



ANNUAL REPORT

2019

Annual General Meeting
Sunday 13th September 2020

www.rslclubssouthport.com.au



Working together, for a
better community.

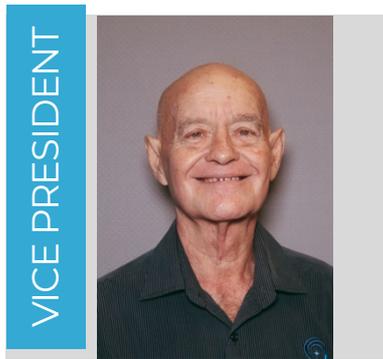
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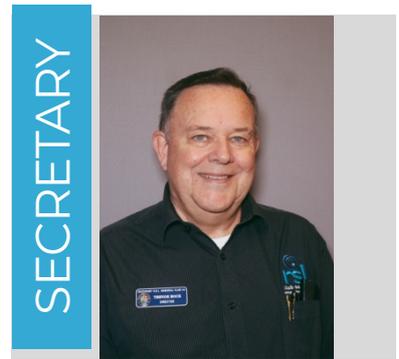
OUR TEAM BOARD



Mark Tull
President



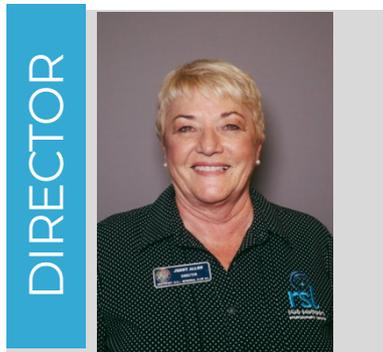
Peter Boyd
Vice President



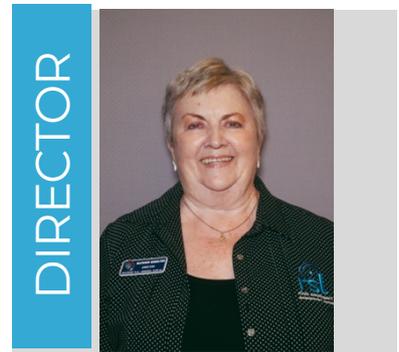
Trevor Bock
Secretary



Robert Knight
Treasurer



Jenny Allen
Director



Maureen Szmelter
Director



Andrew Nesbitt
Director



Lawrie Pollard
Director



Shirley Gordon
Director

AGENDA

1	<i>Opening & Welcome / Ode</i>
2	<i>Attendance – (as per attendance registers)</i>
3	<i>Apologies / Visitors</i>
4	<i>Confirmation of Minutes from 2019 AGM</i>
5	<i>Business Arising from 2019 AGM Minutes</i>
6	<i>Treasurers Report / Financial Statements auditor statement - (Adopt 2019 Financial Report) ** (Adopt 2019 Audited Financial Report and Financial Statements) **</i>
7	<i>Reports:</i> <ul style="list-style-type: none"><i>• Presidents Report, General Managers Report</i><i>• Sub Clubs' / Associations' Reports:</i> <i>(As submitted and included in the Club's AGM report to members)</i> <i>** (Adoption of all Reports, as tabled and / or presented) **</i>
8	<i>Director Elections: - (In compliance with Rule 14 of the Club Constitution)</i> <ul style="list-style-type: none"><i>• Secretary - (1) One Position</i><i>• Director - (2) Two Positions</i>
9	<i>Confirmation of Auditor for 2020 as appointed at the 2019 AGM - - Recommendation from the Board.</i>
10	<i>Members Suggestions / Recommendations from the floor</i>
11	<i>Vote of Thanks & Meeting Close (Vice President)</i>

MINUTES OF 2019 AGM



Southport RSL Memorial Club

Minutes of the Annual General Meeting held

Sunday 17 March 2019 at Club Auditorium Northern Star

1. OPENING AND WELCOME / ODE

The meeting was called to order at 11.21am.
Mr Mark Tull opened with an Ode and a minute's silence.

2. ATTENDANCE (AS PER THE ATTENDANCE REGISTERS)

Present

Directors

- Mr Mark Tull (Chairman)
- Mr Peter Boyd (Vice President)
- Mr Lawrie Pollard (Secretary)
- Mr Robert Knight (Treasurer)
- Ms Jenny Allen
- Mr Trevor Bock
- Mr Alan Fortunato

Management Attendance

- Paul Burton (General Manager SRSL)
- Glen Milne

Members

- 97 members (as per attendance register)

3. APOLOGIES / VISITORS

Visitors

- 3 visitors (as per attendance register)

Apologies

- 2 apologies (as per attendance register)

Mr Mark Tull called on Brian Baker and appointed him as a Club Patron. Mr Baker was honoured and thanked Mark, the Board and the Club.

4. CONFIRMATION OF PREVIOUS MINUTES FROM 2018 AGM

Mr Tull confirmed the half yearly AGM dated 24 September 2017 could not be confirmed as there was no quorum.

MOTION

That the minutes of the half yearly AGM held on 24 September 2017 be accepted as correct recording of that meeting.

Motion: Moved by Brian Baker, Seconded by Peter Boyd. Carried.

MOTION

That the minutes of the AGM held on 25 March 2018 be accepted as correct recording of that meeting.

Motion: Moved by John Allan, Seconded by Alan Fortunato. Carried.

4.1 BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising from the AGM's dated

- 24 September 2017
- 25 March 2018

5. REPORTS

5.1 TREASURERS REPORT / AUDITED FINANCIAL REPORT AND FINANCIAL STATEMENTS

**** (ADOPT 2018 AUDITED FINANCIAL REPORT & FINANCIAL STATEMENTS) ****

The report was taken as read.

Mr Robert Knight presented the report and summarised the results for 2018.

- Southport RSL made a small profit of \$1,855
- Net Asset position is healthy at nearly \$1M
- First 5 months of 2018 produced damaging results due to the Commonwealth Games. The damaging results could not be foreseen for businesses on the Gold Coast and other clubs similar to Southport RSL experienced more severe losses. We budgeted a \$750K profit, and damage can be clearly seen.
- The 2019 budget is more conservative and in line with what club can produce.
- As part of the process of meeting challenges with the Club from the Government, lobby groups, the new proposed Casino, the Management and Board instituted a plan to establish a Masterplan for the future, in which they believe will make the Memorial Club more successful.
- As part of the plan it includes the traditional Capital Management plus anything outside of the square. As a Club we must be progressive, must be new and we have a plan in place. We look forward to letting all members know the progress.
- Mr Knight thanked the support of the Board and Management who welcomed him to the club as a Board member.
- Mr Knight mentioned that Gary Beachley has retired, and he wished him well in retirement. Mr Knight also welcomed Julie Campbell.
- Mr Knight welcomed any questions and advised Adam Twemlow from KPMG was in attendance who could also answer any questions.

Mr Adam Twemlow presented his Audit Report.

- Mr Twemlow introduced himself as the Audit Partner from KPMG, and mentioned he is independent of Club to ensure finance statements provided are a true and fair copy of the results.
- Mr Twemlow reiterated a few statements made by Mr Knight confirming that the Club has about 1M in net assets, fundamentally \$1M cash at bank as a reserve.
- Cashflow generated from Operations, last year we broke even as mentioned due to the Commonwealth Games. There was positive cashflow to the club of about \$850K operations. The difference is due to depreciation.
- Going forward, it's important that this club breaks even or better, as we need to cover depreciation expense and we have the funds to reinvest back into the Club.
- Though 2018 was a tough year, it still produced a reasonable result, we covered all our costs including depreciation, and have \$1M cash at bank.
- Mr Twemlow asked if there were any questions (nil).

MOTION:

That the Treasurers Report submitted for this meeting be accepted as presented

Motion: Moved Robert Knight, Seconded by Pat Wittig. Carried

5.2 GENERAL MANAGERS REPORT

The report was taken as read.

Mr Paul Burton presented the report and summarised.

- Mr Burton reiterated that the Comm Games affected the Club results and added that it wasn't only for the 10 days of April. The effect was seen from mid-March and it didn't stabilise to normal until early June.
- Moving forward, we had few good months at the end of 2018, however the gap of first 5 months was too much.
- 2019 is proving to be better. We are into March and trading is at a better level.
- Staff and management stability and customer service is our main strength. With approximately 90 staff, we have a satisfaction rating of 91% from patrons, in this industry anything above 85% is excellent.
- Mr Burton added, in respect to 2nd Casino, it's obvious that it's not needed. Some of the actions being taken is a petition through the State Government – that petition in 2 months got 9044 signatures. Mr Burton has a meeting with the Minister Kate Jones and her advisors and the commissioner of Office of Gaming and Racing. The Government is well aware that the Clubs are hurting financially, and we are doing what we can in our power to talk to the relevant people. There will also be a meeting organised with the Chair of the Global Tourism Hub Gold Coast Sector to discuss where gaming sits on the Gold Coast.

5.3 SUB CLUBS / ASSOCIATION REPORTS

The following reports were taken as tabled and read.

1. R.S.L Club Southport, Social Darts Club
2. (S.E.A.K's) South East Asia, Korea & Peacekeeping Veterans Association Inc.
3. R.S.L Club Southport, Spare Parts & Rebel Darts Teams
4. R.S.L Club Southport, 500 Club
5. R.S.L Club Southport, Euchre Club
6. Southport R.S.L. Armature Fishing Club
7. Southport Club, Southport Scrabble Club

5.4. CLUB PRESIDENTS REPORT

The report was taken as read.

- Mr Mark Tull informed all in attendance that since the report was written, circumstances have changed.
- In the last 3 weeks, lease negotiations have commenced with the Sub-Branch for the last 5-year option. The negotiations have been worked on confidentially for a mutually satisfactory outcome of both parties.
- Sub-Branch released specifics in their latest newsletter, so Mr Tull felt they can now share information to its members.
- Sub branch demand double of rent for the final 5 years of the rent, to \$1,000,040 pa. Mr Tull advised that we rejected their proposal and as stated in the newsletter *"Should we not be successful in negotiating our required rent we will reluctantly be obliged to seek an alternative tenant or sale"*
- Mr Tull advised, over the past 5 years the Club has not only paid on time, we also accelerated our loan repayments to the Sub-Branch to \$40K per month extra. He reiterated that on top of this extra payments, Sub-Branch are now wanting an additional \$1M in rent pa. Even if we took the rent, we would still have to pay our loan.
- The situation with that request for monies is that our Club will basically become insolvent straight away and no director can willingly sign the document to that end. This is a serious matter. You are aware of it.
- We have 2 Sub-Branch Board Members on the Board, and the Sub Branch and the Club has been harmonious. Because of this impasse, a Conflict of Interest has been declared for members that sit on both Boards. These members cannot be involved in either discussions. This is a serious situation and goes against the harmonious and mutual support of these two organisations.
- Mr Tull added that he will keep everyone informed of the proceedings as they are resolved, and we are aware of them.
- Mr Tull invited Mr Glen Mylne to clarify Conflict of Interest.

Mr Glen Mylne stepped up to address the members.

- Mr Mylne advised that Conflict of interest frequently occurs in business and private relationships, and most of those conflict of interests can be resolved. However, we have 2 organisations that are independent corporations, incorporated under the Associations Incorporation Act still bound by the same principles found in the Corporations Law
- Section 183 of the Corporations Law states *"Use of information's Civil Obligations - A person who obtains information because they are or have been a Director or other Officer or employee of a corporation must not improperly use the information to gain an advantage for themselves or someone else."*
- Mr Mylne clarified that "someone else" could be another corporation or another incorporated entity. He then continued, *"Or cause detriment to the Corporation"*. He added that this goes on to add *"this duty continues after the person stops being an Officer or employee of the Corporation. This sub-section is a civil penalty provision - see section 1317E of the Corporations Law"*
- Mr Mylne added that he doesn't know anyone who was member of an associated organisation who has been prosecuted, but in the Corporate world there are number of prosecutions, most notable the HIH debacle which had a number of conflict of interests and those directors were jailed.
- Mr Mylne added that it's unlikely to happen in this situation, but one thing to be forefront in everyone's mind is to avoid conflict of interest. He reminded the members that there are 2 people running for position of Secretary, but you must consider if there is any conflict of interest and how they may handle this Conflict of Interest.
- Mr Mylne asked if there were any questions. No questions were asked.

MOTION:

That all the reports that were tabled and discussed be accepted as presented.

Motion: Moved Pat, Seconded by Trevor Bock. Carried

6. DIRECTOR ELECTIONS (IN COMPLIANCE WITH RULE 14 OF THE CLUBS' CONSTITUTION)

The scrutineers were Mr Paul Burton, Mr Adam Twemlow & Mr Glen Milne. Mr John Riebeling was requested as a scrutineer by Max Tunnicliffe (Director position) and Alan Fortunato (Secretary position).

Treasurer (1) One Position

(1) nomination - Robert Knight elected and unopposed.

Mr Robert Knight gave the members a background of his career. He reiterated his Treasurers report address, that the Club is under threat and to seriously consider your votes. We need a competent, committed and skilled Board to run this club.

Mr Lawrie Pollard clarified the appointments as there was movement throughout the year.

- Mr Pollard advised according to the Club Constitution, due to vacancies in the roles of Treasurer, and Vice President following the AGM, people were appointed to fill those vacancies.
The previous Treasurer resigned just prior to the AGM, Mr Ian Ruxton resigned some weeks after as Vice President. The Board exercised its authority to address these vacancies until the next AGM.
- Mr Peter Boyd was appointed as Vice President, which created a Secretary vacancy (appointed by Lawrie Pollard).
- As Mr Pollard has not held a board position for the required 12-month period, the Executive Board members voted to reduce the period and was appointed in the role of Secretary. This process was in accordance with the constitution.
- With Mr Pollard moving, this created a Directors vacancy where Mr Trevor Bock was appointed.
- Mr Knight was appointed as Treasurer.
- The constitution states if you are appointed, you must be confirmed at the next AGM

All outgoing Board Members stepped down from the table.

Vice President (1) One Position available

Nominations

- Peter Boyd
- Ian Ruxton

A ballot took place to elect one (1) Vice President

Mr Peter Boyd was elected to the position of Vice President

Secretary (1) One Position

Nominations

- Alan Fortunato
- Lawrie Pollard

A ballot took place to elect one (1) Secretary

Mr Alan Fortunato was elected to the position of Vice President

Director (2) Two positions

Nominations

- Trevor Bock
- Peter Boyd – (nomination withdrawn, elected to the position of Vice President)
- David Harper
- Claude Palmer
- Lawrie Pollard (nomination withdrawn, continues his 3-year elected term)
- Ian Ruxton
- Maureen Szmelter
- Max Tunnicliffe

A ballot took place to elect two (2) Directors

Mr Trevor Bock and Ms Maureen Szmelter were elected to the position of Director

MOTION:

That the ballot papers for the AGM held on 17 March 2019 be destroyed

Motion: Moved by Mark, Seconded by Wayne Collins. Carried.

7. CONFIRMATION OF AUDITOR

Recommendation from the Board of Directors - KPMG continue working with the Club for 2019.

Mr Tull also advised the appointment of Mr Glen Mylne as honouree Solicitor for the Club.

Mr Tull also advised the half yearly AGM meetings are not be required under the Constitution. Members will be informed via newsletters, Club emails and SMS's.

8. MEMBERS SUGGESTIONS / RECOMMENDATIONS FROM THE FLOOR

- nil

9. VOTE OF THANKS & MEETING CLOSE

Mr Peter Boyd thanked everyone for their attendance and declared the meeting closed at 12.50pm

Signed.....
President

Signed.....
Secretary

Date:...../...../.....

PRESIDENTS REPORT

A warm welcome members and guests at our “delayed” Annual General Meeting. Covid has certainly seen our normal world put aside and new rules have been imposed on our lives, employment, commerce and enjoyment. 2020 has been, at the same time, the busiest that I have ever seen for the Club. We have been subject to the effects of the drought, fires, litigation and now Covid.

The Club and Management did an amazing job to prepare for the stringent hygiene and crowd control prior to our 101 day shut down. I am very pleased to say that, without the job keeper program, there would have been disastrous results for our club. However, due to our Managers, we were able to keep the vast majority of our staff surviving financially through our lock down, and we had sufficient funds at bank to reopen.

The difficulties that have been placed before us this year have never been faced since the incorporation of our club back in the 1950’s. The stresses on staff, management and the board have been many, but, we are here, we are open, and our staff, members and guests are able to enjoy our offerings in this “new normal” age.

To all of you, I thank you for your support and ongoing patronage of your club. Our RSL Club Southport community is why we are here. We are here for you to enjoy, feel safe and be a valued member who allows our club to not only support you, but support your community as well.

Today, I am pleased to announce that even in these uncertain times, the Board has committed to support Gold Coast Legacy to the tune of \$24,000 this year, to allow them to support more Widows and Wards, including children of the fallen, through their Legacy Wards Health & Education support program.

To achieve this, and many other aims that the Board has, we have embarked on a professionally led, strategic planning program. Our initial research, surveys, input and 2 day meeting has delivered us the framework to ensure that our Club not only survives, but adapts and prospers. We are pleased to say that as part of this plan, changes, improvements of offerings, comfort, amenity and services will be continued to be rolled out for your enjoyment, and our long term goals are being devised with you, our members, in mind...

It has been an honour and privilege to be your President these past 2.5 years and I wish to place, on the record, my congratulations to our Staff, Management and Board for their outstanding works. May I ask you to express your appreciation of them by applause with me...

Thank you



Mark Tull - President



Our RSL Club Southport community is why we are here. We are here for you to enjoy, feel safe and be a valued member who allows our club to not only support you, but support your community as well.

TREASURERS REPORT

It is with great pleasure that I present my Treasurers Report to the Annual General Meeting of the members of Southport RSL Memorial Club. Following my report is the Club's Audited Financial Report for the 12 months to December 2019 which shows a loss for the year of \$241,469. The net assets position of the Club at the end of 2019 remains very healthy at \$722,318 with strong cash reserves.



The trading results for the Club during the 2019 year produced a breakeven situation similar to 2018. As reported by the General Manager, factors in the Australian economy and in particular on the Gold Coast, caused a downturn in revenue during the latter part of 2019. As a result of changes in accounting standards in relation to leases (Note 2 (f)) the club booked approximately \$60,000 negative adjustment to the result. In addition to this the Club brought to account changes in accounting treatment of both Depreciation on Leasehold Improvements and Annual Leave provisions which resulted in a negative adjustment of a further \$80,000. As referred to in Note 8 to the Financial Statements, the Club decided to impair (write down) the investment in the online simulated gaming site, "Club8Casino" by 50% which resulted in a \$105,600 impact on the net result for the year. As a result of all these adjustments the Club recorded a net loss for the year of \$241,469 as reported above.

On a positive note to last years result, when the non-cash items are added back to the result including Depreciation and Impairment of the Club's investment referred to above, the Club made a cash profit of approximately \$650,000. As we are all aware and reported by the President & General Manager, this year has been severely affected by the COVID-19 pandemic and the resultant shutdown of the Club for approximately 3 months. As part of the final audit assessment by our auditors, KPMG, the Club put together a 18 month cashflow projection to 30 June 2021 to assess viability which included a number of assumptions relating to the Club returning to normal trade and I am happy to report that the Club has achieved the targets we projected and the outlook for the remainder of the 2020 year is very promising. I direct you to the "Going Concern" note in the Financial Statements (Note 2 (e)) which our Auditors, KPMG, can speak to at the meeting if necessary.

In closing my Report I would like to acknowledge the continued support I have received from all Board members during the year and also congratulate the Management and Staff for there commitment to the Club, particularly during the difficult trading times we have experienced during the first half of 2020.

Robert Knight - Treasurer



The net assets position of the Club at the end of 2019 remains very healthy at \$722,318 with strong cash reserves.

FINANCIAL REPORT

**Southport RSL Memorial Club Incorporated
IA: 08014**

**Annual Financial Report
for the year ended 31 December 2019**

Southport RSL Memorial Club Incorporated**Contents****31 December 2019**

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Southport RSL Memorial Club Incorporated**Statement of Profit or Loss and Other Comprehensive Income****For the year ended 31 December 2019**

	Note	2019 \$	2018 \$
Food and bar			
Revenue	4	3,749,179	3,828,722
Cost of sales	4	<u>(1,186,459)</u>	<u>(1,213,933)</u>
Gross profit		2,562,720	2,614,789
Poker machines, subscriptions, TAB and other			
Revenue	4	9,708,364	9,986,352
Poker gaming expenses	4	(4,324,558)	(4,412,399)
Raffles, TAB, Keno expenses	4	<u>(984,709)</u>	<u>(1,027,747)</u>
Gross profit		4,399,097	4,546,206
Total gross profit		6,961,817	7,160,995
Administration expenses	4	(4,793,651)	(4,864,823)
Other cost centre expenses	4	<u>(2,254,183)</u>	<u>(2,226,165)</u>
Results from operating activities		<u>(86,017)</u>	<u>70,007</u>
Finance income	4	3,048	5,028
Finance expenses	4	<u>(158,500)</u>	<u>(73,180)</u>
Net finance costs		(155,452)	(68,152)
(Loss)/Profit before tax		(241,469)	1,855
Income tax expense	5	-	-
(Loss)/Profit from continuing operations		<u>(241,469)</u>	<u>1,855</u>
Other comprehensive income		-	-
Total comprehensive (loss)/income for the period		<u>(241,469)</u>	<u>1,855</u>

Accompanying notes are an integral part of these financial statements

- 2 -

Southport RSL Memorial Club Incorporated**Statement of Changes in Equity****For the year ended 31 December 2019**

	Retained Earnings \$	Total Equity \$
2019		
Balance at 1 January 2019	963,787	963,787
Total comprehensive income for the period		
Loss for the period	(241,469)	(241,469)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(241,469)</u>	<u>(241,469)</u>
Transactions with owners, recorded directly in equity	-	-
Total transaction with owners	<u>-</u>	<u>-</u>
Balance at 31 December 2019	<u>722,318</u>	<u>722,318</u>
	Retained Earnings \$	Total Equity \$
2018		
Balance at 1 January 2018	961,932	961,932
Total comprehensive income for the period		
Profit for the period	1,855	1,855
Other comprehensive income	-	-
Total comprehensive profit for the period	<u>1,855</u>	<u>1,855</u>
Transactions with owners, recorded directly in equity	-	-
Total transaction with owners	<u>-</u>	<u>-</u>
Balance at 31 December 2018	<u>963,787</u>	<u>963,787</u>

Accompanying notes are an integral part of these financial statements

- 3 -

Southport RSL Memorial Club Incorporated**Statement of Financial Position****As at 31 December 2019**

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	6	865,649	989,743
Deposits	7	104,646	102,393
Receivables		62,462	37,485
Inventories	9	112,318	85,447
Other	10	90,857	72,553
Total current assets		<u>1,235,932</u>	<u>1,287,621</u>
Non-current assets			
Property, plant and equipment	11	1,080,476	1,987,808
Right-of-use assets	12	2,725,154	-
Financial assets	8	105,600	210,000
Other	10	114,615	-
Total non-current assets		<u>4,025,845</u>	<u>2,197,808</u>
Total assets		<u>5,261,777</u>	<u>3,485,429</u>
Current liabilities			
Payables	13	803,845	840,372
Interest-bearing liabilities	14	1,232,951	707,203
Provisions	15	497,224	275,829
Other	16	89,342	100,326
Total current liabilities		<u>2,623,362</u>	<u>1,923,730</u>
Non-current liabilities			
Interest-bearing liabilities	14	1,872,009	436,733
Provisions	15	44,088	161,179
Total non-current liabilities		<u>1,916,097</u>	<u>597,912</u>
Total liabilities		<u>4,539,459</u>	<u>2,521,642</u>
Net assets		<u>722,318</u>	<u>963,787</u>
Equity			
Retained earnings	20	722,318	963,787
Total surplus		<u>722,318</u>	<u>963,787</u>

Accompanying notes are an integral part of these financial statements

- 4 -

Southport RSL Memorial Club Incorporated**Statement of Cash Flows****For the year ended 31 December 2019**

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Cash receipts in the course of operations		13,435,614	13,798,295
Cash payments in the course of operations		<u>(12,354,617)</u>	<u>(12,879,034)</u>
Net cash generated from operations		1,080,997	919,261
Interest received		3,048	5,028
Interest paid		<u>(158,500)</u>	<u>(73,180)</u>
Net cash provided by operating activities	19(b)	<u>925,545</u>	<u>851,109</u>
Cash flows used in investing activities			
Payments for property, plant and equipment		(53,592)	(626,582)
Payments for right-of-use assets		(330,252)	-
Payment for term deposit		(2,253)	(2,393)
Payment for equity investments		<u>(1,200)</u>	<u>(2,500)</u>
Net cash used in investing activities		<u>(387,297)</u>	<u>(631,475)</u>
Net cash used in financing activities			
Net repayment of finance lease facilities		(433,703)	(59,390)
Repayment of borrowings		(240,000)	(480,000)
Drawdown of borrowings		<u>11,361</u>	<u>-</u>
Net cash used in financing activities		<u>(662,342)</u>	<u>(539,390)</u>
Net (decrease)/increase in cash held		(124,094)	(319,757)
Cash at the beginning of the period		<u>989,743</u>	<u>1,309,499</u>
Cash and cash equivalents at Year end	19(a)	<u>865,649</u>	<u>989,743</u>

Accompanying notes are an integral part of these financial statements

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****1. Reporting Entity**

The Southport RSL Memorial Club Incorporated (the "Club") is a club incorporated in Queensland and domiciled in Australia.

The financial report was authorised for issue by the Board on the date of signing their declaration on page 32.

2. Basis of Preparation**(a) Statement of compliance**

This financial report is a special purpose financial report prepared for use by its members. The Board have determined that the Club is not a reporting entity.

The financial report is a special purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the Incorporated Associations' Act 1981.

The special purpose financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 Interpretation and Application of Standards
- AASB 1054 Australian Additional Disclosures.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except where indicated.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Club's functional currency. All financial information presented in Australian dollars has been rounded to the nearest dollar.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****2. Basis of Preparation (cont)****(d) Use of estimates and judgements**

The preparation of a financial report in accordance with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 periods 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.

(e) Going concern

The Club had net assets of \$722,318 (2018: \$963,787) and net current liabilities of \$1,387,430 (2018: \$636,109) at 31 December 2019, recognised a loss of \$241,469 (2018: profit of \$1,855), and generated positive cash flows from operations of \$925,545 for the year ended 31 December 2019 (2018: \$851,109).

As outlined in note 17 to the financial statements, the Club has an ongoing dispute with The Southport RSL Sub-Branch ("Sub-Branch") in relation to debts outstanding amounting to \$513,421 as at 31 December 2019 as disclosed in note 14, amongst other matters. Subsequent to the year end, and as at the date of this report, these matters remain outstanding and are yet to be finalised.

In addition, the spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020. This has led to the closure of Australian borders from 20 March 2020, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

As a result of this, the Club was required to temporarily shut down its operations to the public on 23 March 2020 due to restrictions imposed by The Australian Federal Government. As at the date of this report the Club remains closed and there are uncertainties as to when restrictions will be released and the timing of the Club reopening. The Club has been successful in accessing a range of Government Stimulus, negotiating arrangements with its financier Westpac, and undertaking other cost cutting measures.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****2. Basis of Preparation (cont)****(e) Going concern (cont)**

The Directors have prepared cash flow projections that support the ability of the Club to continue as a going concern. The cash flow projections, and therefore the ability to continue as a going concern, are reliant on the following:

- receipt of the JobKeeper Relief Package for the 6 months until October 2020, for which the Club has completed all necessary applications at the date of this report;
- ongoing compliance with banking arrangements including revised repayment terms as negotiated subsequent to balance date;
- recommencement of trading activities on a restricted capacity basis by July 2020;
- continual cost cutting measures being agreed and achieved;
- improved trading results within the short to medium term; and
- the successful settlement of the legal matters with the Sub-Branch, including repayment arrangements that can be accommodated by the net cash flow performance of the Club.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Club's ability to continue as a going concern. In the event that the Club cannot re-open by July 2020 (as dependent on Government authority), cost saving measures cannot be achieved as forecasted, improve its trading results within the short to medium term, and the legal matters are not resolved in the favour of the Club, the Club may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

(f) Changes in significant accounting policies

The Club has applied new mandatorily applicable accounting standards during the period. Due to the transition methods chosen by the Club in applying these standards, comparative information throughout these financial statements have not been restated to reflect the requirements of the new standards.

The new standards adopted are outlined below:

AASB 9 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 for revenue recognition. 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.

Southport RSL Memorial Club Incorporated
Notes to and Forming Part of the Financial Statements
For the year ended 31 December 2019

2. Basis of Preparation (cont)

(f) Changes in significant accounting policies (cont)

Impact of adoption

The Club has adopted AASB 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2018 has not been restated – i.e. – it is presented, as previously reported, under AASB 18 and related interpretations. Additionally, the disclosure requirements in AASB 15 have not generally been applied to comparative information. The Club has quantified the adjustments required to initially adopt AASB 15 and has determined that there was no material impact on the Club's revenue recognition as a result of the introduction of this standard.

AASB 1058 Revenue for Not-For-Profits

AASB 1058 established principles for not-for-profit entities that apply to:

- transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and
- the receipt of volunteer services.

The Club does not consider that it has any material revenue streams that fall under this standard and therefore there has been no material impact on its adoption.

AASB 16 Leases

The Club has adopted AASB 16 from 1 January 2019. AASB 16 removes the lease classification test for lessees and requires all the leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended.

The Club has adopted AASB 16 using the modified retrospective approach on transition and accordingly has not restated comparative information. At the transition, the lease liability is measured at present value on the remaining lease payments, discounted at the Club's incremental borrowing rate, being the rate the Club would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The incremental borrowing rate applied for AASB 16 is between 4.28% and 5.90% for the various right-of-use assets held by the Club. The Club's right-of-use assets are measured as an amount equal to the lease liability and are depreciated over the lease term on a straight-line basis. Each lease repayment is allocated between liability and interest expense. Interest expense is recognised on the lease liability using the effective interest rate.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****2. Basis of Preparation (cont)****(f) Changes in significant accounting policies (cont)**

As at 31 December 2019, as a result of initially applying AASB 16, in relation to the leases that were previously classified as operating leases, the Club recognised \$2,191,840 of right-of-use assets, \$461,566 of accumulated depreciation and \$2,220,000 of lease liabilities of which \$433,658 of the lease liability is recognised as a current liability and the remaining \$1,786,342 of the lease liability is recognised as a non-current liability.

On transition at 1 January 2018, the Club recognised a lease liability of \$2,564,952 and a right-to-use asset equal to the lease liability.

Also, in relation to those leases under AASB 16, the Club has recognised depreciation and interest costs, instead of operating rent expense. During the 2019 financial year, the Club recognised \$715,273 of depreciation charges and \$158,500 of interest costs from these leases.

Payments under the lease arrangements attributable to the repayment of lease liability (previously included in the operating cash flows) is now included under financing cash flows. During the 2019 financial year, payments totalling to \$791,027 is recognised as cash outflows from lease payments.

3. Significant Accounting Policies**(a) Revenue recognition****Policy applicable from 1 July 2018**

The Club recognises revenue as follows:

Revenue from contracts with customers

From 1 January 2019 revenue is recognised at an amount that reflects the consideration to which the Club is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Club: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Southport RSL Memorial Club Incorporated
Notes to and Forming Part of the Financial Statements
For the year ended 31 December 2019

3. Significant Accounting Policies (cont)

(a) Revenue recognition (cont)

The Club has concluded that it acts as principal in the provision of products and services through its operation of the Southport RSL Club facilities. The Club recognises its revenue upon completion of its performance obligations which are in the following distinct categories:

Revenue from customers at point of sale including for bar sales, food and beverage, entertainment receipts, Bingo, Keno, TAB and commissions, are recognised at the time the sale is made which aligns to the Club's performance obligations;

Revenue from catering and functions are recognised when the event has occurred and the Club has fulfilled its performance obligations; and

Revenue from membership subscriptions is recognised over the duration of the membership period.

Prior to 1 January 2019 Revenue was recognised when it was probable that the economic benefit would flow to the Club and the revenue could be reliably measured.

Interest

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.

Unearned revenue

From 1 January 2019 where payments received in advance from customers to secure catering and function bookings are deferred on the balance sheet as a liability until date of the event. Revenue is recognised in the statement of profit and loss when the event has occurred and the performance obligation is complete. This is the same principal applied under AASB 118.

Where payments are received from members upfront for a long term membership, they are deferred on the balance sheet as a liability and brought to account in the statement of profit and loss over the period of the membership. This is the same principal applied under AASB 118.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****3. Significant Accounting Policies (cont)****(a) Revenue recognition (cont)****Previous policy applied under AASB 118 Revenue***Sales Revenue*

Sales revenue represents revenue earned (net of returns, discounts and allowances) from the provision of products or services. Sales revenue is recognised when the goods or services are provided or when the fee in respect of the service provided is receivable.

Interest Revenue

Interest income is recognised as it accrues.

Other Revenue

Other revenue includes member's subscriptions, gross proceeds from the sale of non-current assets, entertainment receipts, Bingo, Keno, TAB and commissions.

(b) Income tax

The principle of mutuality applies to the Club in determining liability for income tax.

Income tax on the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The deferred tax asset on tax losses is not recognised unless the benefit to be obtained is probable.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****3. Significant Accounting Policies (cont)****(c) Financial Instruments*****Financial assets***

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Club may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment:

The Club makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Southport RSL Memorial Club Incorporated
Notes to and Forming Part of the Financial Statements
For the year ended 31 December 2019

3. Significant Accounting Policies (cont)

(c) Financial Instruments (cont)

Financial assets (cont)

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Club considers the contractual terms of the instrument.

Financial assets - Subsequent measurement amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets - Subsequent measurement at FVOCI and gains and losses:

These assets are subsequently measured at fair value. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Club benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Club has not elected to classify irrevocably its non-listed equity investments under this category.

Financial assets – Impairment of assets:

The Club recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****3. Significant Accounting Policies (cont)****(c) Financial Instruments (cont)*****Financial assets (cont)***

The Club measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and including forward-looking information. The Club assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Club's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, loans and lease liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; or
- Financial liabilities at amortised cost (loans and borrowings).

Southport RSL Memorial Club Incorporated
Notes to and Forming Part of the Financial Statements
For the year ended 31 December 2019

3. Significant Accounting Policies (cont)

(c) Financial Instruments (cont)

Financial liabilities (cont)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Club has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Club. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****3. Significant Accounting Policies (cont)****(d) Impairment**

The carrying amounts of the Club's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy (c)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****3. Significant Accounting Policies (cont)****(e) Inventories**

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

Net Realisable Value

Net realisable value is determined on the basis of normal selling patterns. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish a net realisable value.

(f) Property, plant and equipment**(i) Owned assets**

Items of property, plant and equipment are stated at cost as deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy (d)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent costs

The Club recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Club and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line and reducing balance methods over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

• Plant & equipment	3-5 years
• Leasehold improvements	5 years
• Leased plant & equipment	3-5 years

The residual value, if not insignificant, is reassessed annually.

Consumables are recorded at initial cost and represent glasses, cutlery, crockery and kitchen utensils. Replacements are expensed to maintain the book value.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****3. Significant Accounting Policies (cont)****(g) Provisions*****Employee Entitlements******Wages, Salaries, and Annual Leave***

The provision for employees' entitlements to wages, salaries and annual leave represent the amount which the Club has a present obligation to pay resulting from employees' services provided up to balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs. The carrying value of the provisions approximate net fair value.

Long Service Leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history.

(h) Superannuation funds

The Club contributes to defined contribution superannuation plans. Contributions to employee superannuation funds are charged against income as they are made.

(i) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Club. Trade accounts payable are normally settled within 30 days.

(j) Leases

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Club applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Club recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Club recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****3. Significant Accounting Policies (cont)****(j) Leases (cont)**

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leased plant & equipment 3-5 years

If ownership of the leased asset transfers to the Club at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Club recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Club and payments of penalties for terminating the lease, if the lease term reflects the Club's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Club uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Club's lease liabilities are included in Interest-bearing loans and borrowings (see Note 14).

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****3. Significant Accounting Policies (cont)****(k) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(l) Expenses*Net financing costs*

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and the unwinding of finance discounts.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

Southport RSL Memorial Club Incorporated
Notes to and Forming Part of the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
4. Operating Revenue & Expenses		
(a) Revenue		
Sale of goods	3,749,179	3,828,722
Other revenue		
Rendering of services	1,490,830	1,576,074
Gaming revenue	8,217,534	8,410,278
	<u>9,708,364</u>	<u>9,986,352</u>
Finance income		
Interest received	3,048	5,028
	<u>3,048</u>	<u>5,028</u>
Total revenue	<u>13,460,591</u>	<u>13,820,102</u>
(b) Operating results		
<i>Bar</i>		
Sales	1,625,070	1,738,593
Cost of Sales	(567,581)	(599,839)
Other expenses	(652,844)	(676,612)
Net income	<u>404,645</u>	<u>462,142</u>
<i>Bottle shop</i>		
Sales	30,560	24,344
Cost of Sales	(12,412)	(13,729)
Other expenses	(3,862)	(3,015)
Net income	<u>14,286</u>	<u>7,600</u>
<i>Catering/functions</i>		
Sales	2,093,549	2,065,785
Cost of Sales	(606,466)	(600,365)
Other expenses	(1,597,477)	(1,546,538)
Net income	<u>(110,394)</u>	<u>(81,118)</u>
<i>Totals</i>		
Sales	3,749,179	3,828,722
Cost of Sales	(1,186,459)	(1,213,933)
Other expenses	(2,254,183)	(2,226,165)
Net income	<u>308,537</u>	<u>388,624</u>

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Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

	2019 \$	2018 \$
4. Operating Revenue & Expenses (cont)		
(b) Operating results (cont)		
<i>Other revenue</i>		
Poker machines		
Gross revenue	8,217,534	8,411,821
Hopper variance	-	(1,543)
Net revenue	<u>8,217,534</u>	<u>8,410,278</u>
Membership subscriptions	68,619	62,880
TAB, Members, Bingo, Keno	1,422,211	1,513,194
	<u>1,490,830</u>	<u>1,576,074</u>
<i>Total other revenue</i>	<u>9,708,364</u>	<u>9,986,352</u>
Poker gaming expenses	(4,324,558)	(4,412,399)
Raffles, TAB, Keno expenses	(984,709)	(1,027,747)
<i>Net income</i>	<u>4,399,097</u>	<u>4,546,206</u>
<i>Other expenditure</i>		
Insurance	101,566	91,201
<i>Property</i>		
Rent - land & buildings – note 12	-	457,541
<i>Administration</i>		
Amounts set aside for employee entitlements	181,242	147,538
Amortisation & depreciation	1,189,387	759,138
Wages - administration/managerial	1,633,991	1,670,091
Repairs & maintenance	90,350	106,536
Overheads (electricity, phones, rates)	465,261	486,333
Impairment – note 8	105,600	-
Other	1,026,254	1,146,445
	<u>4,793,651</u>	<u>4,864,823</u>
Cost centre expenses	2,254,183	2,226,165
<i>Total other expenditure</i>	<u>7,047,834</u>	<u>7,090,888</u>
<i>Finance income</i>		
Interest received	3,048	5,028
	<u>3,048</u>	<u>5,028</u>
<i>Finance costs</i>		
Interest paid	158,500	73,180
	<u>158,500</u>	<u>73,180</u>

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

5. Taxation	2019	2018
	\$	\$
<i>Income tax expense/(benefit)</i>		
(Loss)/Profit before tax from continuing operations	(241,469)	1,855
Prima facie income tax expense/(benefit) at 27.5% (2018: 30%) on the operating profit.	(66,404)	510
Increase in deferred tax assets for tax losses not brought to account	6,736	-
Decrease in tax expense due to utilisation of tax losses not previously brought to account	-	4,588
Permanent differences	25,967	(2,073)
Temporary differences	33,701	(3,025)
Income tax expense	<u>-</u>	<u>-</u>
 <i>Deferred tax/(liability) not brought to account</i>		
The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery is not probable:		
Timing differences	64,358	30,466
Tax losses carried forward	569,394	562,658
	<u>633,752</u>	<u>593,124</u>

The potential deferred tax asset will only be obtained if:

- (a) the relevant association derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (b) the Club continues to comply with the conditions for deductibility imposed by the law; and
- (c) no changes in tax legislation adversely affect the relevant association and/or the economic entity in realising the benefit.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

	2019	2018
	\$	\$
6. Cash and Cash Equivalents – Current		
Cash on hand	252,051	247,080
Bank accounts	588,157	714,954
Other cash accounts	25,441	27,709
	<u>865,649</u>	<u>989,743</u>
7. Deposits – Current		
Term deposit	<u>104,646</u>	<u>102,393</u>
8. Financial Assets – Non-current		
Equity investments	211,200	210,000
Less: impairment	(105,600)	-
	<u>105,600</u>	<u>210,000</u>

The Club holds 211,200 (2018: 210,000) ordinary non-redeemable shares in WhiteGreen Pty Ltd ("WhiteGreen"). The Club purchased 1,200 (2018: 2,500) shares in WhiteGreen during the period. At 31 December 2019, the cost base of the investment is based on the price of a recent transaction of WhiteGreen ordinary shares in the month of September 2019 which was \$1 per share. We note that all investments have always been at \$1 per share.

WhiteGreen is a non-trading investment Club which holds 211,200 (2018: 210,000) shares in CLUB8CASINO PTY LTD ("Club8Casino"). Club8Casino was established in 2014, the business provides online simulated gaming services and receives revenue through license fees for the use of the Club8IP, Club8 Marks, Club8 Material and the Club8 Website. Club 8 is an online simulated gaming site based in Australia targeted to the RSL members of the clubs listed above. It is a free-to-play and pay-to-play website with no real money online gaming supported.

The Directors have considered the carrying value of the investment at 31 December 2019 and have determined to recognise an impairment of \$105,600.

9. Inventories – Current		
Bar and bottle shop – at cost	84,789	56,451
Catering – at cost	27,529	28,996
	<u>112,318</u>	<u>85,447</u>
10. Other Assets – Current		
Deposits	1,200	9,200
Prepayments	88,567	63,353
Other	1,090	-
	<u>90,857</u>	<u>72,553</u>
Other Assets – Non-Current		
Payment for leasehold improvements	<u>114,615</u>	<u>-</u>

The payment for leasehold improvements represents amounts expended on the Club's premise which are being claimed for reimbursement by the Club from the Sub-Branch as outlined in note 17.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

	2019 \$	2018 \$
11. Property, Plant and Equipment – Non-Current		
Leasehold improvements - at cost	702,597	702,597
Less accumulated amortisation	<u>(449,502)</u>	<u>(355,823)</u>
	253,095	346,774
Plant and equipment - at cost	8,473,252	8,419,661
Less accumulated depreciation	<u>(7,779,003)</u>	<u>(7,398,569)</u>
	694,249	1,021,092
Consumables	<u>133,132</u>	<u>133,132</u>
Leased assets	2,002,805	2,002,805
Less accumulated amortisation	<u>(1,515,995)</u>	<u>(1,515,995)</u>
Reclassification – Note 12	<u>(486,810)</u>	-
	-	486,810
Total property, plant & equipment	<u>1,080,476</u>	<u>1,987,808</u>

The expected cash flows from the Club's operations support the book value of the property plant and equipment on a value in use basis.

The property plant and equipment was provided as security under the deed of charge in the prior year as outlined in note 17. This deed was released on 20 December 2019.

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

Leasehold improvements

Carrying amount at beginning of year	346,774	313,279
- additions	-	89,302
- disposals	-	(1,470)
- amortisation	<u>(93,679)</u>	<u>(54,337)</u>
Carrying amount at end of year	<u>253,095</u>	<u>346,774</u>

Plant and equipment

Carrying amount at beginning of year	1,021,092	1,089,393
- additions	53,592	355,280
- disposals	-	-
- depreciation	<u>(380,435)</u>	<u>(423,581)</u>
Carrying amount at end of year	<u>694,249</u>	<u>1,021,092</u>

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Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

	2019 \$	2018 \$
11. Property, Plant and Equipment – Non-Current (cont)		
Consumables		
Carrying amount at beginning of year	133,132	133,132
Carrying amount at end of year	<u>133,132</u>	<u>133,132</u>
Leased assets		
Carrying amount at beginning of year	486,810	586,030
- additions	-	182,000
- amortisation	-	(281,220)
-reclassifications	<u>(486,810)</u>	<u>-</u>
Carrying amount of end of year	<u>-</u>	<u>486,810</u>
12. Right-Of-Use Assets and Liabilities		
(a) Assets – Non-Current		
Right-of-use assets – at cost	4,956,299	-
Less accumulated depreciation	<u>(2,231,145)</u>	<u>-</u>
	<u>2,725,154</u>	<u>-</u>

The Club has lease contracts for various items of property, plant and other equipment used in its operations. Leased property has a term of 5 years, while other plant and equipment is between 3 and 5 years. The Club's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period on adoption of AASB 16 Leases:

	Leased Office Equipment	Leased Operating Equipment*	Leased Property	Total Leased
Adjustment on adoption	117,590	486,810	2,447,364	3,051,764
Additions	-	300,211	30,041	330,252
Depreciation	(20,735)	(253,707)	(440,831)	(715,273)
Variable reassessment	-	-	58,411	58,411
Closing balance	<u>96,855</u>	<u>533,314</u>	<u>2,094,985</u>	<u>2,725,154</u>

*Included within the carrying value of \$2,725,154 is a reclassification of gaming machine leased assets presented in note 11 in the previous financial year with an opening written down value of \$486,810. These leases are now accounted for under AASB 16, however no material change in the accounting treatment exists as they were previously accounted for as finance leases.

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Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

	2019	2018
	\$	\$
12. Right-Of-Use Assets and Liabilities		
b) Lease Liabilities		
Lease liabilities – current	708,169	227,203
Lease liabilities – non-current	1,872,009	163,310
Total lease liabilities – note 14	<u>2,580,178</u>	<u>390,513</u>
<p>On adoption of AASB 16, the Club recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 <i>Leases</i>. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. The lessee's incremental borrowing rate applied to the lease liabilities was between 4.28% and 5.90%.</p> <p>Set out below are the carrying amounts of the lease liabilities recognised and the movements during the period on adoption of AASB 16 <i>Leases</i>:</p>		
		Carrying Value
		\$
Closing balance at 31 December 2018		390,513
Adjustment on adoption		2,564,952
Additions		257,240
Accretion of interest		158,500
Payments		(791,027)
Closing balance at 31 December 2019		<u>2,580,178</u>
	2019	2018
	\$	\$
13. Payables – Current		
Trade creditors	345,150	259,904
Other creditors and accruals	420,590	505,741
GST control	38,105	74,727
	<u>803,845</u>	<u>840,372</u>
14. Interest Bearing Liabilities		
Current		
Lease liability – note 12(b)	708,169	227,203
Loan from Sub-Branch	513,421	480,000
Other loan	11,361	-
	<u>1,232,951</u>	<u>707,203</u>
Non-current		
Lease liability – note 12(b)	1,872,009	163,310
Loan from Sub-Branch	-	273,423
	<u>1,872,009</u>	<u>436,733</u>

Refer to note 17 for further details on the Sub-Branch loan.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

	2019	2018
	\$	\$
15. Provisions		
Current		
Provision for employee entitlements	497,224	275,829
Non-current		
Provision for employee entitlements	44,088	161,179
	<u>541,312</u>	<u>437,008</u>
Number of employees		
Number of employees (full time equivalents) at year end	57	78
16. Other		
Functions in advance	16,149	18,740
Subscriptions in advance	45,756	56,685
Ticket sales in advance	27,437	24,901
	<u>89,342</u>	<u>100,326</u>
17. Commitments and Contingencies		

Legal dispute with the Sub-Branch

During the year, and subsequent to year end, the Club has an ongoing dispute with the Sub-Branch in relation to debts outstanding amounting to \$513,421 as at 31 December 2019 as disclosed in note 14, amongst other matters.

Subsequent to the year end, the Club provided an offer to the Sub-Branch to settle these outstanding legal matters, however the Sub-Branch did not accept the offer. The Club is now seeking a resolution to these legal matters in the Supreme Court, however as at the date of this report, these matters remain outstanding and are yet to be finalised.

Due to the uncertainties as to when these legal matters will be settled, no additional contingent assets or liabilities have been disclosed as at 31 December 2019.

Deed of charge and financial guarantee to Sub-Branch

In prior years, the Club provided a guarantee for a loan to the Sub-Branch from the State RSL via a registered deed of charge. This loan was fully repaid by the Sub-Branch to the State RSL following the sale of the underlying property securing it on 20 December 2019. As at 31 December 2019, the Sub-Branch had no monies owing to the State RSL. The associated guarantee was formally removed by way of a deed of release on 11 March 2020.

The Club has no other guarantees as at 31 December 2019.

Commitments

The Club has no commitments as at 31 December 2019 following the adoption of AASB 16 as outlined in note 12.

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019****18. Related Parties*****Board of Directors***

The names of each person holding a position on the Board of Directors during the year are: Mark Tull (President), Peter Boyd (Vice President), Trevor Bock (Secretary), Robert Knight (Treasurer), Lawrence Pollard (Director), Jennifer Allen (Director), Maureen Szmelter (Director), and Andrew Nesbitt (Director).

Two board members resigned during the year, namely:

- Albert Fortunato (Ceased on 24 April 2019);
- Kenneth Orr (Ceased on 24 March 2019);

The Board of Directors are members of the Club and receive the same benefits and entitlements as all other members.

19. Notes to the Statement of Cash Flows**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	Note	2019	2018
		\$	\$
Cash	6	252,051	247,080
Bank accounts	6	588,157	714,954
Other cash accounts	6	25,441	27,709
		<u>865,649</u>	<u>989,743</u>

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Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

	2019	2018
	\$	\$
19. Notes to the Statement of Cash Flows (cont)		
(b) Reconciliation of operating profit after income tax to net cash provided by operating activities		
Operating (loss)/profit after income tax	(241,469)	1,855
Add/(less) non-cash items:		
Impairment	105,600	-
Depreciation/amortisation	1,189,387	759,138
Loss on disposal of assets	-	1,470
Amounts set aside to provisions		
- employee entitlements	104,304	(46,045)
Net cash provided by operating activities before change in assets and liabilities	1,157,822	716,418
Change in assets and liabilities during the financial period		
Decrease /(increase) in debtors and other receivables	(24,977)	(8,778)
Decrease/(increase) in inventory	(26,871)	20,602
Decrease/(increase) in other assets	(132,919)	40,383
(Decrease)/increase in payables	(47,510)	82,483
Net cash provided by (used in) operating activities	925,545	851,108
20. Retained Losses		
Retained losses at beginning of year	963,787	961,932
Net (loss)/profit attributable to members	(241,469)	1,855
Retained losses at end of year	722,318	963,787

Southport RSL Memorial Club Incorporated**Notes to and Forming Part of the Financial Statements****For the year ended 31 December 2019**

	2019 \$	2018 \$
21. Auditor's Remuneration		
Fees paid to auditors of the Club – KPMG Audit of financial statements		
Audit of financial reports for the Club and gaming machine audit under the <i>Office of Liquor and Gaming Regulation</i>	21,300	18,000
	<u>21,300</u>	<u>18,000</u>
Other services		
Tax compliance	<u>3,000</u>	<u>3,000</u>

22. Events Subsequent To Reporting Date

Subsequent to the year end, the legal disputes with the Sub-Branch as outlined in note 17 remain ongoing, including the Club providing a settlement offer to the Sub-Branch. No agreement has been reached as at the date of this report.

Subsequent to year end, the spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020. This has led to the closure of Australian borders from 20 March 2020, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

As a result of this, the Club was required to temporarily shut down its operations to the public on 23 March 2020 due to restrictions imposed by The Australian Federal Government. As at the date of this report the Club remains closed and there are uncertainties as to when restrictions will be released and the Club can reopen. The Club has been successful in accessing a range of Government Stimulus, negotiating arrangements with its financier Westpac, and undertaking other cost cutting measures.

The Directors have assessed the impacts to the Club's operations following the outbreak of COVID-19 and the consequential impact it will have on the net cash flow performance of the Club, including on those matters outlined in note 2(e). Refer to this note for further details.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the management committee, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

Southport RSL Memorial Club Incorporated

Statement by Board of Directors

In the opinion of the Board of Directors of Southport RSL Memorial Club Incorporated ("the Club"):

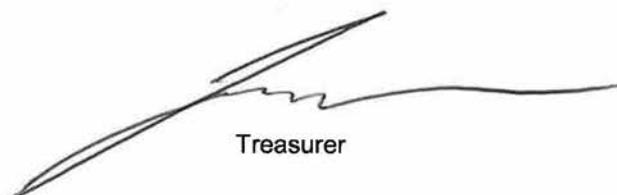
- (a) the Club is not publicly accountable nor a reporting entity;
- (b) the financial statements and notes, set out on pages 1 to 31, are in accordance with the Incorporated Associations' Act, including:
 - (i) giving a true and fair view of the financial position of the Club as at 31 December 2019 and of its performance for the financial year ended on that date in accordance with the basis of preparation described in notes 1 to 3; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in notes 1 to 3; and
- (c) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

Dated at Gold Coast this 21st day of May 2020.



President



Treasurer



Independent Auditor's Report

To the Directors of Southport RSL Memorial Club Incorporated

Report on the audit of the Financial Report

Opinion

In our opinion, the accompanying **Financial Report** of Southport RSL Memorial Club Incorporated (the "Club") presents fairly, in all material respects the financial position of the Club as at 31 December 2019, and of its financial performance and its cash flows for the year ended, in accordance with the accounting policies described in Note 1 to 3 to the financial statements.

We have audited the **Financial Report** of the Club.

The **Financial Report** comprises the:

- Statement of financial position as at 31 December 2019;
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Statement by Board of Directors.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Club in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code). We have fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(e), "Going Concern" to the Annual Financial Report which states that the Club had net assets of \$722,318 and net current liabilities of \$1,376,069 at 31 December 2019, recognised a loss of \$241,469, and generated positive cash flows from operations of \$925,545 for the year ended 31 December 2019.

Additionally, following the outbreak of Coronavirus (COVID-19) subsequent to year end, the Club was required to temporarily shut down its operations to the public on 23 March 2020 due to restrictions imposed by The Australian Federal Government. As at the date of this report, the Club remains closed and there are uncertainties as to when restrictions will be released and the Club can reopen. The Club has been successful in accessing a range of Government Stimulus, negotiating arrangements with its financier Westpac, and undertaking other cost cutting measures.



Material uncertainty related to going concern (cont)

As a result, the Club is dependent on receipt of various Government Stimulus, cost saving measures being achieved and agreed with key stakeholders and suppliers, ability to achieve a restricted capacity re-opening by July 2020 (subject to Government authority), improve its trading results within the short to medium term and the successful settlement of the legal matters with the Sub-Branch, including repayment arrangements that can be accommodated by the net cash flow performance of the Club. These conditions, along with other matters set forth in Note 2(e), indicate that a material uncertainty that may cast significant doubt on the Club's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Notes 1 to 3 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the Directors of the Club in meeting the requirements of the Associations Incorporation Act 1981.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of Southport RSL Memorial Club Incorporated and its members and should not be used by or distributed to parties other than the Directors of Southport RSL Memorial Club Incorporated and its members. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Directors of Southport RSL Memorial Club Incorporated and its members or for any other purpose than that for which it was prepared.

Responsibilities of The Directors for the Financial Report

The Directors are responsible for:

- the preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in Notes 1 to 3 to the Financial Report is appropriate to meet the requirements of the Associations Incorporation Act 1981 and the needs of the members;
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error; and
- assessing the Club's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.



A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink, appearing to be 'Adam Twemlow'.

Adam Twemlow

Bundall

21st May 2020

GENERAL MANAGER REPORT

The 2019 Year seems a distant memory, given the events of 2020.

The year produced mixed results, with the first nine months trading above those levels in 2018 however the last quarter was extremely disappointing. Natural disasters such drought and bushfires plagued South East Queensland for much of this period and the flow on effect was certainly evident.

A number of year end accounting/audit adjustments also contributed to the less than favorable result.

The highlight of the year was the emergence of CBD Live, which hosted some 36 events in 2019. A Business Plan was in the throws of being implemented in early 2020, to further enhance the part of the business, however like everything, fell away, with the advent of COVID – 19. This business unit will be back, better than ever, whilst restrictions are eventually eased, and we get back to some form of normality.

The first quarter of 2020 saw the world and trading environment change forever. Directives from both the Federal and State Governments resulted in the closure of operations on 23 March 2020. No amount of planning could have prepared us for this chapter of our lives.

I was tremendously proud to witness the re – opening of our Club, under restrictions, on 1 July 2020. We have and will continue to navigate our way through these unprecedented times.

I can honestly say that this would not have eventuated without the dedication and loyalty of the entire team at RSL Club Southport, from staff to management to our Board of Directors. We have, and will, continue to work tirelessly in order to provide and a safe and secure environment for our members and guests.

We have recently embarked on a 5-year Strategic Plan which is critical, not only in these trying times, but for the Club and its Stakeholders moving forward in a structured manner. We are in the process of commencing the implementation phase of the plan, the fruits of which will be seen by all in the ensuing years.

I take this opportunity to thank the President and the Board of Directors for their continued support and look forward to this enduring for many years to come.

Thank you for your continued support and we look forward to exciting times ahead for RSL Club Southport and its members and guests in 2020 and beyond.

RSL Club Southport – where you are more than just a number.



Paul Burton, General Manager



RSL Club Southport – where you are more than just a number...

SUB CLUB REPORT

Southport RSL MC Fishing Club

Hello Members

Our club has had a reasonably good year despite the fact we have only been able to fish half of our competitions due to Covid19. We were still able to hold our two competitions against Southport Amateur Fishing Club and on both occasions, they beat us again. One of these days we will get the Trophy back.

I am pleased to report our club is still attracting new Members and most of them are females who thoroughly enjoy throwing a line in and catching some good fish too. We hope to see some of our good top fisher men come back and get involved in our club competitions again.

Our Friday night Raffle has been in full swing since the Memorial Club reopened and thankfully the Memorial Club members support us each week.

We are happy to announce we can hold our 2020 Annual Dinner & Presentation of Trophies on the 3rd October and look forward to a jolly night with our Members and guests.

The \$10 yearly membership to the fishing club is open to all RSL members.

On behalf of our members we would like to thank the RSL management and staff for their ongoing support of our club.

Stay well.

Brian Baker, President

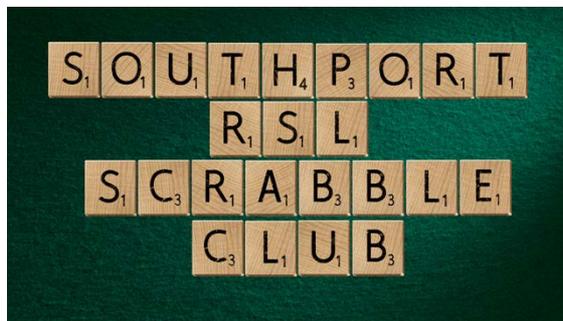


Southport RSL Fishing Club V's Southport Amateur F/C Comp.

August, 2019

SUB CLUB REPORT

Southport RSL Scrabble Club



The Southport RSL Scrabble Club was the inaugural scrabble club formed in Queensland in 2020 has about 25 members. We meet on Wednesdays at about 1:15pm upstairs after the Bingo group leaves and play 3 games each against different players. The cost is \$4 and coffee/tea and biscuits are included, supplied by the RSL Club at an annual levy. Our members' abilities and tastes range from average and social to extraordinary and competitive so there's something for everyone. We are affiliated with the Australian Scrabble Players' Association which enables us to participate in or host tournaments.

Our own club tournament is usually hosted in December and attracts about 40 people from our region. Recently our Club's fine RSL venue and hospitality has made us a desirable place to hold tournaments on a wider scale. On the weekend of 10th/11th August last year we hosted the Queensland Scrabble Championships bringing in about 60 players. We will do this again on the 22/23rd August 2020. In late August last year we also hosted the inaugural World Seniors' Scrabble Championships over 3 days from Friday 24th to Sunday 26th August which attracted around 130 entries. During the Easter weekend from Saturday 11th to Monday 13th April we will be hosting the Australian Scrabble Championships which is bound to attract huge numbers of players. These events bring lots of extra business to the Club's restaurant and catering service.

Each year the Club donates some of its takings to Charity. Last year that donation was made to the Beyond Blue organisation. This was a meaningful gesture to all of us as one of our esteemed members, Dr Richard Phillips, passed away during the year with depression related issues.

To publicise ourselves and the RSL Club we hired a giant canvas Scrabble Board which we set up for 2 days in Australia Fair Shopping Centre and in the Broadwater Parklands during Seniors' week, encouraging the public to come and have a go. Moreover, along with 100 other organisations, we also participated in the planning and execution of the big Dawn's Day Picnic in November. This was held in the Broadwater parklands as a farewell gesture of thanks to our long-time patron and outgoing Councillor for Division 6, Dawn Critchlow.

We are always looking for and welcome new members so why don't you come along and give it a go?

Diana McManus, President

SUB CLUB REPORT

Southport RSL Darts Club



During the year we had visits from Sherwood and Seagulls with good results.

Our Tuesday Raffle continues to be popular with all patrons.

I would particularly like to thank Margo for her hampers every month, also grumpy Bill, Steve, and Dave for their support every week. We had our end of year dinner at Cavs which went well.

Remember if you wish to play darts, just come to the Pulse Lounge Tuesday evening 7pm. New members welcome.

Mal Mclean, President

ASSOCIATION REPORT

S.E.A.K

(South East, Korea, Peacekeeping Veterans Association)



The last 12 months with SEAK has been a challenging one but I am glad to say that at the end of this year we find ourselves stronger, better organised, well led by a good executive team and fantastic members that has seen our small group grow in numbers from 32 this time last year to 46 members as of the 1st march 2020.

I am proud to lead SEAK and look forward to a good year with trips, Barbeques and Christmas Celebrations planned.

This past year saw the replacement of Dave Harper as President as he and his wife moved to Cairns. This has caused a few problems for SEAK but we have moved on and this has now resulted in us being closer as a group.

This last December saw a great Christmas party for all with 60 persons attending, a great night was had by all. I am happy to say that the effort from Club Southport and its staff made this a wonderful night. Thank you!

S.E.A.K has just finished their 2020 Annual General Meeting with our new Executive Committee voted in with the following Positions.

1. Derek Holyoake as President
2. Geoff Young Acting Vice President
3. Alan Fortunato Acting Secretary
4. Althea Constant – Towers Acting Treasurer.

Coronavirus has now arrived in Australia and has affected all of our lifestyles. SEAK has now found itself in a position to Cancel all Activities until further notice, we are however continuing to hold Committee meetings to advise our members of when activities will resume.

Derek Holyoake, President

Community Donations 19/20

Gold Coast Legacy Club	\$24,000.00
Cancer Council QLD	\$4,363.68
Guide Dogs for the Blind Assoc	\$4,363.68
Heart Foundation	\$5,454.56
Leukemia Foundation of QLD	\$4,690.92
Sids and Kids QLD	\$4,363.68
Broadwater Southport Rotary Club	\$6,818.18
Caring for Farmers	\$1,835.00
Musgrave Special School Breakfast Club	\$1,000.00
The Movement	\$11,000.00
St Vincent De Paul Society	\$2,550.00
Southport Support Group Guides	\$3,000.00
Ovarian Cancer Research Centre	\$100.00
Rural Fire Brigade	\$2500.00
And many more...	

Working together, for a better community.

The RSL Club Southport Community Benefit Grants provides direct grants for community, service, sporting and welfare through eligible organisations to help make our local communities a better place to live.

