



Riverstone Schofields

MEMORIAL CLUB

**RIVERSTONE SCHOFIELDS
MEMORIAL CLUB**

ANNUAL REPORT 2019

DIRECTORS 2019



LAWRENCE CAUCHI
PRESIDENT



GLEN RILEY
SNR VICE PRESIDENT



JOHN HUNTINGTON
JNR VICE PRESIDENT



CORINA BROWN
TREASURER



KURT HIPPE
DIRECTOR



MAL REED
DIRECTOR



MAL REED JNR
DIRECTOR



STEVE SIDAWAY
DIRECTOR



LILA WHITBY
DIRECTOR



MARK SHERIDAN
CHIEF EXECUTIVE OFFICER



MARK WHITBY
OPERATIONS MANAGER

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Riverstone- Schofields Memorial Club Limited

ABN 31 000 898 626

Market Street Riverstone 2765

ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Riverstone-Schofields memorial Club Limited will be held at 10 am on Sunday 17 January 2021 at the premises of the Club, Market Street, Riverstone, New South Wales.

BUSINESS:

1. To confirm the minutes of the previous Annual General Meeting held on Sunday 19th May 2019.
2. To receive and consider the Board of Directors report for the year ending 31st December 2019.
3. To receive and consider the Statement of Financial Performance, Statement of Cash Flows and accompanying statements and the Auditors report.
4. To consider the ordinary resolutions.
5. General business
6. To declare the returning officers report on the election of the Board of Directors.

That all questions of a financial nature are to be provided to the CEO no later than 7 days prior to the date of the meeting.

Riverstone-Schofields Memorial Club Limited
Ordinary Resolutions
AGM (2019 Financial Statements)

FIRST ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act 1976, Sec 10 (6) (d) "Requirements to be met by clubs"

- a) That the members approve and agree to expenditure by the club in a sum not exceeding \$10,000 (excluding GST) for the 12-month period or prorate thereof until the next AGM of the club for the following activities of Directors
 - i) Reasonable meal and refreshments to be associated with each Board meeting of the club.
 - ii) The right for Directors to incur reasonable expenses in travelling to and from Board meetings and other committee meetings as approved by the Board from time to time on the production of invoices, receipts, and other proper evidence of such expenditure.
 - iii) The reasonable cost of entertaining and providing refreshments in the club premises for the members of the Board of Directors for entertaining visitors in the club.
 - iv) The provision as required of blazers and associated apparel for the use of Club Directors when representing the club.
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.
- c) The members acknowledge that the benefits in paragraph (a) above are in addition to the payment of out-of-pocket expenses that are paid to directors for expenses that are reasonably incurred while carrying out his or her duties in relation to the club.
- d) That the out-of-pocket expenses must be authorized by a current resolution of the Board

Explanatory Note:

It is necessary for the Directors to attend Board meetings out of normal business hours and to be active in performing of their duties in the pursuit of the Clubs success within and outside the Club and in the community.

The Registered Clubs Act basis tenant is that no member can receive a benefit over another member. Section 10 (6) then permits both the reasonable and appropriate expenses to be incurred on behalf of Directors as well as reimbursement of out-of-pocket expenses in the performance of their role for the governing body.

Riverstone-Schofields Memorial Club Limited
Ordinary Resolutions
AGM (2019 Financial Statements)

SECOND ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act 1976 Sec 10 (6) (d) "Requirements to be met by clubs"

- a) That the members approve and agree to expenditure by the club in a sum not exceeding \$10,000 (excluding GST) for the 12-month period or prorate thereof until the next AGM of the club and for the professional development and education of Directors
- i) The reasonable cost of Directors attending the Clubs NSW AGM and the Services Clubs AGM and any other association of which the club is a member.
 - ii) The reasonable cost of Directors attending industry related functions where Directors are required to represent the club
 - iii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.

Explanatory Note:

It is both appropriate and necessary for the Directors to be active in performing of their duties in the pursuit of the Club's success to be engaged in the peak industry body, Club NSW training and other industry supplier events. The Directors out of pocket expenses and expenses incurred on their behalf reflect the expenses reasonably and appropriately incurred in the performance of these duties.

THIRD ORDINARY RESOLUTION

That pursuant to the Registered clubs Act Section 10 (6) (b) "Requirements to be met by clubs" the members hereby approve the payment of the following honorariums plus any applicable superannuation guarantee levy for the 9 serving Directors on the Clubs Board for the twelve (12) month period from 19 May 2019 to May 2020

President	\$1,100.00
Senior Vice President	\$1,100.00
Junior Vice President	\$1,100.00
Treasurer	\$1,100.00
Ordinary Directors	\$1,100.00 each

Being a total of \$9,900.00 (plus any applicable superannuation guarantee levy).

**Riverstone-Schofields Memorial Club Limited
Ordinary Resolutions
AGM (2019 Financial Statements)**

THIRD ORDINARY RESOLUTION (continued)

Explanatory Note:

The Registered Clubs Act allows for an honorarium to be paid in respect to services as a member of the governing body and is required to be passed at the general meeting by persons eligible to vote at the annual election. The amount of \$9,900 agrees to the amount covering the 12 months from June 2019 to May 2020 being the normal AGM period.

It is respectfully and deemed appropriate that on the passing of Mr Mal Reed (October 2019) that as a serving Director the full value of the honorarium is paid.

**Riverstone-Schofields Memorial Club Limited
Ordinary Resolutions
AGM (2019 Financial Statements)**

FOURTH ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act Section 10 (6) (b) "Requirements to be met by clubs" the members hereby approve the payment being the prorated amount for 8 months of the annual honorariums plus any applicable superannuation guarantee levy for the Clubs Board of Directors for the period June 2020 to January 2021.

President	\$733.00
Senior Vice President	\$733.00
Junior Vice President	\$733.00
Treasurer	\$733.00
Ordinary Directors	\$733.00 each

Being a total of \$5,867.00 for 8 serving directors (plus any applicable superannuation guarantee levy)

Explanatory Note:

The Registered Clubs Act allows for an honorarium to be paid in respect to services as a member of the governing body and is required to be passed at the general meeting by persons eligible to vote at the annual election. The amount of \$5,866.64 represent the prorated of 8 months (June 2020 to January 2020) for the 8 serving Directors individual amounts.

That the holding of the Annual General meeting has been delayed due to COVID-19 closure and restrictions to members activities as well as the undertaking of a significant reworking of the financial records, general ledger balances and supporting working papers.

Riverstone-Schofields Memorial Club Limited
Ordinary Resolutions
AGM (2019 Financial Statements)

FIFTH ORDINARY RESOLUTION

That in accordance with the Club Constitution Section 19 (b) "Eligibility for the various classes of membership – Life members", the members hereby approve that the status of Life member to be conferred upon member Lila Whitby (membership number 1538) for over 20 years of combined service as a Director of Riverstone Schofields Memorial Club and Riverstone Bowling Club as well as outstanding service to the community.

Explanatory Note:

The nomination for conferring Life Member status on Lila Whitby has been nominated by member Lawrence Cauchi (membership number 3016) and seconded by member Maree Cauchi (member number 1438) on 17 July 2020. The Board of Directors in July 2020 approved the nomination and recommends that the members approve the resolution and bestow the membership class of Life Status to Lila Whitby.

PRESIDENTS REPORT

I start my report by expressing a massive thank you to all the Members and the Staff of the Riverstone-Schofields Memorial Club.

2019/2020 was my first year serving as the President of the Riverstone-Schofields Memorial Club after serving three (3) years as the Club Treasurer.

I must declare that 2019/2020 was a year full of challenges for me and for my fellow Board Members as we had some unforeseen happenings at the Club and around Australia.

The first confirmed case of [COVID-19](#) in [Australia](#) was detected on or about the 25th January 2020. No one anticipated that this devastating pandemic was to arrive on our shores, and when it did, it hit everyone from a personal, business perspective and also the hip pockets.

Due to Covid-19 the Club was forced to close its doors by the regulators, and it was not a matter of just closing the doors and hoping for the best. The CEO Mark Sheridan had to take on the diplomatic workload to ensure the Club keeps operating and be ready for when we get the green light to re-open again.

With cautious planning and with some help from the Commonwealth and State Governments the club managed to keep operating internally and preparing to be ready for the re-opening.

The Club was given approval by the State Government to reopen its doors on 1st June 2020. The reopening of the Club arrived with numerous conditions, difficulties and substantial restrictions to adhere too.

Now and on a completely different subject and regrettably saying that during the end of 2019 and the beginning the year 2020 there was a lot of innuendoes, misleading, deceptive, and false statements made by informed and not so informed Members and non-Members of the Riverstone-Schofields Memorial Club regarding the parting of the Club's Chinese Caterers.

I wish to formally state that after 11 years of service the caterer on 2nd December 2019 tended a written notice to terminate the contract with the Club and to cease services on 31st December. Over the next few days discussions were unable to resolve the situation and the conditions proposed for the Catering operations were an unacceptable business model for the Board to accept.

The timing of the Caterer's leaving on the 30th December 2019 created a significant disruption to the Club in many ways. Considering the time of the year, this event created difficulties to hire Chefs and Kitchen Staff to develop from scratch in a few days a menu and set up suppliers to operate the Bistro reflects a dedicated application by staff and management. It's fair to say the challenges in delivery of catering and food offerings was a difficult one while we looked to appoint a Head Chef to lead the team.

Coming out of the COVID-19 lockdown, we employed the services of the Head Chef, June Henry who tragically for his family and all who started to know him passed away a few weeks later.

PRESIDENTS REPORT (continued)

On the 4th November 2020, the Club engaged the service and expertise of Paul Bacon as the Clubs Head Chef. Through his vast experience in the food industry Paul instantaneously complemented the existing menu and further working with the staff, skills, process offerings to continue to deliver the Club's menu with momentous success. We look forward to a new offering in the new year.

In the Financial Year ending 31st December 2018, you will notice a considerable financial amendment which will differ from the published financials of that year. These changes having been identified, corrected, and Audited and when considered along with the Auditors internal control, governance and risk report provide a clear picture of lack of accounting processes, reconciliation, and management. Anyone that wishes to ask question regarding this matter, please feel free to approach the Club CEO Mark Sheridan by appointment.

Since I had been elected as a Treasurer of the Club in 1996, I have always been a strong advocate to separate the Club Accountants from Auditors with no avail. In the 2018-19 year working with the President Mr. Gant Smith, the change was approved and achieving independence in the accounting and audit function combined with the CEO accounting expertise we have been able to correct and commence to make the required changes in our reporting and operations.

The result of this action is the Club can now move forward with a true and an independent set of Accounting Books which comply with all the Financial Reporting and the Australian Accounting Standards and meets all the ATO requirements.

For the financial Year ended 31st December 2019, the Club has produced a profit of \$289,592. Considering Covid-19 and all the unexpected events that happened through the year, this profit will put the Club in a strong financial position to tackle any other unforeseen future economic and any other financial downturns that might transpire in the future.

The Riverstone-Schofields Memorial Club kept and will keep supporting the Riverstone, Schofields and surrounding Communities through sponsoring local Schools, Sports Clubs, Churches and individuals. This community support can only keep happening in the future through the Club Members support through the years gone and to come.

I conclude by stating that It has been a privilege to work with a great Management team and Staff led by CEO Mark Sheridan. I take this opportunity to acknowledge and thank the full Board of Directors, Management Team and the wonderful Staff who constantly go above and beyond to serve the patrons of the club.

I would like to thank all the Members, their families and all the Visitors for your support the Club through all these difficult periods, and together with you I look forward to seeing the club growth and what the future holds.

Thank you,
Lawrence Cauchi
PRESIDENT

CEO REPORT

I am finally able to provide you the 31st December 2019 Audited Financial Statements. It has certainly been a long and difficult process but one that needed the time and effort to investigate, reconcile and achieve the required Auditor sign off.

My time to date at the Riverstone-Schofields Memorial Club has been addressing compliance, regulation, process, and procedures along with resolving very material accounting and reporting issues. In the circumstances, some detail is required to the users of the financial statements.

The current year's profit is \$289,592 with a corrected prior year loss of \$126,644 (previously reported profit of \$534,651). In short, there were no working papers to support the balance sheet for 2018 or prior year Financial Statements.

There are clearly no balance sheet reconciliations being completed, combined with very poor expense allocations and no accounting rigor around standing journal that had not changed in years. There has been little to no integrity in the prior years reported results. While this may sound harsh when I say to you, that a significant level of files and records has been lost, deleted, and never backed up it does not seem so fanciful.

The type of changes and corrections ranged from minor to material differences. For example, the payroll software provider was requested to conduct an audit of annual leave and long service leave balances to manual records, pay rates and payroll system setup including leave accruals. This process identified that the 31st December 2019 employee leave provisions carrying value was significantly understated.

A review of the 2018 fixed asset register to the general ledger, identified imbalances in both costs and accumulated depreciation in all asset classes. The causes for the imbalance included things such as the systematic posting of expenses to the balance sheet accounts, no reconciliation and prior year working paper or additions folders or review of the existence of assets.

The reconciliation of poker machines in the general ledger was significantly overstated by \$445,050 to that of the fixed assets register and on the gaming floor, which when reconciled to the existence of poker machine assets on the floor was further overstated by \$24,267. A further \$59,759 overstatement existing for Plant and Equipment.

Hire purchases and leases were another area of non-compliance to Accounting standards, poor accounting practices, expenses to asset accounts, standing journals ongoing without supporting evidence as well as no reconciliation to working papers. In the end, a reconstruction was so difficult it was a case of what should the balance be and to write off the differences.

Some general ledger accounts were reconciled back to 2014 just looking for a balance to agree to. Prepayments were reconciled to 2009 and just proved no rigor, processes or reconciliation of accrual and prepayments occurred.

Monthly management results were re-typed and amended and it has been suggested altered rather than exported and completed. After the completion of the audited 2018 financial results, over \$420,000 invoices for October to December 2018 were found to have been entered for payment into the 2019 year and not accounted for in 2018.

CEO REPORT (continued)

BAS returns and superannuation contributions are now completed and lodged on time and this was not always the case where fines and penalties were ongoing. All part of the endless list of wrong accounting treatments and poor business practices.

On a more positive note, it has all been about change and improvement, suggesting, engaging, and getting people to embrace that there are alternative ways to approach things. I thank the staff that have been responsive and supportive since I commenced in June 2019.

The opportunity for the Club to position itself to take advantage of the housing growth and expansion in the area is significant. I look forward to a more forward focused business approach and engagement and less addressing the past. It is fair to say and with a little smile there is still some legacy matters to finalise.

I look forward to working with the team to deliver the ongoing improvements to the facilities that have been delayed due to COVID-19 and see the return of the members promotions, badge draws, bands and entertainment for all of our members to enjoy.

The impact on our members and staff, your family and friends from COVID-19 has been a very difficult one and I was particularly pleased with the application of our staff to make the Club a safe and compliant place to be and continues to be so.

I wish you all a very happy and safe Christmas and New Year

Yours Faithfully,
Mark Sheridan
CEO

TREASURER REPORT

The net profit for the year ended 31 December 2019 is \$289,592 compared to a restated 2018 loss of \$126,644 (previous reported 2018 profit of \$534,651). The review of the financial position commenced in August 2019, when it became apparent to the new CEO that there were limited working papers, reconciliations and limited rigor around management results and the balance sheet.

When you find out that the general ledger for 2017 and 2018 does not agree to the published results because transactions had not been processed. That the previous auditor will not allow access by the new auditor to his working papers and records. That standing journals were unsupported by invoices or working papers, that the values used had not changed in many years and you start to appreciate that that several red flags were raised. Consequently, a significant amount of work was required to be undertaken that could never have been anticipated. Unfortunately, this was just the start of the negative experiences.

The CEO report has noted in more detail the issues, causes and corrections which are grouped as an overstatement in fixed assets of \$497,510, misstatement of employee leave liabilities and errors in hire purchases and leases of \$163,785.

It is very important to say that these corrections are book entries and that no cash was lost but rather prior period financial results were reported incorrectly.

When you are faced with the number and type of issues, the dollar value, the extent of what you identified you hope it is a misunderstanding, you double check everything but the type of misinformation, failure to reconcile and management style and you get a fair indication of the deliberate deception that had been played out against the Board.

Our new auditors as part of the sign off for the 2019 Financial Statements issued a 25-page document of observations, recommendations internal control, risk and governance, transaction, processes, and system observations including management responses. Most of which have already been corrected but require reporting none the less. This style of document of audit findings has not previously been issued to the Board let alone discussed as part of the auditors and management engagement and sign off with the Board.

While these prior year corrections have affected the 2018 and 2019 results, there are several current year positives that should be noted from the balance sheet.

The cash at bank net of trade creditors of \$653,230 is a significant improvement over the 2018 position of \$46,057. Even more significant when it was identified that at least \$200,000 of invoices were left out of the 2018 reported result. In this time cash has also been applied to reduce the leases & hire purchases liabilities by \$422,827 and bank borrowing by \$480,000.

The 2019 Revenue has increased by \$456,778 or 4.55 % to \$10,481,092. The expenses are also affected by the current year correction to depreciation, loss on sale, leave provisions, suspense account write off and miscellaneous corrections.

The 2020 reporting period has been significantly affected by the above issues along with COVID-19 lockdown. The CEO, Accountants and Auditors are all very optimistic that the

TREASURER REPORT (continued)

2020 Financial Results will be delivered in a traditional fashion and that the May 2021 AGM will be the delivery of those results.

We have continued to engage in the community through the various sporting clubs and schools as well as through the Club grants program. This is certainly one of the most enjoyable aspects of being a Director.

I would like to thank all my fellow Board members for the engagement to assist in delivering change to all aspects of the business. A thank you to the staff who provide the customer service and front-line engagement with our members. A thank you to our members who choose us for entertainment, catching up with friends and making us a part of their lives.

I look forward to seeing further improvement and a return to the revenue and profits for the business while providing the entertainment, music, bands, and community engagement for all our members.

I would like to thank the CEO, all Management, and staff for their support throughout the year.

Regards,
Corina Brown
TREASURER

Riverstone-Schofields Memorial Club Limited

ABN 31 000 898 626

Financial Statements
For the Year Ended 31 December 2019

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2019

Directors

The names of the Directors in office at any time during the year ended 31 December 2019 are as follows:

Name	Qualification	Continuity as Director	Special Responsibilities
Lawrence Cauchi	Financial Planner	15 May 2016	President
Corina Brown	Office Manager	21 May 2017	Treasurer
Glenn Riley	Clerk	6 May 2012	Senior Vice President
John Huntington	Business Owner	19 May 2019	Junior Vice President
Stephen Sidaway	General Manager	18 May 2015	Director
Lila Whitby	Retired	21 May 2017	Director
Malcolm Thomas Reed	Retired	21 May 2018	Director
Kurt Hippe	Private Investigator	1 May 2011	Director
Malcolm David Reed	General Manager	19 May 2019	Director
Grant Smith	Builder	18 April 2004-19 May 2019	President
Vic Cohen	Salesman	1 May 2011-19 May 2019	Director

Meetings of Directors

During the year, 23 meetings of directors were held. Attendances by each director were as follows:

Name	Number Attended	Number Eligible to Attend
Lawrence Cauchi	23	23
Corina Brown	23	23
Glenn Riley	23	23
John Huntington	10	11
Stephen Sidaway	18	23
Lila Whitby	21	23
Malcolm Thomas Reed Snr	18	18
Kurt Hippe	23	23
Malcolm David Reed Jnr	10	11
Grant Smith	13	13
Vic Cohen	11	13

Constitution

The Club is a Company Limited by Guarantee and without Share Capital and the liability of members of the Licensed Club is limited to an amount not exceeding five (\$5.00) dollars towards the payments of debts and liabilities in the event of winding up. The number of members as at the date of this report were:

Associate: 12,727

Life: 4

Activities

The principal activity of the Company in the course of the financial year was to provide members and their guests with amenities and facilities usually associated with a social and recreational club.

No significant change in the nature of the activity occurred during the year.

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2019

Short-term Objective

The primary short-term objective of the Club is to maintain its financial security while continuing to develop the Club's facilities for its members.

Long-term Objective

The long-term objective of the Club remains consistent with the original aims of the Founding Members, which is the promotion of the local community from the greater Riverstone area.

Strategies in Achieving These Objectives

The Club has continued to invest in the Club's facilities ensuring the Club continues to be an attractive place for its members and guests. The Club continues to maintain control over its own financial future.

The Club has carefully monitored its operational performance to ensure that costs and expenditure are appropriate for the Club. However, the Club has carried on supporting and sponsoring a variety of events, social activities and charities.

Operating Results

The net operating surplus of the Company after providing for income tax for the financial year was \$289,592 (2018: \$126,644 deficit).

Review of Operations

A review of the operations of the Company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Dividends

The Company is a not-for-profit organisation and is prevented by its Constitution from paying a dividend.

State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the Financial Year under review not otherwise disclosed in this Report or the Accounts.

Events Subsequent to Balance Date

While the directors note the current health and emerging economic impact relating to COVID-19, which was classified as a pandemic by the World Health Organisation on 11 March 2020, an estimate of the financial effect of this subsequent event cannot be made at the time of this financial report.

The directors are not aware of any other matters or circumstances which have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to the financial year ended 31 December 2019.

Likely Developments and Results

Likely developments in the operations of the Company and the expected results of the operations have not been included in this report as the directors believe on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2019

Environmental Issues

The Company's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a state or territory.

Directors' Interest

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by Directors shown in the accounts) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which the Director is a Member, or with an entity in which the Director has a substantial interest.

Directors' Indemnity

Directors' indemnity premiums have been provided for, and paid, during the year for Directors' and Officers' Liability. The Insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' Liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.

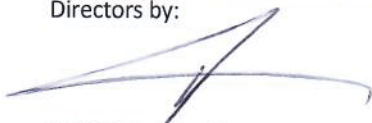
Proceedings on Behalf of Company

No person has applied for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's Independence Declaration

The Directors have obtained a declaration of independence from the auditor, in accordance with section 307C of the *Corporations Act 2001*, which forms part of this report. A copy of the declaration is attached to this report.

This report is signed in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



Lawrence Cauchi
Director

24 November 2020



Corina Brown
Director

24 November 2020

Riverstone-Schofields Memorial Club Limited
Auditor's Independence Declaration to the Directors of Riverstone-Schofields Memorial Club Limited
For the Financial Year Ended 31 December 2019

In accordance with the requirements of the *Corporations Act 2001*, I declare that, to the best of my knowledge and belief, there have been:

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

SDJA

SDJA



Simon Joyce

Director

24 November 2020

Sydney, New South Wales

Riverstone-Schofields Memorial Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2019

	Notes	2019	2018
		\$	\$
Revenue			
Revenue	4	10,195,642	9,786,992
Other income	4	285,450	237,322
Total revenue		10,481,092	10,024,314
Expenses			
Administration expenses		(2,615,091)	(2,279,048)
Changes in inventories		7,987	3,045
Consumables used		(954,175)	(947,931)
Depreciation and amortisation		(1,083,574)	(1,052,656)
Employee benefits expense		(2,627,517)	(2,483,145)
Function and entertainment expenses		(882,953)	(951,645)
Finance costs		(59,005)	(59,500)
Marketing and promotion		(852,972)	(901,190)
Net loss on disposal of plant and equipment		(83,678)	(538,227)
Occupancy costs		(1,040,522)	(940,661)
Total expenses		(10,191,500)	(10,150,958)
Net surplus/(deficit) before income tax		289,592	(126,644)
Income tax expense		-	-
Net surplus/(deficit) for the year		289,592	(126,644)
Other comprehensive income		-	-
Total comprehensive income/(loss)		289,592	(126,644)

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Financial Position
As at 31 December 2019

	Notes	2019	2018
		\$	\$
Assets			
Current			
Cash and cash equivalents	5	858,446	630,962
Trade and other receivables	6	22,082	5,000
Inventories	7	42,723	34,736
Other assets	8	30,177	190,819
Current assets		953,428	861,517
Non-current			
Investments	9	752	752
Property, plant and equipment	10	13,595,337	14,460,162
Intangibles	11	205,763	205,763
Non-current assets		13,801,852	14,666,677
Total assets		14,755,280	15,528,194
Liabilities			
Current			
Trade and other payables	12	397,924	584,623
Provisions	13	416,695	314,640
Borrowings	14	196,115	575,474
Other liabilities	15	29,543	20,614
Current liabilities		1,040,277	1,495,351
Non-current			
Provisions	13	280,470	193,819
Borrowings	14	1,370,956	2,065,039
Non-current liabilities		1,651,426	2,258,858
Total liabilities		2,691,703	3,754,209
Net assets		12,063,577	11,773,985
Equity			
Accumulated funds		12,063,577	11,773,985
Total equity		12,063,577	11,773,985

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Changes in Equity
For the Financial Year Ended 31 December 2019

	Notes	Accumulated Funds \$	Total Equity \$
Balance at 1 January 2018		11,900,629	11,900,629
Surplus for the year (previously reported)		534,651	534,651
Retrospective restatement	19	(661,295)	(661,295)
Other comprehensive income		-	-
Total comprehensive loss		(126,644)	(126,644)
Balance at 31 December 2018		11,773,985	11,773,985
Balance at 1 January 2019		11,773,985	11,773,985
Surplus for the year		289,592	289,592
Other comprehensive income		-	-
Total comprehensive income		289,592	289,592
Balance at 31 December 2019		12,063,577	12,063,577

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Cash Flows
For the Financial Year Ended 31 December 2019

	Notes	2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from members and customers		11,224,135	10,763,705
Payments to suppliers and employees		(9,810,955)	(9,341,770)
Interest received		1,453	960
Finance costs and interest paid		(59,005)	(56,151)
Net cash provided by operating activities		1,355,628	1,366,744
Cash flows from investing activities			
Rent received		283,997	236,362
Proceeds from sales of property, plant and equipment		-	82,566
Purchase of property, plant and equipment		(338,699)	(1,549,590)
Net cash used in investing activities		(54,702)	(1,230,662)
Cash flows from financing activities			
Net repayment of borrowings		(902,827)	(147,017)
Net cash used in financing activities		(902,827)	(147,017)
Net change in cash and cash equivalents		398,099	(10,935)
Cash and cash equivalents at beginning of financial year		460,347	471,282
Cash and cash equivalents at end of financial year	5	858,446	460,347

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

1. General information

The financial report covers Riverstone-Schofields Memorial Club Limited as an individual entity. Riverstone-Schofields Memorial Club Limited is a not-for-profit Company Limited by Guarantee, incorporated and domiciled in Australia.

The principal place of business is 23 Market Street, Riverstone, NSW, 2765.

The financial report was authorised for issue by the Directors on 24 November 2020.

With the exception of reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 January 2019, the key ones of which are summarised below:

AASB 16 Leases

This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. An entity shall consider the terms and conditions of contracts and all relevant facts and circumstances when applying this standard. An entity shall apply this standard consistently to contracts with similar characteristics and in similar circumstances. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

AASB 15 Revenue from Contracts with Customers

The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

AASB 1058 Income of Not-for-Profit Entities

This standard provides a more comprehensive model for accounting for income of not-for-profit entities for the recognition of income. Under this standard, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

Accounting Standards issued but not yet effective and not been adopted early by the Company

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the Company. The Directors are currently assessing the impact such standard will have on the Company.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

3. Summary of accounting policies

Financial reporting framework

The general purpose financial statements of the company have been prepared in accordance with the requirements of the *Corporations Act 2001*.

Statement of compliance

The general purpose financial statements of the company have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the company.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

Revenue

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

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

Sale of goods

Sale of goods are recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Poker machines

Poker machine revenue is recognised net of payouts.

Membership

Membership revenue is recognised in the year in which it relates.

Commissions

Commission revenue is recognised when it is received or when the right to receive payment is established.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Income taxes

The income tax expense or benefit for the period, is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and derecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same tax authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

Mutuality principle

The company calculates its income in accordance with the mutuality principle, which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members, for particular services provided by the club or association, e.g. poker machines, bar and dining room service, in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the *Income Tax Assessment Act 1997* ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

Cash and cash equivalents

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

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Property, plant and equipment

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

Land and buildings

Land and buildings are initially measured using the cost model. Buildings are recorded at cost less accumulated depreciation and impairment.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate	Method
Buildings and leasehold improvements	2.5%	Prime cost
Plant and equipment	7.5% - 40%	Diminishing value
Leased plant	30%	Prime cost
Poker machines	30%	Diminishing value
Motor vehicles	20%	Diminishing value
Leased machines	30%	Diminishing value

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Intangible assets

Poker machine licences

Poker machine licences are considered to have an indefinite useful life. The company tests for impairment annually, irrespective of whether there is any indication of impairment.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

Impairment of non-financial assets

At the end of each reporting period the company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the company to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if the intention of the company's management is to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as:

- (a) loans and receivables
- (b) held-to-maturity investments or
- (c) financial assets at fair value through profit or loss.

Listed shares held by the entity that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period.

Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

Dividends on AFS equity instruments are recognised in profit or loss when the entity's right to receive the dividends is established.

Impairment of financial assets

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Impairment of financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Impairment on loans and receivables is reduced through the use of allowance accounts. All other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Impairment on available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The company's financial liabilities include borrowings and trade and other payables, which are measured at amortised cost using the effective interest rate method.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to the short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are not usually paid within 30 days of recognition.

Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

Employee benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

Going concern

As at 31 December 2019, the entity had a net current asset deficiency position of \$86,849. Based on expected future cash flows, the directors are of the view that the entity will be able to satisfy its liabilities as and when they fall due and will continue as a going concern.

Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Provisions

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

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

	2019	2018
	\$	\$
4. Revenue		
Poker machines net revenue	7,409,545	6,986,449
Bar sales	1,901,024	1,891,217
Entertainment revenue	326,621	338,235
Function revenue	80,252	70,616
Members' subscriptions	42,000	46,294
Keno commissions	147,013	161,269
TAB commissions	74,673	74,539
Sundry income	214,514	218,373
	10,195,642	9,786,992

Other income		
Rental income	283,997	236,362
Interest income	1,453	960
	285,450	237,322

5. Cash and cash equivalents		
Cash on hand	200,000	200,000
Cash at bank	658,446	430,962
	858,446	630,962

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2019	2018
	\$	\$
Cash and bank balances	858,446	630,962
Bank overdraft	(Note 14) -	(170,615)
	858,446	460,347

6. Trade and other receivables

Current

TAB security deposit	5,000	5,000
Other debtors	17,082	-
	22,082	5,000

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

	2019	2018
	\$	\$
7. Inventories		
Current		
Bar stock - landed cost	42,723	34,736
	42,723	34,736
8. Other assets		
Current		
Prepayments	30,177	190,819
	30,177	190,819
9. Investments		
Shares at cost - ILG Co-op Ltd	750	750
Shares at cost - Community First	2	2
	752	752
10. Property, plant and equipment		
Freehold land at cost	2,986,261	2,986,261
Buildings at cost	13,542,714	13,490,868
Buildings accumulated depreciation	(4,130,735)	(3,973,267)
	9,411,979	9,517,601
Plant and equipment at cost	2,002,488	1,857,620
Plant and equipment accumulated depreciation	(1,545,900)	(1,237,909)
	456,588	619,711
Poker machines at cost	2,368,946	2,226,961
Poker machines accumulated depreciation	(1,628,437)	(1,352,322)
	740,509	874,639
Right-of-use assets at cost	-	856,543
Right-of-use assets accumulated depreciation	-	(394,593)
	-	461,950
Total property, plant and equipment	13,595,337	14,460,162

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

10. Property, plant and equipment (continued)

	Freehold Land \$	Buildings \$	Plant and Equipment \$
Net carrying amount 1 January 2019	2,986,261	9,517,601	619,711
Additions	-	51,846	144,868
Disposals	-	-	-
Depreciation	-	(157,468)	(307,991)
Net carrying amount 31 December 2019	2,986,261	9,411,979	456,588

	Poker Machines \$	Right-of-Use Assets \$	Total \$
Net carrying amount 1 January 2019	874,639	461,950	14,460,162
Additions	141,985	-	338,699
Disposals	-	(119,950)	(119,950)
Depreciation	(276,115)	(342,000)	(1,083,574)
Net carrying amount 31 December 2019	740,509	-	13,595,337

	2019 \$	2018 \$
11. Intangibles		
Poker machine licences at cost	205,763	205,763
	205,763	205,763

12. Trade and other payables

Current

Trade payables	205,216	414,290
Accrued expenses	160,236	104,804
Net GST payable	32,472	65,529
	397,924	584,623

13. Provisions

Current

Provision for employee entitlements	247,144	183,399
Provision for poker machine tax	169,551	131,241
	416,695	314,640

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

	2019	2018
	\$	\$
13. Provisions (continued)		
Non-current		
Provision for employee entitlements	280,470	193,819
	280,470	193,819
14. Borrowings		
Current		
Bank overdraft	-	170,615
Lease and hire purchase liabilities	196,115	404,859
	196,115	575,474
Non-current		
Business loan	1,300,000	1,780,000
Lease and hire purchase liabilities	70,956	285,039
	1,370,956	2,065,039
15. Other liabilities		
GST rebate in advance	17,180	17,180
Subscriptions in advance	12,363	3,434
	29,543	20,614

16. Business loan facilities

Security covering the above facility comprises:

a. Registered First Mortgage from Riverstone-Schofields Memorial Club Limited over property situated at Lot 2 corner George and Market Street, Riverstone described in Certificate of Title Folio Identifier 2/524457.

b. Registered First Equitable Mortgage by Riverstone-Schofields Memorial Club Limited over the whole of the company's assets and undertakings including uncalled capital.

17. Related parties

The entity's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

18. Commitments

The entity has no material commitments as at 31 December 2019 (2018: None).

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2019

19. Retrospective restatement

The following errors pertaining to prior years were noted in the current year:

- a) Depreciation expense had been incorrectly recognised
- b) The values of property, plant and equipment were overstated
- c) Incorrect classification of transactions noted within lease liabilities and other expense accounts

The aggregate effect of the errors on the annual financial statements for the financial year ended 31 December 2018 is as follows:

	Previously Stated	31 December 2018 Adjustments	Restated
Total revenue	10,024,314	-	10,024,314
Total expenses	(9,489,663)	(661,295)	(10,150,958)
Profit/(loss)	534,651	(661,295)	(126,644)
Total current assets	861,517	-	861,517
Property, plant & equipment	15,163,435	(497,510)	14,665,925
Other non-current assets	752	-	752
Total current liabilities	(1,439,968)	(234,863)	(1,674,831)
Total non-current liabilities	(2,150,456)	71,078	(2,079,378)
Net assets	12,435,280	(661,295)	11,773,985
Retained earnings	12,435,280	(661,295)	11,773,985
Equity	12,435,280	(661,295)	11,773,985

20. Contingent liabilities

There are no contingent liabilities that have been incurred by the entity as at reporting date.

21. Subsequent events

While the directors note the current health and emerging economic impact relating to COVID-19, which was classified as a pandemic by the World Health Organisation on 11 March 2020, an estimate of the financial effect of this subsequent event cannot be made at the time of this financial report.

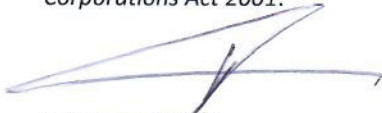
No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these accounts.

Riverstone-Schofields Memorial Club Limited
Directors' Declaration
For the Financial Year Ended 31 December 2019

The Directors of the Company declare that in the Directors' opinion:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.



Lawrence Cauchi
Director

24 November 2020



Corina Brown
Director

24 November 2020

Riverstone-Schofields Memorial Club Limited
Independent Auditor's Report to the Members of Riverstone-Schofields Memorial Club Limited
For the Financial Year Ended 31 December 2019

Qualified Opinion

We have audited the financial report of Riverstone-Schofields Memorial Club Limited (the company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the financial report of Riverstone-Schofields Memorial Club Limited has been prepared in accordance with the *Corporations Act 2001*, including:

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

Basis for Qualified Opinion

We were appointed as auditor of the entity on 25 May 2019 and were unable to obtain sufficient and appropriate audit evidence in relation to opening balances for the financial year ended 31 December 2019. Since opening balances enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the income or expenses for the year reported in the statement of profit or loss and other comprehensive income or cash flows reported in the statement of cash flows. As such, our opinion is qualified with respect to opening balances for the financial year ended 31 December 2019 and the statement of profit or loss and other comprehensive income and statement of cash flows for the financial year ended 31 December 2019.

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

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

Riverstone-Schofields Memorial Club Limited
Independent Auditor's Report to the Members of Riverstone-Schofields Memorial Club Limited
For the Financial Year Ended 31 December 2019

Emphasis of Matter – Going Concern

We draw attention to Note 3 in the financial report, which indicates that for the year ended 31 December 2019, the entity had a net current asset deficiency position of \$86,849. This figure, as well as other assumptions, events or conditions set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern, should the assumptions, events or conditions relied upon do not eventuate or materialise. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Subsequent Event

We draw attention to Note 21 which highlights a subsequent event relating to COVID-19. The potential financial effect of this subsequent event cannot be made at the time of this financial report. Our opinion is not modified further with respect to this matter.

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

The directors of the company are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The directors of the company are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

Riverstone-Schofields Memorial Club Limited

**Independent Auditor's Report to the Members of Riverstone-Schofields Memorial Club Limited
For the Financial Year Ended 31 December 2019**

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

SDJA

SDJA

Simon Joyce

Simon Joyce

Director

24 November 2020

Sydney, New South Wales

2019 - VALE

ALAN HOARE

BELINDA WADWELL

BERND GRAESSNER

CARL MILLARD

CHARLES WHEELER

CYNTHIA WAYMOUTH

DALTON WINEERA

DEBBIE BAIRA

EDSEL PALTOO

EWAID KLINKENBERG

GORDON ALLISON

GRAHAM JEFFERYS

ISABELL KEARNEY

JOHN XERRI

JULIE PUZNY

JUNE COUZINS

LENA TEUMA

LESLIE REVELEY

MALCOLM REED

MATTHEW FELL

MAXINE CONATY

MICHAEL RANDALL

MICHAEL ABELA

NEVILLE JAMES IRVINE

NORMA GRIFFIN

NORMAN WALLACE

RICHARD RUSSELL

RICHARD JOHN BIRMINGHAM

TERRY KNOTT

ZDRAUKO MILAKOVIC



Riverstone Schofields
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