## **Financial Statements**

**For the Year Ended 31 December 2019**

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

For the year ended 31 December 2019

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# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Directors' Report

For the year ended 31 December 2019

The directors present their report, together with the financial statements, on John Edmondson V.C. Memorial Club Limited (the company) for the year ended 31 December 2019.

### General information

#### Directors

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

<b>Names</b>	<b>Qualifications</b>
Mr Dallas Stewart (President)	Retired
Mr Brian McCormack (Deputy President)	Retired
Mr Mario Valenti	Tailor
Mr Richard Losiak	Dental Technician
Mr Tony Hogan	Entertainer
Mr Geoffrey Craig	Sales Manager
Mr Kenneth Arkley (elected April 2019)	Retired

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

#### Principal Activities

The principal activity of John Edmondson V.C. Memorial Club Limited during the financial year was the operation of a licensed club for the benefit of its members and their guests.

#### How the club measures its performance

The club measures its performance based on:

- a) the number of members and guests that the club has attracted in the year.
- b) on the level of surplus generated by each of its key operation systems which enables funds to be available for meeting the objectives.

#### Operating Results

The operating loss of John Edmondson V.C. Memorial Club Limited after providing for income tax amounted to (\$336,686) (2018: surplus \$860,371).

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Directors' Report

For the year ended 31 December 2019

### Members Guarantee

The club has varying classes of membership as set out below. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards any outstanding obligations of the company. At 31 December 2019 the number of members was 8,097 (2018: 8,223).

### Details of members

Each class of membership in the company:

Class	Number		Liability of members on a wind up	
	2019	2018	2019	2018
Service members	252	274	\$252	\$274
Associate members	7,845	7,948	\$7,845	\$7,948
Honorary Life members	-	1	-	\$1
<b>Total</b>	<b>8,097</b>	<b>8,223</b>	<b>\$8,097</b>	<b>\$8,223</b>

### Short and long term objectives of the Club

The club's objectives are to focus on:

1. The development and delivery of premium club facilities and services to its members and guests, and;
2. The promotion of the social welfare of its members and community sports and recreational organisations.

### Strategy for achieving those objectives

The strategy for the achieving the objectives has been to:

1. Update the premise to reflect the quality of appearance of the club;
2. Update and expand car parking facilities of the club;
3. Constantly monitor and improve the services of the bar, restaurants, bistro areas, and;
4. Attract quality entertainment to the venue at reasonable prices.

### How those activities assisted in achieving the club's objectives

The surpluses of the club after meeting the needs of the debt reduction program have been employed to enhancing the abovementioned facilities and the provision of donations to the local sporting and community support organisations, public schools and other charitable associations.

# John Edmondson V.C. Memorial Club Limited

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## Directors' Report

For the year ended 31 December 2019

### 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		Special Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Mr D Stewart	12	12	0	0
Mr B McCormack	12	11	0	0
Mr M Valenti	12	10	0	0
Mr R Losiak	12	12	0	0
Mr T Hogan	12	12	0	0
Mr G Craig	12	12	0	0
Mr K Arkley	9	9	0	0

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 4.

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

Director:  .....

Director:  .....


Dated this *Eighteen*..... day of *February*..... 2020

## Auditor's Independence Declaration

To the Directors of John Edmondson V.C. Memorial Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of John Edmondson V.C. Memorial Club Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



James Winter  
Partner – Audit & Assurance

Sydney, 18 February 2020

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# John Edmondson V.C. Memorial Club Limited

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## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue from sale of goods		1,632,161	1,781,855
Revenue from rendering of services		12,963,263	13,917,262
Other income		341,444	440,125
<b>Total Revenue</b>	2	<b>14,936,868</b>	16,139,242
Depreciation, amortisation and impairments		(1,988,127)	(1,907,378)
Bar and catering expenses		(704,957)	(807,385)
Administrative expenses		(2,672,454)	(2,573,213)
Gaming expenses		(1,277,610)	(1,386,379)
Gaming tax expenses		(2,918,713)	(3,168,508)
Employment expenses		(4,798,227)	(4,534,692)
Director honorarium and expenses		(66,535)	(59,616)
Other expenses	3	(846,931)	(830,067)
<b>Total Expenses</b>		<b>(15,273,554)</b>	(15,267,238)
<b>(Loss)/Surplus before income taxes</b>		<b>(336,686)</b>	872,004
Income tax expense	4	-	(11,633)
<b>(Loss)/Surplus after income taxes</b>		<b>(336,686)</b>	860,371
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(336,686)</b>	860,371

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Statement of Financial Position

As at 31 December 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	7,592,040	10,462,123
Inventories	6	92,798	56,499
Other current assets	7	108,866	116,548
<b>Total current assets</b>		<b>7,793,704</b>	<b>10,635,170</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	35,905,443	33,389,486
Intangible assets	9	549,427	549,427
Other non-current assets	7	6,305	6,305
<b>Total non-current assets</b>		<b>36,461,175</b>	<b>33,945,218</b>
<b>TOTAL ASSETS</b>		<b>44,254,879</b>	<b>44,580,388</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	1,449,024	1,526,935
Short-term provisions	11	731,836	658,499
<b>Total current liabilities</b>		<b>2,180,860</b>	<b>2,185,434</b>
<b>Non-current liabilities</b>			
Other long-term provisions	11	88,022	72,271
<b>Total non-current liabilities</b>		<b>88,022</b>	<b>72,271</b>
<b>TOTAL LIABILITIES</b>		<b>2,268,882</b>	<b>2,257,705</b>
<b>NET ASSETS</b>		<b>41,985,997</b>	<b>42,322,683</b>
<b>FUNDS</b>			
Accumulated funds		41,985,997	42,322,683
<b>TOTAL FUNDS</b>		<b>41,985,997</b>	<b>42,322,683</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



# John Edmondson V.C. Memorial Club Limited

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## Statement of Changes in Funds

For the Year Ended 31 December 2019

2019

	Accumulated Funds	Total
	\$	\$
Balance at 1 January 2019	42,322,683	42,322,683
Net Deficit	(336,686)	(336,686)
Other Comprehensive Income	-	-
<b>Balance at 31 December 2019</b>	<b>41,985,997</b>	<b>41,985,997</b>

2018

	Accumulated Funds	Total
	\$	\$
Balance at 1 January 2018	41,462,312	41,462,312
Net Surplus	860,371	860,371
Other Comprehensive Income	-	-
<b>Balance at 31 December 2018</b>	<b>42,322,683</b>	<b>42,322,683</b>

The Statement of Changes in Funds should be read in conjunction with the accompanying notes.

# John Edmondson V.C. Memorial Club Limited

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## Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
<b>Cash from operating activities:</b>			
Receipts from members and patrons		16,169,731	17,390,100
Payments to suppliers and employees		(14,788,594)	(14,812,562)
Dividends received		267	504
Interest received		167,414	229,573
Income tax paid		-	(11,633)
<b>Net cash provided by operating activities</b>		<b>1,548,818</b>	<b>2,795,982</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of plant and equipment		113,808	423,573
Acquisition of property, plant and equipment		(4,532,709)	(4,450,044)
<b>Net cash used in investing activities</b>		<b>(4,418,901)</b>	<b>(4,026,471)</b>
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>(2,870,083)</b>	<b>(1,230,489)</b>
Cash at beginning of financial year		10,462,123	11,692,612
<b>Cash at end of financial year</b>	5	<b>7,592,040</b>	<b>10,462,123</b>

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

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1 Statement of Significant Accounting Policies

#### (a) General information

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements were authorised for issuance in accordance with a resolution of the Directors on 18 February 2020.

John Edmondson V.C. Memorial Club Limited is a company limited by guarantee established and domiciled in Australia.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, for certain financial instruments which are recognised at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

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

#### (b) Income Tax

The Income Tax Assessment Act provides that the company is liable for tax only on non-member income and income tax expense has been provided for as calculated by this special formula.

#### (c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned using the first in first out basis.

# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 1 Statement of Significant Accounting Policies

#### (d) Property, Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the club and the cost of the item can be measured reliably. All other repair and maintenance are charged to the income statement during the financial period in which they are incurred.

#### Depreciation

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

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

Buildings	40 years - Straight Line
Plant and Equipment	2.5-11 years - Straight Line
Poker Machines	3.7-5 years - Straight Line
Motor Vehicles	3-8 years - Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

#### (e) Impairment of Assets

At each reporting date the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in the profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As the future economic benefits of all of the Company's assets (other than poker machines and related equipment) are not primarily dependent upon their ability to operate net cash inflows and if deprived of the asset, the Company would replace the asset's remaining future economic benefits, "value in use" is determined as the depreciated replacement cost of the asset, rather than by using discounted cash flows.

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

# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 1 Statement of Significant Accounting Policies

#### (f) Intangible Assets

##### Poker machine licenses

Intangible assets represent poker machine licenses. These assets are carried at cost and are not amortised because they have indefinite useful lives. The useful life is assessed annually to determine whether events or circumstances continue to support an indefinite useful life assessment. The carrying value of poker machine licenses is reviewed annually for impairment.

#### (g) Employee Benefits

Provision is made for the club's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. Expected future cash flows have been discounted using notional government bond rates at balance sheet date with terms to maturity that match as closely as possible the estimated future cash outflows.

Contributions are made by the club to an employee superannuation fund and are charged as expenses when incurred.

#### (h) Financial Instruments

##### 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 stated at cost using the effective interest rate method.

##### Financial liabilities

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

##### Impairment

At each reporting date, the club assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 1 Statement of Significant Accounting Policies

#### (i) 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.

#### (j) Revenue

##### *AASB 15 Revenue from contracts with customers*

The Club has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's Statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. The application of this standard had no material impact on the Club.

##### ***Accounting policy applicable from 1 January 2019***

Revenue arises mainly from the sale of goods (from the provision of beverages, food and other goods) and rendering of service (comprising revenues from gaming facilities, commissions and other services).

To determine whether to recognise revenue, the Club follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Club satisfies performance obligations by transferring the promised goods or services to its customers.

The Club recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Club satisfies a performance obligation before it receives the consideration, the Club recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 1 Statement of Significant Accounting Policies

#### *Sale of goods*

Revenue from the sale of goods comprises revenue earned from the provision of food and beverages and is recognised at the point in time, upon the consumer obtaining the good, which is generally at the time of delivery.

#### *Rendering of services*

Revenue from rendering of services comprises from gaming facilities and other services to members and other patrons of the club and is recognised at a point in time.

#### *Membership subscriptions*

Revenue from membership subscriptions is recognised over time as the member consumes the benefit of the membership, which is over the life of the membership.

#### *Interest income*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other income*

Other income is recognised when the right to receive the income has been established.

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

#### (k) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statements of financial position are shown inclusive of GST.

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

# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 1 Statement of Significant Accounting Policies

#### (l) Comparative Figures

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

#### (m) Provisions

Provisions are recognised when the club 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.

#### (n) Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant estimates and judgments incorporated into the financial statements.

#### (o) Trade payables

Trade and other payables represent liabilities for goods and services provided to the club prior to the year end and which are unpaid. These amounts are unsecured and have up to 14 day payment terms.



# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 2 Revenue

	2019	2018
	\$	\$
- Bar, catering and other sale of goods	1,632,161	1,781,855
- Tab, keno and other commissions	87,151	92,886
- Dividends	267	504
- Interest	167,414	229,573
- Member subscriptions	19,447	23,176
- Poker machine receipts	12,943,816	13,894,086
- Net gain/(loss) on disposal of non-current assets	69,432	99,982
- Other revenue	17,180	17,180
<b>Total Revenue</b>	<b>14,936,868</b>	<b>16,139,242</b>

### 3 Results for the year

The results for the year have been arrived at after crediting the following items:

#### (a) Expenses

	2019	2018
	\$	\$
Defined contribution superannuation expense	375,263	368,118

#### (b) Other Expenses

Marketing expenses	126,435	97,934
Club groups and entertainment expenses	431,569	433,184
Other expenses	288,927	298,949
<b>Total Other Expenses</b>	<b>846,931</b>	<b>830,067</b>

# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 4 Income Tax Expense

(a) The components of tax expense/(income) comprise:

	2019	2018
	\$	\$
Current tax	-	11,633
	-	11,633

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2019	2018
	\$	\$
Ordinary activities before income tax - Prima facie tax payable on profit at 27.5% (2018: 27.5%)	-	239,800
Add:		
Tax effect of:		
- other non-allowable items	-	11,633
	-	251,433
Less:		
Tax effect of:		
- net income attributable to members	-	(322,042)
- Future income tax benefit on tax losses not brought to account	-	82,242
<b>Income tax attributable to entity</b>	-	<b>11,633</b>

The prima facie tax expense on profit from ordinary activities arises when the club is in a profitable position. When the club is in a current year loss position, the prima facie tax expense is nil. Due to member income representing a significantly high portion of the entity's total income and any non-member income being reduced by its share of deductible expenses, the club is typically in an overall tax loss position. Subsequently, no income tax expense or future income tax benefit is recognised in the accounts.

# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 5 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash on hand	509,990	529,990
Cash at bank	2,061,017	1,864,499
Short term deposits	5,021,033	8,067,634
	<u>7,592,040</u>	<u>10,462,123</u>

### 6 Inventories

	2019	2018
	\$	\$
CURRENT		
At Cost		
Bar stock	79,286	41,287
Kitchen & Coffee Shop	13,512	15,212
	<u>92,798</u>	<u>56,499</u>

# John Edmondson V.C. Memorial Club Limited

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Notes to the Financial Statements

For the year ended 31 December 2019

## 7 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	88,375	76,993
Other current assets	20,491	39,555
	<u>108,866</u>	<u>116,548</u>
NON-CURRENT		
Other non-current assets	6,305	6,305
	<u>6,305</u>	<u>6,305</u>

# John Edmondson V.C. Memorial Club Limited

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## Notes to the Financial Statements

For the year ended 31 December 2019

### 8 Property Plant and Equipment

	2019	2018
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land		
George Street, Liverpool - at cost	1,068,131	1,068,131
Macquarie Street, Liverpool - at cost	2,128,101	2,128,101
<b>Total freehold land</b>	<b>3,196,232</b>	3,196,232
Buildings		
George Street, Liverpool - at cost	41,655,623	35,045,490
Macquarie Street, Liverpool - at cost	3,842,692	3,842,692
Less accumulated depreciation	(15,022,480)	(13,979,114)
<b>Total buildings</b>	<b>30,475,835</b>	24,909,068
Buildings under construction	-	2,846,445
<b>Total land and buildings</b>	<b>33,672,067</b>	30,951,745
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	8,664,428	8,626,733
Less accumulated depreciation	(7,588,926)	(7,459,722)
<b>Total plant and equipment</b>	<b>1,075,502</b>	1,167,011
Motor vehicles		
At cost	132,055	132,055
Less accumulated depreciation	(43,895)	(26,728)
<b>Total motor vehicles</b>	<b>88,160</b>	105,327
Poker machines		
At cost	6,180,319	6,031,635
Less accumulated depreciation	(5,110,605)	(4,866,232)
<b>Total poker machines</b>	<b>1,069,714</b>	1,165,403
<b>Total plant and equipment</b>	<b>2,233,376</b>	2,437,741
<b>Total property, plant and equipment</b>	<b>35,905,443</b>	33,389,486

# John Edmondson V.C. Memorial Club Limited

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Notes to the Financial Statements

For the year ended 31 December 2019

## 8 Property Plant and Equipment

### (a) Movements in Carrying Amounts

	Land	Buildings	Buildings under construction	Plant and Equipment	Motor Vehicles	Poker Machines	Poker Machines under Hire Purchase	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current Year</b>								
Balance at the beginning of year	3,196,232	24,909,068	2,846,445	1,167,011	105,327	1,165,403	-	33,389,486
Additions	-	3,763,687	-	314,713	-	457,541	-	4,535,941
Disposals	-	-	-	(31,859)	-	-	-	(31,859)
Transfers	-	2,846,445	(2,846,445)	-	-	-	-	-
Depreciation	-	(1,043,365)	-	(374,363)	(17,167)	(553,230)	-	(1,988,125)
<b>Carrying amount at the end of year</b>	<b>3,196,232</b>	<b>30,475,835</b>	<b>-</b>	<b>1,075,502</b>	<b>88,160</b>	<b>1,069,714</b>	<b>-</b>	<b>35,905,443</b>
<b>Prior Year</b>								
Balance at the beginning of year	3,196,232	25,816,095	132,037	1,083,734	103,624	838,688	-	31,170,410
Additions	-	50,561	2,730,658	745,522	91,982	831,411	-	4,450,044
Disposals	-	-	-	(563,638)	(102,185)	(752,825)	-	(1,418,648)
Transfers	-	16,250	(16,250)	-	-	-	-	-
Depreciation	-	(973,838)	-	(98,607)	11,996	248,129	-	(812,320)
<b>Carrying amount at the end of year</b>	<b>3,196,232</b>	<b>24,909,068</b>	<b>2,846,445</b>	<b>1,167,011</b>	<b>105,327</b>	<b>1,165,403</b>	<b>-</b>	<b>33,389,486</b>

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Notes to the Financial Statements

For the year ended 31 December 2019

### 9 Intangible Assets

	2019	2018
	\$	\$
Poker machines licenses		
Cost	<b>549,427</b>	549,427
Net carrying amount	<b>549,427</b>	549,427
Total Intangibles	<b>549,427</b>	549,427

### 10 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities		
Accrued employee entitlements	<b>637,317</b>	591,739
Sundry payables and accrued expenses	<b>811,707</b>	935,196
	<b>1,449,024</b>	1,526,935

### 11 Provisions

	2019	2018
	\$	\$
CURRENT		
Employee benefits	<b>694,506</b>	618,147
Jackpot provisions	<b>37,331</b>	40,352
	<b>731,836</b>	658,499
NON-CURRENT		
Employee benefits	<b>88,022</b>	72,271
	<b>88,022</b>	72,271

### 12 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the constitution states that each member is to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 31 December 2019 the number of financial members totalled \$8,097 (2018: \$8,223).

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Notes to the Financial Statements

For the year ended 31 December 2019

### 13 Capital and Leasing Commitments

Capital commitments at year end regarding the finalisation of the property improvements were \$115k.

### 14 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Key Management Persons (KMP) have been taken to comprise the directors and the members of the executive management responsible for the day to day financial and operational management of the club. Directors who acted for the club during the financial year are listed in the directors' report.

The aggregate Compensation of Key Management Persons including non-monetary benefits, post-employment and other long term benefits paid or payable or provided for was as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Directors	<b>32,915</b>	33,870
Key management personnel (other than directors)	<b>439,401</b>	441,244
<b>Total compensation</b>	<b>472,316</b>	475,114



# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Notes to the Financial Statements

For the year ended 31 December 2019

### 15 Other Related Party Transactions

In addition to the above, the Club has agreed to meet costs up to:

- \$20,000 in total per annum in relation to the Directors, to assist them in the carrying out of their duties including: telephone costs, uniforms and parking;
- \$75,000 in total per annum in relation to the Directors' professional development and education;
- \$145,000 in total per annum in relation to the food, travel and entertainment related to Directors' other duties.

In 2019 John Edmondson V.C. Memorial Club purchased tailoring services from Director, Mario Valenti, and entertainment from Tony Hogan.

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

	2019	2018
	\$	\$
<b>Transactions</b>		
Tailoring services	1,150	909
Entertainment	45,485	44,900
<b>Total</b>	<b>46,635</b>	<b>45,809</b>

### 16 Subsequent Events

Nil.

### 17 Club Details

#### (a) Registered office

The registered office of the club is:  
John Edmondson V.C. Memorial Club Limited  
185 George Street  
Liverpool NSW 2170

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Directors' Declaration

The directors of the club declare that:

1. The financial statements and notes, as set out on pages 5 to 23, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the club.
2. In the directors' opinion, there are reasonable grounds to believe that the club 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 .....  


Director .....  


Dated this eighteenth day of February 2020

## Independent Auditor's Report

To the Members of John Edmondson V.C. Memorial Club Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of John Edmondson V.C. Memorial Club Limited (the "Company"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in funds 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 Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

### **Responsibilities of the Directors for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. The Directors' responsibility also includes 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 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 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 those charged with governance 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.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*James Winter*

James Winter  
Partner – Audit & Assurance  
Sydney, 18 February 2020

## Disclaimer for the year ended 31 December 2019

### To the Directors of John Edmondson V.C. Memorial Club Limited

The additional financial data following and presented on pages 29 to 35 is in accordance with the books and records of the Club which have been subjected to the auditing procedures applied in our statutory audit of the club for the year ended 31 December 2019. It will 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 John Edmondson V.C. Memorial Club Limited) in respect of such data, including any errors or omissions therein however caused.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



James Winter  
Partner – Audit & Assurance

Sydney, 18 February 2020

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# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Schedules

For the year ended 31 December 2019

### BAR TRADING ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
SALES	<b>841,658</b>	871,450
LESS: COST OF GOODS SOLD		
Opening Stock	<b>41,287</b>	75,114
Purchases	<b>373,619</b>	346,101
	<b>414,906</b>	421,215
Less: Closing stock	<b>79,286</b>	41,287
	<b>335,620</b>	379,928
GROSS PROFIT	<b>506,038</b>	491,522
LESS : DIRECT EXPENSES		
Bar Promotions	-	-
Stocktake fees	<b>10,200</b>	9,600
Wages	<b>505,045</b>	547,850
	<b>515,245</b>	557,450
NET INCOME after direct expenses	<b>(9,207)</b>	(65,929)

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Schedules

For the year ended 31 December 2019

### CATERING TRADING ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
SALES	<b>790,503</b>	910,406
LESS : COST OF GOODS SOLD		
Opening Stock	<b>15,212</b>	17,868
Purchases	<b>357,375</b>	415,203
	<b>372,587</b>	433,071
Less : Closing Stock	<b>13,512</b>	15,212
	<b>359,075</b>	417,859
GROSS PROFIT	<b>431,428</b>	492,547
LESS : DIRECT EXPENSES		
Wages	<b>667,485</b>	642,922
NET INCOME/(LOSS) after direct expenses	<b>(236,057)</b>	(150,375)



# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Schedules

For the year ended 31 December 2019

### POKER MACHINE REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
NET RECEIPTS	<b>12,943,816</b>	13,894,085
LESS : DIRECT EXPENSES		
Machines tax	<b>2,918,713</b>	3,168,508
Promotions and other direct expenses	<b>1,117,766</b>	1,145,367
Repairs & maintenance	<b>146,743</b>	232,661
Wages	<b>862,500</b>	789,948
	<b>5,045,722</b>	5,336,484
NET INCOME after direct expenses	<b>7,898,094</b>	8,557,601

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Schedules

For the year ended 31 December 2019

### TAB TRADING ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
INCOME		
Commission received	<b>13,968</b>	17,291
LESS : EXPENSES		
Wages	<b>23,300</b>	23,151
Other direct expenses	<b>475</b>	(238)
	<b>23,775</b>	22,913
NET INCOME/(LOSS)	<b>(9,807)</b>	(5,622)

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Schedules

For the year ended 31 December 2019

### KENO TRADING ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
INCOME		
Commission received	72,078	73,338
LESS : EXPENSES		
Wages	40,340	39,302
Other Costs	12,626	8,589
	52,966	47,621
NET INCOME/(LOSS)	19,112	25,717

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Schedules

For the year ended 31 December 2019

### PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NET INCOME		
Poker machine revenue	7,898,094	8,557,601
Bar trading	(9,207)	(65,929)
Catering trading	(236,057)	(150,375)
Commission received & other income	1,106	2,257
Keno trading	19,112	25,717
Dividends received	267	504
Subscriptions received	19,447	23,176
TAB trading account - loss	(9,807)	(5,622)
Sundry income	17,180	17,180
Profit/(loss) on disposal of non-current assets	69,432	99,982
	<b>7,769,567</b>	<b>8,504,491</b>
LESS : OPERATING CHARGES		
Advertising	153,844	125,639
Audit, consultancy and accountancy fees	112,598	73,728
Bank charges	12,704	11,551
Cleaning and laundry	395,215	400,321
Club functions, artists & bands	375,262	369,044
Depreciation	1,988,127	1,907,378
Directors expenses	15,360	12,741
Donations	256,583	267,966
Entertainment	103,722	106,804
Fringe benefits tax	14,134	7,302
Games	17,013	17,407
Gas & electricity	396,803	374,552
Insurance	280,230	220,484
Legal expenses	3,876	1,559
Members transport	136,630	142,660
Motor vehicle expenses	25,545	27,657
Payroll tax	198,053	198,836
Postage	9,234	8,933
Printing and stationery	59,259	34,615
Property taxes	137,004	136,838
Repairs & maintenance - general	517,649	540,260

# John Edmondson V.C. Memorial Club Limited

ABN: 59 112 321 445

## Schedules

For the year ended 31 December 2019

	2019	2018
	\$	\$
Replacements	33,665	42,635
Security services	334,028	349,265
Staff training, meals, drinks & amenities	166,387	108,651
Subscriptions and licences	101,816	98,588
Superannuation	375,263	368,118
Telephone	40,439	35,331
Uniforms & clothing	7,247	22,516
Waste disposal	30,740	33,938
Wages & entitlements	1,975,237	1,816,743
TOTAL CHARGES	<b>8,273,667</b>	7,862,060
OPERATING PROFIT (LOSS) PRIOR TO INVESTMENT INCOME AND BEFORE INCOME TAX	<b>(504,100)</b>	642,431
ADD : INVESTMENT INCOME Interest received	<b>167,414</b>	229,573
OPERATING PROFIT (LOSS) BEFORE INCOME TAX	<b>(336,686)</b>	872,004