

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

ABN: 85 002 350 281

**Financial Report For The Year Ended
30 September 2019**

Mullumbimby Rugby League Football Club Limited

ABN: 85 002 350 281

Financial Report For The Year Ended 30 September 2019

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MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 September 2019.

Directors

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

Adam Marshall McKenzie
Shane Diehm
Melanie Groves
Scott Henry Hogan
Daniel James Molenaar
Arthur Sauverain appointed (6/02/2019)
Barry Victor Stenner
Michael William Pyke resigned (6/02/2019)
Christian Diehm resigned (6/02/2019)

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

Principal Activities

The principal activities of the company during the financial year were:

- To maintain a viable club, promoting rugby league as a priority and other sports in the community.
- The maintenance and improvement to the club including furnishings.
- Provided high quality facilities and grounds to our partners and stakeholders.
- Management of camping and improvement of facilities. Including large festivals and holiday periods. Recognising fund raising opportunities.
- Improvement to the grounds/watering systems and maintenance.
- The on-going commitment to manage senior league Giants
- The development of sponsorship opportunities for the MLC and partners.

Short-term and Long-term Objectives

The company's short and long-term objectives are to:

- Establishment of Senior Rugby League teams (Giants) and continued development.
- Continued development and improvement to the licensed club.
- On-going improvements to the camping facilities.
- Continued marketing and building sponsorship for the club.
- Maintenance and improvements to the grounds including golf course.

New Accounting Standards Implemented

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

Information on Directors

Adam Marshall McKenzie	—	Chairman
Qualifications	—	Local Business owner
Experience	—	Member of Board since 28/2/2007
Special Responsibilities	—	President; MJRLC liaison post 11/10/16, Giants
Shane Diehm	—	Secretary
Qualifications	—	Former police officer, Builder
Experience	—	Board member since 2/2/2012
Special Responsibilities	—	Giants
Melanie Groves	—	Director
Qualifications	—	Business owner, founder of Netball Players Association
Experience	—	Board member since 28/3/2018
Special Responsibilities	—	Ladies League TAG

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DIRECTORS' REPORT

Scott Henry Hogan	—	Treasurer
Qualifications	—	Local Business Owner, Baker
Experience	—	Board member since 9/2/2011
Special Responsibilities	—	Ground, bar and soccer liaison, Giants
Daniel James Molenaar	—	Director
Qualifications	—	Banana Grower
Experience	—	Board member since 15/5/2009
Special Responsibilities	—	Giants
Arthur Sauverain	—	Director
Qualifications	—	Retired teacher
Experience	—	Board members since 6/2/2019
Special Responsibilities	—	Golf Liaison, Oztag
Barry Victor Stenner	—	Director
Qualifications	—	Retired Teacher/Principal
Experience	—	Board member since 28/3/2004, has previously been Secretary, Treasurer and President. Life member of the Club.
Special Responsibilities	—	Oztag liaison, Giants
Michael William Pyke	—	Director
Qualifications	—	Horticulturist
Experience	—	Board member since 28/2/2007
Special Responsibilities	—	Ground staff liaison
Christian Diehm	—	Director
Qualifications	—	Lawn maintenance
Experience	—	Board member since 11/2/2015
Special Responsibilities	—	Touch liaison post

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Adam Marshall McKenzie	12	10
Shane Diehm	12	12
Melanie Groves	12	11
Scott Henry Hogan	12	10
Daniel James Molenaar	12	9
Arthur Sauverain	12	6
Barry Victor Stenner	12	12
Michael William Pyke	3	2
Christian Diehm	3	2

The company 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 \$1 each towards meeting any outstanding obligations of the company. At 30 September 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$300 (2018: \$325).

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DIRECTORS' REPORT

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

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

Section 41J of the Act defines core property as meaning any real property owned or occupied by the Club that comprises:-

- (a) the defined premises of the club, or
- (b) any facility provided by the club for use of its members and their guests' or
- (c) any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, not to be core property of the Club.

Non-core property is defined as meaning any real property owned or occupied by the Club that is not core property.

Reviewer's Independence Declaration

The lead reviewer's independence declaration for the year ended 30 September 2019 has been received and can be found on page 4 of the financial report.

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



Director

Adam Marshall McKenzie

Dated this 20th day of November 2019

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
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REVIEWER'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

WFD Assurance Services Pty Ltd

Name of Firm WFD Assurance Services Pty Ltd

B. Dunnett

Name of Partner Barry Dunnett

Date 19/11/2019

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

Registered Office
39 Wharf Street
Tweed heads, NSW 2485

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 \$	2018 \$
Revenue	2	759,574	707,669
Other income	2	56,604	6,364
Expenses			
- Employee benefits (excluding camping wages)	3(a)	(145,362)	(129,660)
- Cost of sales	3(c)	(134,384)	(126,617)
- Giants	13	(105,489)	(111,862)
- Camping (including wages)	3(a)	(67,048)	(53,198)
- Fuel, light and power		(59,245)	(50,706)
- Repairs and maintenance		(53,848)	(84,265)
- Sponsorship	3(d)	(31,148)	(36,219)
- Depreciation	3(b)	(21,279)	(25,211)
- Raffles		(16,480)	(17,200)
- Insurance		(14,235)	(16,114)
- Entertainment		(8,751)	(14,230)
- Other		(72,048)	(56,404)
Profit/(loss) before income tax	2(a)	<u>86,861</u>	<u>(7,653)</u>
Tax expense	1(g)	-	-
Profit/(loss)for the year		<u><u>86,861</u></u>	<u><u>(7,653)</u></u>

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	\$	\$
Profit/(loss) for the year	<u>86,861</u>	<u>(7,653)</u>
Total comprehensive income for the year	<u><u>86,861</u></u>	<u><u>(7,653)</u></u>

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	159,180	113,602
Trade and other receivables		6,968	20,763
Inventories		13,335	12,235
Prepayments		14,391	13,550
Total current assets		<u>193,874</u>	<u>160,150</u>
Non-current assets			
Financial assets		214	214
Property, plant and equipment	5	367,737	314,569
Total non-current assets		<u>367,951</u>	<u>314,783</u>
TOTAL ASSETS		<u>561,825</u>	<u>474,933</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	85,306	85,976
Borrowings	7	750	750
Provisions		3,469	-
Total current liabilities		<u>89,525</u>	<u>86,726</u>
Non-current liabilities			
Trade and other payables	6	57,026	59,794
Total non-current liabilities		<u>57,026</u>	<u>59,794</u>
TOTAL LIABILITIES		<u>146,551</u>	<u>146,520</u>
NET ASSETS		<u>415,274</u>	<u>328,413</u>
EQUITY			
Retained surplus		415,274	328,413
TOTAL EQUITY		<u>415,274</u>	<u>328,413</u>

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Retained Earnings \$	Total \$
Balance at 1 October 2017	336,066	336,066
Comprehensive Income		
Profit/(loss) for the year	(7,653)	(7,653)
Total comprehensive income attributable to the entity	(7,653)	(7,653)
Balance at 30 September 2018	328,413	328,413
Balance at 1 October 2018	328,413	328,413
Comprehensive Income		
Profit/(loss) for the year	86,861	86,861
Total comprehensive income attributable to the entity	86,861	86,861
Balance at 30 September 2019	415,274	415,274

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and patrons		854,578	769,507
Payments to suppliers, employees and ATO		(786,889)	(760,839)
Interest received		104	4
Net cash (used in)/generated from operating activities		<u>67,793</u>	<u>8,672</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of poker machine entitlements		55,000	-
Payment for property, plant and equipment		(74,447)	-
Net cash from/(used in) investing activities		<u>(19,447)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(2,768)	-
Net cash from/(used in) financing activities		<u>(2,768)</u>	<u>-</u>
Net increase in cash held		45,578	8,672
Cash on hand at beginning of the financial year		113,602	104,930
Cash on hand at end of the financial year	4	<u><u>159,180</u></u>	<u><u>113,602</u></u>

The accompanying notes form part of these financial statements.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Mullumbimby Rugby League Football Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

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

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

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

The financial statements were authorised for issue on 20 November 2019 by the directors of the company.

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Revenue from camping is recognised upon use of campsite by patrons.

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

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

Revenue from canteen sales is recognised when food is acquired by patrons.

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

Sponsorship revenue is recognised upon invoice to the sponsor; this amount is determined in accordance with the amount pledged and the timing with which the agreed pledge will flow to the Company.

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

Revenue from competition and green fees are recognised when the golf course is used by playing patrons for such purposes. The receipt of fees and playing of golf usually occurs in the same timeframe.

Donations and bequests are recognised as revenue when received.

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

(b) Property, Plant and Equipment

The entity applies the cost model as its accounting policy to property, plant and equipment.

Freehold Property

Freehold land is shown at cost.

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

Plant and Equipment

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 - 5%
Plant and equipment	6 - 50%

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

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

(c) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or amortised cost using the effective interest method.

(i) *Loans and receivables*

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

(ii) *Financial liabilities*

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

Impairment

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

Derecognition

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

(d) Impairment of Assets

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

(e) Cash and Cash Equivalents

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

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

(f) Goods and Services Tax (GST)

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

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

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

(g) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(h) Comparative Figures

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

(i) Trade and Other Payables

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

(j) Critical Accounting Estimates and Judgements

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

Key estimates

There were no significant key estimates undertaken in this financial year.

Key judgements

Depreciation

Assessments are made on the useful lives of fixed assets. Depreciation rates are set accordingly.

(k) Economic Dependence

Mullumbimby Rugby League Football Club Limited is dependent on the members and camping patrons for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the members and camping patrons will not continue to support Mullumbimby Rugby League Football Club Limited.

Note 2 Revenue and Other Income

	Note	2019 \$	2018 \$
Revenue			
Revenue from government grants and operating activities			
— Camping		314,544	247,569
— Bar sales		232,923	251,554
— Giants	2(b)/13	99,590	110,545
— Canteen and coffee sales		39,288	34,003
— Ground hire & signage		34,501	25,163
— Raffles, donations & membership fees		19,277	22,837
— Other		19,347	15,994
		<u>759,470</u>	<u>707,665</u>
Other revenue			
— Interest received		104	4
		<u>759,574</u>	<u>707,669</u>
Total revenue		<u>759,574</u>	<u>707,669</u>
Other income			
— Gain on disposal of poker machine entitlements	2(a)	55,000	-
— Insurance payout		1,604	6,364
Total other income		<u>56,604</u>	<u>6,364</u>
Total revenue and other income		<u>816,178</u>	<u>714,033</u>

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

(a) Sale of poker machine entitlements

The sale of a block of poker machine entitlements - as a contribution to the cost of the amenities block- has had a material impact on the company's profit before income tax as follows

	2019	2018
	\$	\$
— Profit/(loss) excluding sale of poker machine entitlements	31,861	(7,653)
— Add sale of poker machine entitlements	55,000	-
— Profit/(loss) including sale of poker machine entitlements	<u>86,861</u>	<u>(7,653)</u>

(b) Internal transactions between Club Ltd and Giants have not been eliminated on aggregation.

This includes receipts from Club Limited of \$12,273 and \$11,697 for sponsorship, share canteen & ground signs respectively, as shown in note 13.

Note 3 Expenses

	Note	2019	2018
		\$	\$
(a) Employee benefits expense:			
— Employee benefits expense including contributions to defined contribution superannuation funds			
— excluding camping wages		145,362	129,660
— included in camping		35,982	21,160
Total employee benefits expense		<u>181,344</u>	<u>150,820</u>
(b) Depreciation and amortisation:			
— Buildings		338	339
— Plant and equipment		20,941	24,872
Total depreciation and amortisation		<u>21,279</u>	<u>25,211</u>
(c) Cost of sales			
— Bar sales	2	232,923	251,554
— Bar cost of sales		<u>(112,314)</u>	<u>(109,691)</u>
Gross margin		<u>120,609</u>	<u>141,863</u>
— Canteen sales		38,893	32,815
— Canteen cost of sales		<u>(22,070)</u>	<u>(16,926)</u>
Gross margin		<u>16,823</u>	<u>15,889</u>
— Total sales		271,816	284,369
— Total cost of sales		<u>(134,384)</u>	<u>(126,617)</u>
Total Gross margin		<u>137,432</u>	<u>157,752</u>

(d) Internal transactions between Club Ltd and Giants have not been eliminated on aggregation. Sponsorship includes payments to Giants of \$12,273 and \$11,697 for sponsorship, share canteen & ground signs respectively, as shown in note 13.

Note 4 Cash and Cash Equivalents

	2019	2018
	\$	\$
CURRENT		
Cash at bank – unrestricted	153,177	107,185
Cash on hand	6,003	6,417
Total cash on hand as stated in the statement of financial position and statement of cash flows	<u>159,180</u>	<u>113,602</u>
	<u>159,180</u>	<u>113,602</u>

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

Note 5 Property, Plant and Equipment

	Note	2019 \$	2018 \$
LAND AND BUILDINGS			
Freehold land:			
— At cost		107,956	107,956
Total land		<u>107,956</u>	<u>107,956</u>
Buildings:			
— At cost		140,093	140,093
— Less accumulated depreciation		(137,156)	(136,818)
Total buildings		<u>2,937</u>	<u>3,275</u>
Total land and buildings		<u>110,893</u>	<u>111,231</u>
PLANT AND EQUIPMENT			
Plant and equipment:			
— At cost		344,256	453,667
— Less accumulated depreciation		(240,504)	(328,974)
		<u>103,752</u>	<u>124,693</u>
GOLF COURSE IMPROVEMENTS			
— At cost		9,200	9,200
— Less accumulated depreciation		(9,200)	(9,200)
		<u>-</u>	<u>-</u>
CAPITAL WORKS IN PROGRESS (CWIP)			
— At cost	5(a)	153,092	78,645
		<u>153,092</u>	<u>78,645</u>
Total plant and equipment		<u>256,844</u>	<u>203,338</u>
Total property, plant and equipment		<u>367,737</u>	<u>314,569</u>

(a) The new amenities block is classified as capital works in progress at 30 September 2019, pending commissioning in the 2020 financial year. Your attention is drawn to notes 8 and 12.

Movements in Carrying Amounts

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

	Note	Land \$	Buildings \$	Plant and Equipment \$	Capital Works in Progress \$	Total \$
2019						
Balance at the beginning of the year		107,956	3,275	124,693	78,645	314,569
Additions at cost	13	-	-	-	74,447	74,447
Depreciation expense		-	(338)	(20,941)	-	(21,279)
Carrying amount at the end of the year		<u>107,956</u>	<u>2,937</u>	<u>103,752</u>	<u>153,092</u>	<u>367,737</u>

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

Note 6 Trade and Other Payables

	Note	2019 \$	2018 \$
CURRENT			
Trade payables		22,196	20,427
Sundry payables and accrued expenses, including sponsorship		18,434	19,597
GST payable		1,025	4,155
Payroll liabilities		12,007	10,153
Grant received in advance	6(b)	25,000	25,000
Other- Byron Shire Council	6(c)	6,644	6,644
		85,306	85,976
NON-CURRENT			
Other- Byron Shire Council	6(c)	57,026	59,794
		57,026	59,794
		2019 \$	2018 \$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
— Total current		85,306	85,976
— Total non-current		57,026	59,794
		142,332	145,770
Less deferred income		(25,000)	(25,000)
Financial liabilities as trade and other payables	11	117,332	120,770

(b) Grant received in advance

A non-recurrent grant of \$25,000 was secured under the Sport Facility Program administered through Sport and Recreation, a division of the Office of Sport (NSW Government) in the 2015 financial year.

This was awarded for the construction of the new amenities block.

The recognition of the funding in the company's profit & loss statement will coincide with the use of the amenities block. At the date of this report, the block has not been commissioned..

Your attention is drawn to Note 5(a).

(c) Section 64 Contribution – Liability to Byron Shire Council

On 20 September 2018 it was resolved

1. That Byron Shire Council levy s64 contributions due to be paid by the Mullumbimby Rugby League Club for DA 10.2016.125.1, but at the 2004 rate be paid over a 10 year period.
2. That Byron Shire Council enter into negotiations with the Mullumbimby Rugby League Club to supply recycled water to the site to a dual reticulation standard as a part of the Main Arm Recycled Water Scheme.
3. That the cost of supplying the recycled water to the site be borne by Byron Shire Council (Water and Sewer s64 Funds).

Financial position - Balance sheet

At 30 September 2019, the company was indebted to Byron Shire Council for \$63,670, repayable in annual instalments of \$6,644. The section 64 contribution is considered integral to the new amenities block and has therefore been capitalised to the cost of the new amenities block. Your attention is drawn to note 5(a).

Note 7 Borrowings

	Note	2019 \$	2018 \$
CURRENT			
Unsecured loan		750	750
		750	750
Total borrowings	11	750	750

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

(a) Overdraft facilities

Post balance sheet date, an \$80,000 facility from Commonwealth bank has been secured

(b) Security provided

Security provided to Commonwealth Bank for the overdraft facilities:

A First Registered Mortgage by Mullumbimby Rugby League Football Club Ltd over Non Residential Real Property located at Lot 8 Manns (Mullumbimby) Road, Mullumbimby NSW 2484.

A First Registered Equitable Mortgage by Mullumbimby Rugby League Football Club Ltd over the whole of its assets and undertakings including uncalled capital.

Note 8 Events After the Reporting Period

Post balance sheet events and liquidity matters

The Board has estimated that the amenities block, inclusive of Council infrastructure costs, will have a cost of \$295,000, upon commissioning.

Costs to 30 September 2019 were approximately \$153,000 leaving a balance of \$142,000.

Costs to complete are likely to exhaust internal funding resources.

However the Board has been successful in its application for an \$80,000 overdraft facility, which is deemed sufficient for working capital purposes.

Note 9 Key Management Personnel Compensation

Key Management Personnel

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

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

	2019	2018
	\$	\$
KMP compensation:	105,658	75,916

Note 10 Other Related Party Transactions

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

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

Name of individual	Relationship	Details of transaction	Amount
			\$
S Hogan	Director/Mullum Bakery	Canteen supplies	4,924
A Diehm	Brother of Director/Aaron Diehm Carpentry	Amenities block construction	15,274
S Diehm	Director	Part-time management role	44,430
J Hoskin	Partner - Director S Diehm	Wages - canteen	13,895
Brooke family	Family - Manager S Brooke	Wages - canteen	1,069

Note 11 Financial Risk Management

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

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

	Note	2019	2018
		\$	\$
Financial assets			
— cash and cash equivalents	4	159,180	113,602
— trade and other receivables		6,968	20,763
— Available-for-sale financial assets		214	214
Total financial assets		166,362	134,579
Financial liabilities			
— trade and other payables	6(a)	117,332	120,770
— borrowings	7	750	750
Total financial liabilities		118,082	121,520

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

Note 12 Impact of New Standards

AASB 15 - Revenue

The entity's revenue recognition and measurement accounting principles are in agreement with the new revenue accounting standard. There has been no effect on the current or previous financial year.

AASB 16 - Leases

The entity has no operating leases to which the new lease standard would apply.

Note 13 Giants

Revenue recognised and expenses incurred in respect of Giants from the date of incorporation into MRLFC, are reported with those of Club LTD. In summary the results were:

	2019	2018
	\$	\$
Revenue		
— Sponsorships - external	51,309	50,834
— Gate takings, doubles	13,322	15,828
— Sponsorships (Club Limited)	12,273	12,000
— Share canteen, ground signs (Club Limited)	11,697	11,070
— Memberships, fundraising	10,989	20,813
	99,590	110,545
Expenses		
— Player payments	50,092	62,359
— Referees, functions, affiliations fees etc.	19,609	11,658
— Player uniforms	13,631	13,685
— Coaching fees	11,950	12,000
— CRL- insurance/regio	10,207	12,160
	105,489	111,862
Operating (loss) for the period	(5,899)	(1,317)

Note 14 Entity Details

The registered office of the entity is:

Mullumbimby Rugby League Football Club Limited
 LOT 8 MANN'S ROAD
 MULLUMBIMBY
 NSW 2482

The principal place of business is:

Mullumbimby Rugby League Football Club Limited
 LOT 8 MANN'S ROAD
 MULLUMBIMBY
 NSW 2482

Note 15 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the entity. At 30 September 2019 the number of members was 300.

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Mullumbimby Rugby League Football Club Limited, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 5 to 17, satisfy the requirements of the Corporations Act 2001
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Director

Adam Marshall McKenzie

Dated this 20th day of November 2019

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

Qualified Conclusion

We have reviewed the financial report of Mullumbimby Rugby League Football Club Limited (the company), which comprises the statement of financial position as at 30 September 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, except for the matter described in the basis for qualification paragraph, we have not become aware of any other matters that make us believe that the financial report of Mullumbimby Rugby League Football Club Limited is not in accordance with the Corporations Act 2001 including:

- i. giving a true and fair view of the company's financial position as at 30 September 2019 and of its performance for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis for Qualified Conclusion

The camping records were unsophisticated for October and November 2018 and did not provide a means for the Board to spot-check that receipts were completed for every stay. The entrenched practice required all patrons to insist on a receipt upon payment. We established that this practise wasn't followed by all patrons.

Consequently, we are unable to express a conclusion on completeness of camping revenue for this period, recorded as \$47,259. We are able to confirm the system whereby monies received from the camping manager were banked regularly for the financial year.

A new camping system was installed on 1 December 2018, providing better internal control to the company.

Emphasis of Matters

Without further modifying our conclusion, your attention is drawn to the following:

- i. Note 2(a) - the material impact on profit before tax from the sale poker machine entitlements.
- ii. Note 8 - all existing funds applied to complete the amenities block and the Board's success in obtaining an \$80,000 overdraft facility, post balance sheet date.

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

The directors are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 September 2019, but does not include the financial report and our auditor's review report thereon.

Our conclusion 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 review 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 review or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

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

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

MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED
ABN: 85 002 350 281
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
MULLUMBIMBY RUGBY LEAGUE FOOTBALL CLUB LIMITED

Reviewer's Responsibilities for the review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as 30 September 2019 and its performance for the year ended on that date; and complying with Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001. As the auditor of the Company, ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's name and signature:

Barry Dunnett



Name of firm:

WFD Assurance Services Pty Ltd

Address:

Office
11 Nunawading Crt
Robina, QLD 4226

Registered office
39 Wharf Street
Tweed Heads, NSW 2485

Dated this

21st

day of

November

2019