



Arana
LEAGUES CLUB



ANNUAL REPORT
2019-20







ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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OFFICE BEARERS

AS AT 29TH NOVEMBER 2020

PRESIDENT AND CHAIRMAN MICHAEL REID

SECRETARY TY MUIR

DIRECTORS WARREN ADAM
PERRY ANDERSON
ROBERT NAPIER
NOEL RALPH
KELLIE SCHULZ
ZAK SMITH
DAVID TIMMS

CHIEF EXECUTIVE OFFICER GLYN WALLIS

CHIEF FINANCIAL OFFICER MICHAEL GAFFEY

SOLICITORS MCINNES WILSON LAWYERS

AUDITORS SRJ WALKER WAYLAND

ARANA LEAGUES CLUB LIFE MEMBERS

1976 D Timms +
1978 K McKell +
1980 D Pickstone
1982 R Green +
1993 J Adams +
1994 B Wood
1999 J Underhill
2005 G Barnes
2015 A Geppert
2018 Robert Napier

LIFE MEMBERS	7
10 YEAR MEMBERS	128
5 YEAR MEMBERS	88
3 YEAR MEMBERS	13,278
FULL MEMBERS	3,716
<hr/>	
TOTAL:	17,217

NOTICE OF ANNUAL GENERAL MEETING

Posted 5 November 2020

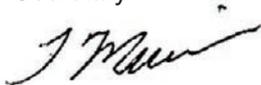
NOTICE IS GIVEN THAT:

- 1 The Annual General Meeting of the members of the Arana Leagues Club Limited (the Club) will be held on 29 November 2020 at 9.30am at the Club at 247 Dawson Parade, Keperra.
- 2 The ordinary business of the Annual General Meeting will be as follows:
 - (a) Receive apologies;
 - (b) Confirmation of Minutes of the last Annual General Meeting held on 24 November 2019;
 - (c) President's Report;
 - (d) Appointment of Auditors for 2020-2021
 - (e) Consideration of the Financial Accounts for the year ended 30 June 2020;
 - (f) Election of Office Bearers for 2020-2021– Declaration of Directors;
 - (g) Consideration of the Special Resolutions to amend the Constitution as per item 3 below
 - (h) Any business on which seven (7) days notice has been given.
- 3 Special Resolutions to amend the Constitution

No.	Issue / Rule	Explanation	Passed
1.	General – Spelling & Grammatical	Grammatical and spelling errors have been updated throughout the Constitution generally.	
2.	Indexing	Rule numbers have been altered to accommodate deletion and additional rules, issues relating to incorrect indexing has also been updated.	
3.	Election Procedures		
3.a	Rule 28 – Election procedures	This amendment removes the requirements for ballots to be conducted via post, this relates to the expense aligned with printing and postal charges.	
3.b.	Rule 30.5 – Election procedures – Directors	This amendment modifies the procedures aligned with elections due to changes in the removal of postal notification and voting.	
4.	Casual Vacancy		
4.a.	Rule 30.2 – Election procedures – Directors	This amendment brings the occurrence of a casual vacancy in line with the replaced director's term.	
4.b.	Rule 33 – Vacation on board of directors	This amendment brings the occurrence of a casual vacancy in line with the replaced director's term.	
4.c.	Rule 34 – Casual vacancies	This amendment provides further clarification on Casual Vacancies and brings the occurrence of a casual vacancy in line with the replaced director's term.	

No.	Issue / Rule	Explanation	Passed
5.	Notice of Meeting		
5.a.	Rule 64 – Persons entitled to notice of General Meeting	This amendment removes the requirement to provide notice by mail, this relates to the expense aligned with printing and postal charges.	
5.b.	Rule 65 – Persons entitled to notice of General Meeting	These amendments amend the procedures for notification including the removal of outdated use of facsimile and the need to mail each member a notice of AGM.	
5.c.	Rule 66 – When notice is given	This amendment provides alignment with changes to previous rule 65 changes	
5.d.	Rule 100.2 (1) – Alteration of Rules	This amendment changes the manner in which members are notified.	
6.	Rule 44 (3) – Powers and duties of the directors	This amendment is made in order to eliminate a conflict with Clause 97.1 which gives the immediate control of employees to the General Manager and otherwise to the Board.	
7.	Rule 71 - Quorum	This amendment protects the ability to produce a quorum into the future whilst maintaining the balance of power in the members favour.	
8.	Rule 96 – Visitors	This amendment is made as the Club Industry pushes for a reduction in the current 15-kilometre radius so as not to bring us in conflict with regulations if this bid is successful. The Liquor Act currently stipulates the restrictions and there is no further need to qualify in the constitution.	
9.	Rule 100.2 (2) – Alteration of Rules	This amendment is made to bring the club into alignment with its legal obligations. Currently a constitution change needs to be submitted to and approved by ASIC and also submitted to OLGR. The wording 'governing bodies' future proofs this clause in the event that this obligation was to change.	

Ty Muir,
Secretary



ARANA LEAGUES CLUB LIMITED

MINUTES

47th ANNUAL GENERAL MEETING

Club Premises, 247 Dawson Parade, Keperra

Sunday 24 November 2019

1.0	Head Table:	Michael Reid Noel Ralph	President/Chairman Secretary
	Directors:	Warren Adam Perry Anderson Greg Eaton Ty Muir	Rob Napier Zak Smith David Timms
	CEO:	Glyn Wallis	
	Members:	As per Attendance Register – 58 Members, 2 Visitors	
	Special Guests:	Brian Wood	Life Member 1994
		John Underhill	Life Member 1999
		Graham Barnes	Life Member 2005
		Allan Geppert	Life Member 2015
		Matthew Constance	Councillor – Moreton Bay Regional Council
		Jason Croston	SRJ Walker Wayland
		Peter Schwarze	President WAH Old Boys & President Arana Golf Club
		Michael Gaffey	ALC Financial Controller
		Kym Mac	ALC Operations Manager
	Apologies:	Cliff Coyle, Joan Wood, Marcus Waite, Sharon Toon, Neil and Lea Davis	

MOVED by GREIG THOMAS and
seconded by PETER SCHWARZE
that the apologies be accepted

MOTION CARRIED

Meeting opened at 9.35am.



2.0 WELCOME & APOLOGIES

The CEO welcomed members and special guests to the 47th Annual General Meeting of the Arana Leagues Club. He advised the meeting no proxies had been lodged, there were fifty-eight (58) members and two (2) visitors present, and highlighted some achievements of the Club for the 2018-2019 financial year:

- The Club posted a post-tax profit of \$130,088.
- The debt facility is just over \$2m (as of 22 November 2019).
- The Club has also been working on reducing its lease facilities debt and has managed to achieve this to the tune of \$456,800.
- In terms of capital spend, the Club completed the 70-space carpark project at the far end of the McKell Oval, and the Club would like to thank the WAHRLFC for allowing ALC to complete this project.
- The Club has re-upholstered and replaced \$60,000 worth of furniture.
- The sign at the front of the club has been replaced with an improved LED version.
- The Club spent \$56,000 to keep the air conditioning cooling towers running efficiently and effectively.
- The Club continues to value highly our community support and we have done this to the tune of \$782,290. Of that figure \$327,887 has been provided to the West Arana Hills Rugby League Football Club either in cash or in-kind support. Amongst other things these donations pay for jerseys, ground and facility maintenance, electricity on the main field, raffle prizes, room hire and insurance.
- \$128,243 was provided to Arana Sports Inc.
- The six schools who benefit from the school chaplaincy program, each received \$5,000 (Ferry Grove State School, Ferry Hills State School, Grovely State School, Mitchelton Special School, Mitchelton State School and Patricks Road State School).
- The CEO thanked the members for their support of the staff and himself throughout the year.
- The CEO further thanked the Board for their unwavering support.
- The CEO advised the financial year provided some major challenges with the changeover of CEO, Operations Manager and Executive Chef and extended a special thanks to the staff and management for all their hard work, persistence and positive attitude as we navigated through these changes.

The Chairman congratulated Glyn Wallis, Kym Mac and Michael Gaffey and thanked them and all the staff, for their outstanding efforts and achievements throughout the year.

3.0 MINUTES SILENCE

The Chairman requested everyone be upstanding in memory of members, family and friends who passed away during the year.

4.0 REVIEW OF MINUTES OF THE 46th ANNUAL GENERAL MEETING:

No changes to the Minutes of the 46th Annual General Meeting.

MOVED by OWEN MORRISON and seconded by MARK BAILEY
that the Minutes of 46th Annual General Meeting
of the Arana Leagues Club held on 25 November 2018 be accepted
MOTION CARRIED

5.0 PRESIDENT'S REPORT

Taken as read.

MOVED by GRAHAM BARNES seconded by GREIG THOMAS
that the 2019 report of PRESIDENT MICHAEL REID
published in the Annual Report be accepted
MOTION CARRIED

6.0 APPOINTMENT OF AUDITOR

MOVED by BRIAN BATTERSBY seconded by PETER SCHWARZE
that the Board confirm SRJ WALKER WAYLAND
as the Club's Auditor for the 2019 - 2020 financial year
MOTION CARRIED

7.0 CONSIDERATION OF FINANCIAL STATEMENTS

Taken as read.

John Underhill enquired as to the reason for the reduced profit when compared to the previous financial year. The Chairman advised, the Board had recently held a Planning and Development day which reviewed a number strategies which would help drive the Club forward. During the previous financial year several large expenditures items had been incurred such as new cooling towers, the replacement of the majority of the furniture in the restaurant and throughout the Club which had all had an impact on the Club's profit.

MOVED by BRIAN BATTERSBY seconded by JOHN UNDERHILL
that the 47th Annual Report, Financial Statements
Directors' Report and the Auditor's Report thereon
for the year ended 30 June 2019 be accepted
MOTION CARRIED

8.0 ELECTION OF DIRECTORS

The Chairman referred to the Returning Officer's report which advised nominations for the position of Director were called and closed at 9.30am on 20th October 2019 in accordance with Clause 30.5(7)(d). At the close, four (4) nominations were received for the three (3) available positions, therefore a ballot was required. He advised 980 envelopes were returned with 960 voting papers being able to be counted, and 20 which were not able to be identified. The successful Nominees were:

Noel Ralph, Kellie Schulz and Warren Adam

In accordance with Clause 30.5(7) (d), the Chairman declared the following persons elected as Directors for the next 12 months and congratulated them on their re-election to the Board for 2020.

Noel Ralph, Robert Napier, David Timms, Warren Adam, Michael Reid, Ty Muir, Perry Anderson, Zak Smith and Kellie Schulz

The Chairman further thanked Greg Eaton for his services to the Board and to the Arana Leagues Club and presented him with a gift in appreciation of his efforts.



Brian Battersby expressed appreciation to the Arana Leagues Club for the co-operation and support given to the communities and sporting clubs in the District. He also, on behalf of the Hills & District Chamber of Commerce added his thanks, and on behalf of the community thanked the Club for the financial assistance provided.

Peter Schwarze thanked Arana Sports Inc and on behalf of the Arana Leagues Social Golf Club Inc. thanked the Arana Leagues Club for assistance with raffles on Saturday nights where they had given away approximately \$4,000 in the last financial year with approximately 27% of profits going to junior sport. And further, on behalf of the West Arana Hills Old Boys Association Inc. he once again thanked the Board, management and members for their support. The Old Boys had given approximately \$9,000 to the Community, in particular AEIOU which provides assistance for autistic children.

Liz Kubler thanked the Arana Leagues Club on behalf of the Football Club for the assistance the Club had provided throughout the year.

9. CONSIDERATION OF SPECIAL RESOLUTIONS TO AMEND THE CONSTITUTION

Nil

10. BUSINESS ON WHICH SEVEN DAYS NOTICE GIVEN

Nil

11. GENERAL BUSINESS

11.01 – JOHN UNDERHILL RE: Multi Storey Car Park and Properties Owned by Club

John Underhill enquired if the Club needed the multi-storey car park. The Chairman responded, subject to finances, the Club would like to progress with the car park project. The Club currently has 120 car parks, and an extra two storey car park would only add an additional 34 car parks, with the full six levels providing an extra 230 car parks. With the current financial position of the club, at present it is not deemed a viable proposition to proceed with a significant capital expenditure project such as a multi-storey car park.

John Underhill further enquired as to how many properties are currently owned by the Club and enquired if they are correctly valued. The Chairman responded the Club currently owns ten (10) properties, and agreed they are currently slightly undervalued. It is on the agenda to have the properties revalued.

John Underhill further enquired if it was possible to take the next couple of houses adjacent to the Club and turn that area into additional car parking. The Chairman advised this had already been raised by the Board and is on the agenda for discussion in early 2020.

12.0 CLOSE OF MEETING

There being no further business, the Chairman closed the meeting at 9.50am and invited all in attendance to remain for refreshments.

Jan Harris, Minutes Secretary
24 November 2019



PRESIDENT'S REPORT

On behalf of the Board of Directors, I would like to present the annual report for the 2019/2020 financial year. Unfortunately, the COVID-19 pandemic and ensuing trade restrictions presented some of the biggest challenges ever faced at Arana; and due to our doors being closed for 3 months, we finished with a loss of just over \$800,000. However, since our doors reopened, we have traded at 'socially distanced' capacity and our outlook for the future looks positive.

To all our staff, thank you for the way you have adapted to the new COVID safe rules and for your commitment to ensuring that our members and guests feel safe when they visit the Club. To Simon Pettigrew and his team, thank you for providing a fantastic standard of food, not only during COVID but on a daily basis. To Glyn Wallis, Michael Gaffey and Kym Mac, thank you for your leadership through such difficult times and the continued direction you provide as we navigate these unprecedented times.

To our members, thank you for your wonderful support during these testing times and your patience with the COVID safe regulations.

To Rob Napier, thank you for your service as a Director for 21 consecutive years. Your dedication and honesty, to both Arana Leagues Club and the West Arana Hills Rugby League Football Club, have been greatly appreciated. Your commitment to improving both organisations will be missed by everyone. We wish you and your family all the best for the future.

To the Board of Directors, thank you for your time, efforts and determination to make Arana a great club so that we can continue to support our community. In particular, thank you for volunteering to help out in various ways during lockdown.

I hope you all have a safe Christmas and New Year and I look forward to seeing you all again soon.

Michael Reid





CHIEF EXECUTIVE OFFICER'S REPORT

We posted a loss of \$810,471 for the 2019/2020 financial year in what turned out to be, one of the more challenging years of recent times. This is mainly due to the Club's closure during the COVID-19 pandemic on 23 March 2020, with restrictions on normal trading still in place as I write this in early October. Unfortunately, whether your doors are open, closed or slightly ajar there many expenses that keep ticking up on a Profit and Loss Statement. The last quarter of the financial year became a cash flow centric exercise and I am proud to say that the Club has maintained a solid footing in this regard and that we are primed and ready for a return to more normal trading conditions over the next year.

The Club received much support from many different organisations through this difficult period. Our financiers, Westpac were great from the very beginning and made the task of putting all of our principal repayments on hold a very easy proposition. Brisbane City Council put our lease repayments on hold automatically and immediately. The State Government provided some relief from payroll and gaming tax deadlines, along with providing a QRIDA loan of \$250,000. We also benefitted from the Federal Government's JobKeeper program along with the PAYG cash booster scheme. Amongst our suppliers of note, Lion Nathan allowed us to return all of our untapped kegs, Australian Liquor Marketers allowed us to return unopened spirit cases and our ATM provider, Next Payments automatically suspended all their fees for 6 months. Without all of this support the Club would be in a much different position.

Pleasingly, we did manage to carry out some capital works this financial year, completing an upgrade to the back half of the gaming room at the end of February. These works included carpets, wallpaper, gaming machine bases, an airlock for the smoking area, a new auto door to the outdoor bar area, and a new kitchenette. I am pleased to report that this work came in under budget and on schedule. In the short time we had before the shut down and in the first few months' post shutdown I am very pleased with the look and the results achieved.

Moving forward I am very hopeful of continuing our refresh program. With our last major renovations now seven years in the rear vision mirror, it is important we keep our great venue looking fresh. There is obviously the added complication of uncertain trading conditions right now, but with a \$3.6b casino bearing down on us in the next couple of years it is vital we maintain and build on our facilities and remain an attractive proposition to our community. I hope to have more news on this through the year.



I cannot say enough about the way the Management team stepped up this year through many unprecedented challenges. They have remained upbeat. They have made sacrifices, both personally and professionally. They have maintained a positive disposition, even when we were sitting in a barren building trying to plan a way forward in those first dark few weeks. To them I say thank you, you are my rock.

To our incredible staff, I knew you were good but I did not know how good until a crisis was upon us. The positive way you embraced work, even as we foisted different rules; different procedures; and completely new ways of doing business on you, amazed me. The communication provided to you was not always perfect, for many different reasons, but you just kept pressing forward; providing that brilliant service that we are known for. I cannot thank you enough for backing us up so completely.

Of course, to Michael Reid and the Board of Directors, thank you for sticking by myself and the team. This was definitely not a year any volunteer would sign up for and the support and encouragement you provided behind the scenes will never be forgotten.

G. Wallis



Directors' Report

30 June 2020

The directors present their report on Arana Leagues Club Limited for the financial year ended 30 June 2020.

1 General information

Information on directors

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

Mr. M. Reid

Qualifications

Auxiliary staff member at a local school and part owner/operator of a private business.

Experience

Joined the Board in November 2011 in a non-executive capacity.

Mr. N. Ralph

Qualifications

Consultant

Experience

Joined the Board in November 2013 in a non-executive capacity. Previously a Board member from 2007 - 2008.

Mr. W. Adam

Qualifications

Self Employed Property Maintenance

Experience

Joined the Board in November 2013 in a non-executive capacity.

Mr. G. Eaton

Qualifications

Company Director

Experience

Joined the Board in November 2014 in a non-executive capacity. Resigned as a Board member November 2019.

Mr. T Muir

Qualifications

Company Director

Experience

Joined the Board in November 2015 in a non-executive capacity.

Mr. R. Napier

Qualifications

Company Director

Experience

Joined the Board in November 1999 in a non-executive capacity.

Mr. D. Timms

Qualifications

Police Officer

Experience

Joined the Board in November 2012 in a non-executive capacity.

Mr. Z. Smith

Qualifications

Company Director

Experience

Joined the Board in November 2017 in a non-executive capacity.

Mr. P. Anderson

Qualifications

Company Director

Experience

Joined the Board in November 2017 in a non-executive capacity.

Directors' Report

30 June 2020

Mrs. K. Schulz

Qualifications

Experience

Sales Executive

Joined the Board in November 2019 in a non-executive capacity.

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

Principal activities

The principal activity of Arana Leagues Club Limited during the financial year were:

- (a) Provision of services for the members and promotion and support of the aims and objectives of the West Arana Hills Rugby League Football Club.
- (b) To promote and provide assistance when deemed necessary to junior sports and to local community and sporting groups.

No significant changes in the nature of the Club's activity occurred during the financial year.

Short term objectives

The Club's short term objectives are to:

- provide facilities for Members and Members' guests.
- promote, foster, support and encourage the aims and objects of West Arana Hills Rugby League Football Club Incorporated, Brisbane.
- promote or provide assistance to junior sport and local community and sporting groups.
- carry on all such activities as may be necessary or convenient for the Club.

Long term objectives

The Club's long term objectives are to:

- maintain relationships that foster, support and encourage West Arana Hills Rugby League Football Club, junior sport, local community and sporting group.
- be sustainable and strive for continuous improvements so as to offer the best possible outcomes for Members and Members' guests.
- maintain a quality Club facility to the highest standard and provide a high level of services to our Members.



Directors' Report

30 June 2020

Strategy for achieving the objectives

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

- the Club strives to attract and retain quality staff who are committed to working with Members and Members' guests.
- the Board and staff work in partnership with a range of community stakeholders which is evidenced by ongoing support of the Club's projects and initiatives.
- the Board are committed to a Master Plan for future developments to maintain a first-class facility.

Members' guarantee

Arana Leagues Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 for members that are corporations and \$20 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$344,340 (2019: \$432,320).

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr. M. Reid	12	12
Mr. N. Ralph	12	12
Mr. W. Adam	12	12
Mr. G. Eaton	5	5
Mr. T. Muir	12	12
Mr. R. Napier	12	11
Mr. D. Timms	12	11
Mr. Z. Smith	12	10
Mr. P. Anderson	12	11
Mrs. K Schulz	7	7

Directors' Report

30 June 2020

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 18 of the financial report.

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

Director: *m g Reid.*
Mr. M. Reid

Dated *23/9/20*



AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of Arana Leagues Club Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


.....
Jason Croston, FCA
Registered Company Auditor
Brisbane
SRJ Walker Wayland

Dated: 23 September 2020

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	2	15,871,008	19,479,682
Other income	2	37,479	116,792
Raw materials and consumables used		(2,074,197)	(2,773,341)
Finance costs	3	(233,201)	(225,308)
Other expenses	3	(7,600,991)	(9,524,018)
Depreciation expense	3	(1,894,319)	(1,659,032)
Employee benefits expense		(4,902,714)	(5,340,091)
PROFIT BEFORE INCOME TAX		(796,935)	74,684
Income tax benefit	4	(13,536)	55,404
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(810,471)	130,088

The accompanying notes form part of these financial statements.



Arana Leagues Club Limited

Statement of Financial Position

30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	456,399	712,814
Trade and other receivables	6	289,541	118,416
Inventories	7	100,779	202,153
Other assets	8	116,307	152,336
TOTAL CURRENT ASSETS		<u>963,026</u>	<u>1,185,719</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	16,013,177	15,045,079
Investment property	10	2,808,778	2,828,051
Deferred tax assets	19	595,398	542,350
Intangible assets	11	400,000	400,000
TOTAL NON-CURRENT ASSETS		<u>19,817,353</u>	<u>18,815,480</u>
TOTAL ASSETS		<u>20,780,379</u>	<u>20,001,199</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	937,410	1,047,477
Borrowings	13	1,045,716	1,172,390
Short-term provisions	14	363,315	249,220
Employee benefits	15	300,304	452,153
TOTAL CURRENT LIABILITIES		<u>2,646,745</u>	<u>2,921,240</u>
NON-CURRENT LIABILITIES			
Borrowings	13	4,587,029	2,814,054
Deferred tax liabilities	19	1,125,887	1,059,303
Employee benefits	15	74,803	50,216
TOTAL NON-CURRENT LIABILITIES		<u>5,787,719</u>	<u>3,923,573</u>
TOTAL LIABILITIES		<u>8,434,464</u>	<u>6,844,813</u>
NET ASSETS		<u>12,345,915</u>	<u>13,156,386</u>
EQUITY			
Retained earnings		<u>12,345,915</u>	<u>13,156,386</u>
TOTAL EQUITY		<u>12,345,915</u>	<u>13,156,386</u>

The accompanying notes form part of these financial statements.

Arana Leagues Club Limited

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2019	13,156,386	13,156,386
Loss attributable to members of the entity	(810,471)	(810,471)
Balance at 30 June 2020	<u>12,345,915</u>	<u>12,345,915</u>

2019

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2018	13,026,298	13,026,298
Profit attributable to members of the entity	130,088	130,088
Balance at 30 June 2019	<u>13,156,386</u>	<u>13,156,386</u>

The accompanying notes form part of these financial statements.



Arana Leagues Club Limited

Statement of Cash Flows
For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	16,451,773	20,491,561
Payments to suppliers and employees	(15,315,652)	(18,666,148)
Finance costs	(179,758)	(225,308)
Interest received	29	172
Net cash provided by/ (used in) operating activities	23 <u>956,392</u>	<u>1,600,277</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(1,208,140)	(1,556,910)
Payment for investment property	-	(10,516)
Payment for intangible asset	-	-
Net cash used by investing activities	<u>(1,208,140)</u>	<u>(1,567,426)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	928,515	1,603,642
Repayment of right of use lease liability	(193,309)	-
Repayment of borrowings	(739,873)	(1,779,150)
Net cash used by financing activities	<u>(4,667)</u>	<u>(175,508)</u>
Net increase/(decrease) in cash and cash equivalents held	(256,415)	(142,657)
Cash and cash equivalents at beginning of year	<u>712,814</u>	<u>855,471</u>
Cash and cash equivalents at end of financial year	5 <u><u>456,399</u></u>	<u><u>712,814</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2020

The financial statements are for Arana Leagues Club Limited as a not-for-profit.

The functional and presentational currency of Arana Leagues Club Limited is Australian dollars.

1 Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation of both the current and preceding year.

(c) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.



Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of significant accounting policies (continued)

(c) Income tax

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Non-member income of the entity is only assessable for tax, as member income is excluded under the principle of mutuality.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Revenue and other income

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 Club 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.

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

Sale of goods

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

Customer loyalty programs

Arana Leagues Club Limited operates a customer loyalty program where members earn points on purchases that entitle them to discounts on future purchases. The club accrues for the expected future liability relating to member reward points. The fair value of the consideration received on transactions for the sale of goods is allocated between the rewards points and member payment. The fair value allocated to rewards points is deferred and netted off member payment when the points are redeemed. Award points expire 12 months after the date of the sale transaction.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of significant accounting policies (continued)

(e) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

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

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

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Gain or loss on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and the difference is recognised in the Statement of Profit or Loss.

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(g) 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 payables 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.



Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of significant accounting policies (continued)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using an average of invoiced cost and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(i) 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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the cost model.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

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

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Leasehold Improvements	10 - 50 Years
Buildings	5 - 50 Years
Plant and Equipment	2 - 25 Years
Electronic Gaming Machines	4 Years

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of significant accounting policies (continued)

(i) **Property, plant and equipment**

Fixed asset class	Depreciation rate
Car Park	5 - 20 Years
Other Property, Plant and Equipment	5 - 10 Years

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.

(j) **Intangible assets**

Gaming machine entitlements held by the Club, are considered to have indefinite useful life and accordingly are not amortised. Arana Leagues Club performs impairment testing annually as at 30 June and gaming machine entitlements are carried at cost less accumulated impairment losses.

(k) **Investment properties**

Investment properties are held to generate long-term rental yields and capital growth. Investment properties are carried at fair value. Significant changes to fair value are recorded in the statement of other comprehensive income as other income/expenses.

(l) **Financial instruments**

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.



Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of significant accounting policies (continued)

(l) Financial instruments

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Club's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Club sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of significant accounting policies (continued)

(l) Financial instruments

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) Financial liabilities

Bank loan borrowings are initially recognised at fair value net of transaction costs incurred.

The portion of borrowings that is expected to be paid in the next 12 months in accordance with the terms of finance agreements entered into are classified as current liabilities. The remaining portion of borrowings are classified as non-current liabilities.

All of the terms and conditions of finance agreements entered into are being complied with and it is reasonable to expect that only the payments expected under the terms of finance agreements entered into will need to be paid.

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Club 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 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 Club's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

(m) Cash and cash equivalents

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

(n) Employee benefits

Provision is made for the Club'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.

(o) Provisions

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



Notes to the Financial Statements
For the Year Ended 30 June 2020

1 Summary of significant accounting policies (continued)

(p) Adoption of new and revised accounting standards

AASB 16 Leases

On adoption of *AASB 16 Leases*, the club recognised a lease liability in relation to a lease which had previously been classified as an 'operating lease' under the principles of *AASB 117 Leases*. This liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average of lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4.82%.

At 1 July 2019, the club recognised a right of use lease liability of \$1,597,525 and a right-of-use asset of \$1,597,525. In the financial year ended 30 June 2019, the rental expense for operating leases amounted to \$288,038, however due to the introduction of *AASB 16 Leases* no rental expenses was recorded in the year ended 30 June 2020. Under *AASB 16 Leases*, for the year ended 30 June 2020, a corresponding charge for depreciation of \$266,254 and interest charge of \$53,443 were recognised.

2 Revenue and other income

Revenue from continuing operations

	2020	2019
	\$	\$
Sales revenue		
Sale of goods	5,131,094	6,765,545
Provision of services	288,995	372,250
Total sales revenue	<u>5,420,089</u>	<u>7,137,795</u>
Finance income		
Other interest received	29	172
Total interest income	<u>29</u>	<u>172</u>
Other revenue		
Operating grants	47,788	92,267
Member subscriptions	77,709	88,703
Rental revenue for property investment	137,728	130,211
Bingo revenue	279,645	377,286
Poker machine revenue	8,938,588	11,554,574
Job Keeper revenue	802,500	-
Other trading revenue	166,932	98,674
Total other revenue	<u>10,450,890</u>	<u>12,341,715</u>
Total revenue	<u>15,871,008</u>	<u>19,479,682</u>
	2020	2019
	\$	\$
Other income		
- Net gain on disposal of property, plant and equipment	37,479	116,792
Total other income	<u>37,479</u>	<u>116,792</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Result for the year

The result for the year was derived after charging / (crediting) the following items:

	2020	2019
	\$	\$
Finance costs		
Financial liabilities measured at amortised cost:		
Interest on obligations under finance leases	32,000	51,845
Interest on bank overdrafts and loans	109,809	132,295
Other interest expense	91,392	41,168
Total finance costs	<u>233,201</u>	<u>225,308</u>

	2020	2019
	\$	\$
Other expenses		
Light, power, gas and water	479,304	566,572
Donations	194,378	234,743
Repairs and maintenance	373,816	449,909
Promotional expenses	1,134,052	1,353,448
Gaming expenses	3,667,029	4,610,409
Operating lease rentals	-	288,038
Bingo expenses	281,538	368,457
Cleaning and replacements	281,274	319,932
Insurance	201,840	201,512
Security	142,099	200,424
Staff Amenities	93,011	136,988
Land Tax	89,308	86,721
Contractor Costs	74,456	64,878
Printing & Postage	67,771	79,206
Equipment hire	64,707	40,231
Computer Expenses	61,743	47,252
Consumables	43,850	47,968
Terminal Fees	32,655	46,339
Other expenses	318,160	380,991
Total other expenses	<u>7,600,991</u>	<u>9,524,018</u>



Notes to the Financial Statements
For the Year Ended 30 June 2020

3 Result for the year (continued)

	2020	2019
	\$	\$
Depreciation expense		
Depreciation - buildings	315,052	328,857
Depreciation - gaming machines	937,062	988,936
Depreciation - office equipment	296,163	293,925
Depreciation - landscaping and carpark	7,572	7,547
Depreciation - grounds	52,944	21,121
Depreciation - investment properties	19,272	18,646
Depreciation – right of use asset	266,254	-
Total depreciation expense	<u>1,894,319</u>	<u>1,659,032</u>

4. Income tax expenses

(a) Reconciliation of income tax expense to prima facie tax:

	2020	2019
	\$	\$
Prima facie tax payable on (loss) / profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	(219,157)	20,537
ADD: Tax effect of:		
Non-deductible depreciation	(1,839)	(7,427)
Other non-allowable items	15,648	(56,555)
Total	<u>13,809</u>	<u>(63,982)</u>
LESS: tax effect of:		
Non-taxable member income arising from principle of mutuality	(191,353)	(69,788)
Superannuation	3,243	700
Job Keeper Accrual	65,587	-
Recoupment of prior year tax losses not previously brought to account	(96,361)	57,129
Total	<u>(218,884)</u>	<u>(11,959)</u>
Income tax expense / (revenue)	<u>13,536</u>	<u>(55,404)</u>

Notes to the Financial Statements
For the Year Ended 30 June 2020

5 Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	456,399	679,525
Short-term bank deposits	-	33,289
Total cash and cash equivalents	456,399	712,814

6 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	5,181	11,530
Deposits	7,200	7,200
Income accruals	277,160	99,686
Total trade and other receivables	289,541	118,416

7 Inventories

	2020	2019
	\$	\$
CURRENT		
At cost:		
Inventories	100,779	202,153
Total inventories	100,779	202,153

8 Other assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	116,307	152,336
Total other assets	116,307	152,336



Notes to the Financial Statements
For the Year Ended 30 June 2020

9 Property, plant and equipment

	2020	2019
	\$	\$
BUILDINGS		
At cost	12,875,202	12,863,947
Accumulated depreciation	(3,269,314)	(2,954,262)
Total buildings	<u>9,605,888</u>	<u>9,909,685</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	885,673	299,821
Plant and equipment		
At cost	7,188,711	7,015,049
Accumulated depreciation	(5,871,452)	(5,561,693)
Total plant and equipment	<u>1,317,259</u>	<u>1,453,356</u>
Improvements		
At cost	2,015,490	1,999,527
Accumulated depreciation	(1,218,705)	(1,171,784)
Total leasehold improvements	<u>796,785</u>	<u>827,743</u>
Right- of-use asset		
Adoption of AASB 16 Leases	1,597,525	-
Accumulated depreciation	(266,254)	-
	<u>1,331,271</u>	<u>-</u>
Poker Machines		
At cost	6,538,537	6,395,021
Accumulated depreciation	(4,462,236)	(3,840,547)
Total poker machines	<u>2,076,301</u>	<u>2,554,474</u>
Total property, plant and equipment	<u><u>16,013,177</u></u>	<u><u>15,045,079</u></u>

10 Investment properties

	2020	2019
	\$	\$
Value at independent valuation	3,057,361	3,057,361
Depreciation	(248,583)	(229,310)
Balance at end of the period	<u><u>2,808,778</u></u>	<u><u>2,828,051</u></u>

The Club's investment properties and carpark were revalued at 18 January 2013 by independent valuers. Valuations were made on the basis of open market value in an arm's length transaction based on similar properties. No adjustment was made for the revaluation surplus as the value disclosed in the accounts was similar to the valuation. The fair value of the investment properties and carpark are \$3,300,000 and the valuation is dated 18th January 2013.

Notes to the Financial Statements
For the Year Ended 30 June 2020

11 Intangible Assets

	2020	2019
	\$	\$
Gaming Machine Entitlements		
At Cost	400,000	400,000
Total intangibles	<u>400,000</u>	<u>400,000</u>

12 Trade and other payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	110,084	306,063
Deposits	8,281	14,801
Accrued expense	313,533	235,834
Other payables	8,820	9,758
Other creditors and accruals	496,692	481,021
Total trade and other payables	<u>937,410</u>	<u>1,047,477</u>

13 Borrowings

	2020	2019
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability secured	381,874	617,115
Bank loans	309,982	462,224
Lease Liability - BCC lease	256,270	-
Insurance premium finance	97,590	93,051
Total current borrowings	<u>1,045,716</u>	<u>1,172,390</u>

	2020	2019
	\$	\$
NON-CURRENT		
Secured liabilities		
Lease liability secured	591,370	507,355
Lease Liability - BCC lease	1,201,389	-
Bank loans	2,794,270	2,306,699
Total non-current borrowings	<u>4,587,029</u>	<u>2,814,054</u>

The bank loans are secured by a first registered mortgage over the buildings and leasehold improvements of Arana Leagues Club Limited. Leased liabilities are secured by the underlying leased assets. At the date of this financial report all of the terms and conditions of the loan agreement had been met.



Notes to the Financial Statements
For the Year Ended 30 June 2020

14 Provisions

	2020	2019
	\$	\$
CURRENT		
Other provisions	363,315	249,220
Total provisions	<u>363,315</u>	<u>249,220</u>

15 Employee benefits

	2020	2019
	\$	\$
Current liabilities		
Provision for long service leave	131,120	129,364
Provision for annual leave	169,184	322,789
Total current employee benefits	<u>300,304</u>	<u>452,153</u>
Non-current liabilities		
Provision for long service leave	74,803	50,216
Total non-current employee benefits	<u>74,803</u>	<u>50,216</u>

16 Leasing commitments

	2020	2019
	\$	\$
(a) Finance leases		
Minimum lease payments:		
Not later than one year	735,734	710,169
Between 1-5 years	1,792,759	507,355
Total minimum lease payments	<u>2,528,493</u>	<u>1,217,524</u>

The finance leases commitments are for gaming machines and other equipment leases entered into by the club.

(b) Operating leases

	2020	2019
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
Not later than one year	-	323,530
Between one year and five years	-	1,377,252
Later than five years	-	366,151
Total minimum lease payments	<u>-</u>	<u>2,066,933</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

The operating lease above is for a property lease, for 247 Dawson Parade. The property lease is the lease commitment with Brisbane City Council. The property lease has been calculated based on a 2.51% increase or CPI increase each quarter of the year in the amount payable and represents the minimum commitment for the 6 remaining years of the lease assuming no negotiation takes place.

17 Financial risk management

The Club is exposed to a variety of financial risks through its use of financial instruments. The Club's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Club is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, cash flow interest risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Club are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Floating rate bank loans



Notes to the Financial Statements

For the Year Ended 30 June 2020

17 Financial risk management (continued)

Objectives, policies and processes

Risk management is carried out by the Club's risk management committee under the delegated power from the Board of Directors. The Chief Executive Officer has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Club, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Fair Value of Financial Instruments

Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

18 Members' guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Club. At 30 June 2020 the number of members was 17,217 (2019: 21,616).

19 Tax

(a) Deferred tax assets

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
Deferred tax assets				
Depreciation	18,329	(13,838)	-	4,491
Tax Losses	237,602	57,129	-	294,731
Other	230,391	12,737	-	243,128
Balance at 30 June 2019	486,322	56,028	-	542,350
Depreciation	4,491	(3,456)	-	1,035
Tax Losses	294,731	76,560	-	371,291
Other	243,128	(20,056)	-	223,072
Balance at 30 June 2020	542,350	53,048	-	595,398

Notes to the Financial Statements
For the Year Ended 30 June 2020

19 Tax

(b) Deferred tax liability

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
Deferred tax liability				
Other	1,058,679	624	-	1,059,303
Balance at 30 June 2019	<u>1,058,679</u>	<u>624</u>	<u>-</u>	<u>1,059,303</u>
Other	1,059,303	66,584	-	1,125,887
Balance at 30 June 2020	<u><u>1,059,303</u></u>	<u><u>66,584</u></u>	<u><u>-</u></u>	<u><u>1,125,887</u></u>

20 Key management personnel

The totals of remuneration paid to the key management personnel of Arana Leagues Club Limited during the year are as follows:

	2020	2019
	\$	\$
Short-term employee benefits	283,102	316,757
Post-employment benefits	38,595	45,185
	<u>321,697</u>	<u>361,942</u>

The Directors of Arana Leagues Club Limited during the year received no remuneration.

Other Transactions with Directors

During the reporting period there were no other transactions with related parties, other than those disclosed in Note 22 Related Parties.

21 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2020 (30 June 2018: None).



Notes to the Financial Statements
For the Year Ended 30 June 2020

22 Related parties

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

Transaction with related parties:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity is considered key management personnel – refer to Note 20 Key management personnel.

(b) Director related parties

	2020	2019
	\$	\$
Arana Bobcats & Excavators Pty Ltd	1,097	-

(c) Other related parties

	2020	2019
	\$	\$
West Arana Hills Rugby League Football Club – Donations	323,397	327,887

23 Cash flow information

(a) Reconciliation of cash

	2020	2019
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	456,399	712,814
Total cash reconciled	<u>456,399</u>	<u>712,814</u>

Notes to the Financial Statements
For the Year Ended 30 June 2020

23 **Cash flow information (continued)**

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
(Loss) / Profit for the year	(810,471)	130,088
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,894,319	1,659,032
- net gain on disposal of property, plant and equipment	(37,479)	(116,792)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(171,125)	(16,786)
- (increase)/decrease in other assets	36,029	41,525
- (increase)/decrease in inventories	101,374	4,763
- increase/(decrease) in trade and other payables	(110,067)	(102,670)
- increase/(decrease) in income taxes payable	13,536	(55,404)
- increase/(decrease) in provisions	40,276	56,521
Cashflows from operations	<u>956,392</u>	<u>1,600,277</u>

24 **Events occurring after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.



Arana Leagues Club Limited

Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 14 - 41, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

Director *m g Reid.*
Mr. M. Reid

Dated this *23rd* day of *SEPTEMBER* 2020

INDEPENDENT AUDITOR'S REPORT

To the Directors of Arana Leagues Club Limited.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Arana Leagues Club Limited, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Arana Leagues 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 30 June 2020 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Those charged with governance 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 assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting, from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Company.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and based, on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Jason Croston
SRJ Walker Wayland
Director

Date: 23 September 2020.

Address: Unit 3, 27 South Pine Road, BRENDAL QLD 4500









OUR CONTRIBUTION

\$648,245

2019-20 Proudly supporting our community

MAJOR RECIPIENTS:

WAHRLFC who received

\$316,672

Arana Sports who received

\$112,321

OTHER RECIPIENTS:

Active Arts Australia
AFL Queensland Umpires
Albany Creek Garden Club
Albany Creek Uniting Church
All Saints Parish
Amputees & Family Support Group QLD Inc.
Anglican Parish of Grovely
ANZAC Day Commemoration Committee
Arana Ascot Hockey Club
Arana Leagues Masters
Arana Leagues Social Golf Club
Arana Touch Football Association
Arana VIEW Club
Ashgrove / The Gap 500 Club
Ashgrove Probus Inc.
Aspley Camera Club Inc
Best Friends Felines Inc.
Blackwood Street Early Learning
Boxing Queensland Inc
Brisbane Bunya Lions Club
Brisbane Tramway Museum
British Ford Car Club
Bunya Residents Association
Chaplaincy Support Provision
Embracing Dyslexia
Enoggera State School
Everton Park State High School
Farrell Foundation
Ferry Grove State High School
Ferry Hills Swim Club
Gaythorne Legacy Group
Golden Valley Keperra Lions Club Inc.
Grovely State School
Grovely State School P&C
Guppy's Graduation
Habitat Early Learning
Haros Double
Healthy Munchkins
Hilder Road State School P&C
Humanitas High School
Keperra Men's Group
KinCare Health Services
Koori Kids Pty Ltd
Make-A-Wish Australia Brisbane North Branch
Malyon College
Mothers Union
Mt Maria College
Mummy's Wish
North West District Sports
North West Youth Accommodation Service
Our Lady of Dolours Catholic Primary School
Oxford Park Retirement Community
Padua College
Parma for a Farmer - A Rural Aid Initiative
Patricks Road State School
Perennial Poppies Group Inc
Prince of Peace Lutheran College
Queensland Manx Society
Queensland Police Service
Rotary Club of Mitchelton Inc.
Salvation Army Disaster Relief Appeal
Samford Netball
Samford Patchworkers
Samford Probus
Samford Riding for the Disabled
Samford Show
Serenata Singers Inc.
Special Children's Christmas Party 2019
SQRDCHI Inc.
St Vincent's Care Services
St William's School Grovely
Sunshine State of Mind Project
Sunshine Tennis
TAFE Grovely
The Gap / Ashgrove National Seniors
The Gap Garden Club
The Gap Historical Society
The Gap Probus Club
The Gap Regional Instrumental Primary Performers School
The Gap State High School
The Hills and District Chamber of Commerce
The Hills Community Carol
The Prince Charles Hospital Heart Patients Support
Tour de Cure Can4Cancer Brisbane 2019
View Club of Mitchelton Inc.
West Arana Hills Old Boys Association
Westside Grovely Football Club
Williams Brothers Wish Inc.