CLUB

Jervis Bay

"Always Essential within the Community"

President Report to Members - 2020

Dear Members,

Well 2020 has certainly been an unprecedented year. It began with some of the worst bushfires the Shoalhaven has ever encountered, followed up with floods and now we are all dealing with the COVID-19 pandemic.

At the end of March, the Club was forced into a mandatory shutdown. This lasted for 70 long days. In that time the Club took the opportunity to undertake renovations to the kitchen which has provided our Bayview with a far more efficient workspace and upgraded equipment. The Bayview trade has grown dramatically in the past 3 years and these renovations were long overdue. The upgrade will service well for the years ahead.

Building on the works undertaken in the previous two years to the Reception, TAB and Gaming area we also undertook some minor works such as new interior paint. I think we can all agree the Club looks great.

I am proud to say despite everything that has been thrown at us this year we have still posted a profit of $38,000 (approx.) a testament to the hard work of both the Board and Staff here at Club Jervis Bay. I would like to extend a sincere thanks to our management team who have worked tirelessly to make sure the Club was in a position not only to reopen after shutdown, but to ensure the processes and procedures were in place to allow the Club to begin successfully trading again. John West has done an amazing job as CEO his leadership and commitment has been outstanding.

Special mention also needs to go to Rita Muscat, Cassy Jenkins, Gordon Allen, Ben Crouch, Tanneal Jones, and Kim Williams.

I would also like to extend thanks to Sara Goodwin, who came to us from Morton & Cord as the Club's accountant and has done a fantastic job of assisting with the rebuilding and streamlining of the Club's accounts.

I have to say I am incredibly proud of the way in which the Club has operated throughout this time. Since we reopened the way in which the Club has to trade has changed dramatically, and the staff have been nothing short of amazing with their willingness to jump in and undertake all necessary tasks. We have extra cleaning staff, extra reception staff and a management team who is always looking out to make sure we are not only compliant with all the new rules, but go above and beyond to ensure the safety of our members and our guests.

I also want to thank all our members for adapting to all the new restrictions without a fuss and for your continued support throughout 2020.

Whilst I believe it will be a while before we can all return to 'normal' I am confident the Club will continue to grow and be recognised as the best little Club on the South Coast.

G Elliott

Gary Elliott
President
Club Jervis Bay

Treasurers Report to Members - 2020

Dear Members,

Total Assets	14,055,468.11
Total Liabilities	4,468,139.75
Total Equity	**9,587,328.36**

Income	17,333,308.27
Expenses	17,295,210.68
Net Profit	**38,097.59**

Department Snapshot	EOY Income	EOY Expenditure	EOY Total
Bar	1,374,601.21	$957,581.75	417,019.46
Gaming	12,807,734.55	11,087,030.83	1,720,703.72
Catering Bayview	1,669,447.98	1,649,174.62	20,273.36
Catering Café	148,833.28	20,864.85	127,968.43
Catering Pizza	448,174.94	287,701.95	160,472.99
Functions	2,926.28	751.59	2,174.69
Keno & Tab Commission	73,390.50	70,053.10	3,337.40
Social Activities	168,307.66	339,601.63	-171,293.97
Reception	93,442.43	229,915.57	-136,473.14
Bottle Shop	49,596.48	61.00	49,535.48
Other Income	496,852.96		496,852.96
General		2,625,890.28	-2,625,890.28
Other Expenses		26,583.51	-26,583.51
Total Profit/Loss	**17,333,308.27**	**$17,295,210.68**	**38,097.59**

Our new accounting system is highly efficient and operating to its full capacity.

Reviews to improve cost and efficiency of all Departments are performed monthly.

This financial year we have had to overcome the extreme events of bush fires, floods, and COVID-19.

I am extremely pleased to announce an End of Year profit of $38,097.59

We have a bright future ahead of us as we look to grow and create new experiences for our members and guests.

I would like to extend my heartfelt thanks to our members for your support, and express my sincere appreciation for the invaluable contribution made by our CEO and employees.

Elizabeth Abood
Treasurer

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2020.

Directors

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

ELLIOTT, Gary
ROACH, Robert
MENDOLA, John
NIMMO, Kevin
RUTHERFORD, Dennis
ABOOD, Elizabeth
HOSKINS, Lesley (to November 2019)
FETCH, Marilyn (from November 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 activity of the company during the financial year was the carrying on trade as a Registered Club.

Short-term and Long-term Objectives

The company's short-term objectives are:

- to trade profitably as a Registered Club
- to maintain the Club's current working capital
- to achieve the strongest financial position as possible

The company's long-term objectives are:

- to maintain and where possible update Club facilities
- to protect the member's assets

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- monitoring monthly results
- developing KPI's
- developing and following a long-term strategic plan

Information on Directors

ELLIOTT, Gary	–	President
Experience	–	6 years on the board
ABOOD, Elizabeth	–	Treasurer
Experience	–	3 years on the board

DIRECTORS' REPORT

ROACH, Robert	–	Director
Experience	–	30 years on the board
MENDOLA, John	–	Director
Experience	–	6 years on the board
NIMMO, Kevin	–	Director
Experience	–	5 years on the board
RUTHERFORD, Dennis	–	Director
Experience	–	5 years on the board
HOSKINS, Lesley	–	Director
Experience	–	1 year on the board
FETCH, Marilyn	–	Director
Experience	–	1 year on the board

Meetings of Directors

During the financial year, 12 meetings of directors were held and 4 special meetings. There were also 4 Board Executive Committee (BEC) meetings. Attendances by each director were as follows:

	Directors' Meetings (general)	
	Number eligible to attend	**Number attended**
ELLIOTT, Gary	12	11
ABOOD, Elizabeth	12	12
ROACH, Robert	12	8
MENDOLA, John	12	12
NIMMO, Kevin	12	12
RUTHERFORD, Dennis	12	12
HOSKINS, Lesley	4	2
FETCH, Marilyn	8	7

	Directors' Meetings (special)	
	Number eligible to attend	**Number attended**
ELLIOTT, Gary	4	2
ABOOD, Elizabeth	4	4
ROACH, Robert	4	2
MENDOLA, John	4	4
NIMMO, Kevin	4	4
RUTHERFORD, Dennis	4	4
HOSKINS, Lesley	2	1
FETCH, Marilyn	2	1

DIRECTORS' REPORT

	Board Executive Committee Meetings	
	Number eligible to attend	Number attended
ELLIOTT, Gary	4	4
ROACH, Robert	4	4
ABOOD, Elizabeth	4	4
ELLISON, GEOFFREY (invited specialist)	2	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 $2 each towards meeting any outstanding obligations of the entity.

Environmental regulations
The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory

Indemnification of auditors
To the extent permitted by law, the Company has agreed to indemnify its Auditors, Morton & Cord, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Morton & Cord during or since the financial year.

Proceedings on behalf of Company
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

New Accounting Standards Implemented

The Entity has implemented three new Accounting Standards that are applicable for the current reporting period.

AASB 15: *Revenue from Contracts with Customers*,

AASB 1058: *Income of Not-for-Profit Entities*

AASB 16: *Leases*

All have been assessed by the Directors and they have concluded that there are no effects to the financial statements.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 7 of the financial report.

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

Gary Elliott　　　　Elizabeth Abood

25 August 2020

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF CLUB JERVIS BAY CLUB LIMITED

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Club Jervis Bay Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

i. no contraventions of the auditor 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.

Morton + Cord

Morton & Cord

Michael Lees

25 August 2020

21 Moss Street Nowra NSW 2541

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
Revenue	2	6,171,076	7,205,994
Other income	2	758,604	481,493
		6,929,680	7,687,487
Cost of goods sold		(1,345,624)	(1,498,924)
Employee benefits expense		(3,017,109)	(3,179,916)
Depreciation and amortisation expense	3b	(470,455)	(388,254)
Bar operating expenses		(9,571)	(11,567)
Poker machine operating expenses		(474,591)	(588,301)
Catering expenses		(54,143)	(47,928)
TAB and Keno operating expenses		(3,771)	(9,031)
Promotions and entertainment expenses		(141,846)	(315,679)
Occupancy expenses		(540,902)	(529,532)
Borrowing costs		(141,388)	(148,064)
Social activities expenses		(269,595)	(306,578)
Other expenses		(422,587)	(633,115)
Profit before income tax		38,098	30,598
Income tax expense	4	-	-
Profit for the year		38,098	30,598
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
Profit attributable to members of the entity		38,098	30,598
Total comprehensive income attributable to members of the entity		38,098	30,598

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020	2019
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	742,893	751,443
Trade & other receivables	6	200,056	26,377
Inventories	7	77,084	74,004
Other assets	8	111,759	267,841
Other investments	9	8,163	8,163
TOTAL CURRENT ASSETS		1,139,956	1,127,828
NON-CURRENT ASSETS			
Intangible assets	10	74,342	74,342
Property, plant and equipment	11	12,841,978	12,732,607
TOTAL NON-CURRENT ASSETS		12,916,320	12,806,949
TOTAL ASSETS		14,056,276	13,934,777
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	872,138	1,009,559
Provision for employee benefits	13	255,872	258,930
Income in advance	14	4,250	22,578
Interest bearing loans and borrowings	15	692,932	742,967
TOTAL CURRENT LIABILITIES		1,825,192	2,034,034
NON-CURRENT LIABILITIES			
Trade and other payables	12	460,117	-
Provision for employee benefits	13	33,829	41,352
Income in advance	14	42,756	26,322
Interest bearing loans and borrowings	15	2,107,054	2,283,839
TOTAL NON-CURRENT LIABILITIES		2,643,756	2,351,513
TOTAL LIABILITIES		4,468,948	4,385,547
NET ASSETS		9,587,328	9,549,230
EQUITY			
Retained earnings		7,733,151	7,695,053
Reserves		1,854,177	1,854,177
TOTAL EQUITY		9,587,328	9,549,230

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2020

	Note	Retained Earnings	Revaluation Surplus	Total
		$	$	$
Balance at 1 July 2018		7,664,455	1,854,177	9,518,632
Comprehensive income				
Profit (loss) for the year		30,598	-	30,598
Other comprehensive income for the year:				
– Net fair value gain available-for-sale financial assets	-	-	-	-
Total comprehensive income attributable to members of the entity for the year		30,598	-	30,598
Balance at 30 June 2019		7,695,053	1,854,177	9,549,230
Balance at 1 July 2019		7,695,053	1,854,177	9,549,230
Comprehensive income				
Profit (loss) for the year		38,098	-	38,098
Other comprehensive income for the year:				
– Net fair value gain available-for-sale financial assets		-	-	-
Total comprehensive income attributable to members of the entity for the year		38,098	-	38,098
Balance at 30 June 2020		7,733,151	1,854,177	9,587,328

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,503,712	8,456,235
Payments to suppliers and employees		(6,560,148)	(8,680,841)
Interest received		7,424	5,369
Interest paid		(141,388)	(148,106)
Net cash generated from operating activities	22	809,580	(367,343)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		25,497	-
Payment for property, plant and equipment		(616,806)	(2,512,442)
Net cash used in investing activities		(591,309)	(2,512,442)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(427,330)	(493,236)
Increase in borrowings		200,510	3,520,042
Net cash generated by/(used in) financing activities		(226,820)	3,026,806
Net increase/(decrease) in cash held		(8,550)	147,021
Cash and cash equivalents at beginning of financial year		751,443	604,422
Cash and cash equivalents at end of financial year	5	742,893	751,443

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Club Jervis Bay 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 Company 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 stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 25 August 2020 by the Directors of the Company.

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

As of 30 June 2020, the Club's total current liabilities exceeded total current assets by $685,236 (2019: $934,583). Given the strong trading results achieved since June exceeding the conservative budgeted expectations, management have projected the Company will continue to generate positive cash flows of $1,205,591 for the 2021 financial year. Based on the above, the Directors have concluded that the use of the going concern assumption in the preparation of the financial statements is appropriate.

Accounting Policies

a. **Revenue**

The Entity has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058). The classification and measurement requirements of these standards have no material impact on the financial statements and no adjustments to equity were necessary in adopting the new standards.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

b. **Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

c. **Property, Plant and Equipment**

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the Directors conduct Directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

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 either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) 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.

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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	**Depreciation Rate**
Buildings	2.5%
Plant and equipment	15–30%
Poker machines	12.5-30%

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. **Leases**

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

e. **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 (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) 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 immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **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.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

g. **Employee Benefits**

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

h. **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.

i. **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.

j. **Income Tax**

The Income Tax Assessment Act 1997 (Amended) provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities. Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

k. **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. **Comparative Figures**

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

m. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company 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.

n. **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

(i) *Valuation of freehold land and buildings*

The freehold land and buildings were independently valued and adopted at 30 June 2018 by Walsh & Monaghan Valuers. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of $976,385 being recognised for the year ended 30 June 2018.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Key judgements

(i) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal Company policy that requires annual leave to be used within 18 months), the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(ii) Poker machine licences

The Company holds poker machine licences either acquired through a past business combination or granted at no consideration by the NSW government. AIFRS requires that licences outside of a pre AIFRS transaction business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to the profit and loss to recognise the grant immediately as income. Until new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the Company has determined that fair value at grant date for licences granted pre April 2002 to be zero. Should licences be granted to the Company post April 2002 they will be initially recognised at fair value. The Company has determined that the market for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

(iii) Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is *probable* that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

o. **Fair Value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

p. NSW Bushfire Crisis

A reduction in tourism in the greater Shoalhaven region and the forced evacuation orders in January 2020 saw trade decrease significantly in comparison to previous years. The bushfires in NSW lasted from December 2019 to January 2020.

q. COVID-19

The Company was placed into forced shut down between 23 March 2020 and 1 June 2020 due to the COVID-19 pandemic. This materially impacted trading. The Company has implemented the following measures to mitigate the financial impacts including;

- Applying for and receiving JobKeeper and Cash Flow Boost payments
- 25% NSW payroll tax concession
- Suspended bank loan repayments to the National Australia Bank for a period of six months ending September 2020
- Poker machines finance leases payments suspended by the suppliers until July 2020.
- Poker machine tax for the quarter ended 29 February 2020 has been deferred until September 2020 as per announcements from the NSW State Government COVID-19 concessions.

The Company is continuing to monitor the situation and adjust its continuity measures as the situation evolves. The Club continues to assess the potential short-term and long-term impacts.

The duration and intensity of this global health crisis and related disruptions is uncertain. As at the date of this report given the fluid and evolving nature of COVID-19, the Club is unable to assess the medium to long term impact COVID-19 may have on the Club's ability to trade without further restrictions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUE AND OTHER INCOME

		Note	2020	2019
			$	$
Revenue				
Trading income				
–	bar sales		1,352,673	1,669,041
–	bistro revenue		1,818,281	2,218,463
–	pizza & gelato bar		448,175	200,333
–	keno commission		61,009	91,891
–	poker machine revenue		2,428,960	2,999,888
–	TAB commission		12,382	26,378
–	Bottle shop sales		49,596	-
			6,171,076	7,205,994
Other income				
–	interest received		7,424	5,369
–	member subscriptions		44,502	25,797
–	other revenue		53,726	136,990
–	social activities		168,308	229,122
–	renovation contributions		-	84,215
–	Insurance recoveries		77,144	-
–	JobKeeper		345,000	-
–	Cash flow boosts		62,500	-
Total other income			758,604	481,493
Total revenue and other income			6,929,680	7,687,487

NOTE 3: PROFIT FOR THE YEAR

		Note	2020	2019
	Expenses			
a.	Employee benefits expense:			
	– contributions superannuation funds		236,699	260,057
	– adjustments for accounting estimate change in employee entitlements	1.g	(10,581)	23,020
			226,118	283,077
b.	Depreciation and amortisation:			
	– land and buildings		106,836	107,737
	– plant and equipment		363,619	280,517
	Total depreciation and amortisation		470,455	388,254

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4: INCOME TAX

(a) The major components of income tax expense for the years ended 30 June 2020 and 2019 are:

	2019	2018
Current income tax charge:	$	$
Current income tax charge	-	-
Deferred tax:		
Relating to the origination and reversal of temporary differences	-	-
Adjustments relating to prior year	-	-
Income tax expense reported in the statement of profit and loss and other comprehensive income	-	-

(b) A reconciliation of tax expense and the accounting profit multiplied by Australia's domestic tax rate for the years 2020 and 2019:

	2020	2019
	$	$
Accounting profit before tax	38,098	30,598
At Company's statutory tax rate of 27.5%	10,477	8,415
Add the tax effect of:		
Non-deductible member only expenses	287,564	330,679
Add the tax effect of:		
Other non-temporary differences	195,687	101,638
Tax losses deducted		-
Deductible expenses	(105,789)	(99,637)
Net income from members not subject to income tax	(300,295)	(337,691)
	77,167	3,404

(c) Deferred tax assets

	2020	2019
	$	$
(ii)DEFERRED TAX LIABILITIES:		
Fixed assets	22,957	28,796
	22,957	28,796
(ii)DEFERRED TAX ASSETS:		
Accruals	(30,080)	(11,908)
Provisions	24,879	14,426
Carried forward tax losses	377,592	298,545
	372,391	301,063
Net deferred tax asset	349,434	272,267

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which Club Jervis Bay Limited can utilise the benefits therein, noting that the Company does not pay tax on income subject to the principle of mutuality (refer Note 1.n (iii))

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: CASH AND CASH EQUIVALENTS

	2020	2019
	$	$
CURRENT		
Cash at bank	542,893	501,443
Cash on hand	200,000	250,000
	742,893	751,443

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT		
Trade debtors	81,330	26,377
ATM commission receivable	4,246	-
Keno commission receivable	481	-
Jobkeeper receivable	114,000	-
	200,057	26,377

NOTE 7: INVENTORIES

CURRENT		
At cost:		
Bar stock	52,493	50,995
Catering stock	24,591	17,564
Prize stock	-	5,445
	77,084	74,004

NOTE 8: OTHER ASSETS

CURRENT		
Prepayments	103,916	82,459
Other amounts recoverable	7,843	185,382
	111,759	267,841

NOTE 9: OTHER INVESTMENTS

CURRENT		
IAG shares	8,163	8,163
	8,163	8,163

NOTE 10: INTANGIBLE ASSETS

NON-CURRENT		
Poker machine entitlements	74,342	74,342
	74,342	74,342

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	$	$
Land and Buildings		
Land & improvements:		
– independent valuation - 2017	5,995,000	5,995,000
Total land & improvements	5,995,000	5,995,000
Buildings at fair value:		
– independent valuation - 2017	4,380,000	4,380,000
Less accumulated depreciation	(313,500)	(212,237)
Total club development	4,066,500	4,167,763
Total land and buildings	10,061,500	10,162,763
Poker Machines		
At cost	2,204,946	2,058,823
Less accumulated depreciation	(470,550)	(202,534)
Total Poker Machines	1,734,396	1,856,289
Plant & Equipment		
Bar equipment:		
At cost	343,300	389,868
Less accumulated depreciation	(242,449)	(291,085)
	100,851	98,783
Building improvements:		
At cost	339,846	199,849
Less accumulated depreciation	(7,789)	(2,216)
	332,057	197,633
Courtesy bus:		
At cost	160,432	160,432
Less accumulated depreciation	(143,623)	(139,744)
	16,809	20,688
Furniture & fittings:		
At cost	179,751	180,060
Less accumulated depreciation	(65,417)	(83,852)
	114,334	96,208
Motor vehicles:		
At cost	95,212	95,212
Less accumulated depreciation	(34,340)	(20,293)
	60,872	74,919
Office equipment:		
At cost	109,183	85,537
Less accumulated depreciation	(49,221)	(61,290)
	59,962	24,247

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	$	$
Kitchen equipment:		
At cost	258,852	110,355
Less accumulated depreciation	(92,622)	(79,602)
	166,230	30,753
The Cheesy Grin		
At cost	75,026	63,362
Less accumulated depreciation	(10,046)	(4,516)
	64,980	58,846
Solar panels:		
At cost	92,237	82,359
Less accumulated depreciation	(66,258)	(57,921)
	25,979	24,438
Air conditioning:		
At cost	117,284	90,217
Less accumulated depreciation	(13,276)	(3,168)
	104,008	87,049
Total plant and equipment	1,046,082	713,555
Total property, plant and equipment	12,841,978	12,732,607

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:

	Land and Buildings	Poker Machines	Plant and Equipment	Total
	$	$	$	$
2020				
Balance at the beginning of the year	10,162,763	1,856,289	713,555	12,732,607
Additions at cost	-	177,393	439,413	616,806
Revaluation	-	-	-	-
Reclassifications	-	-	-	-
Disposals	-	(31,270)	(5,710)	(36,980)
Depreciation expense	(101,263)	(268,016)	(101,176)	(470,455)
Carrying amount at the end of the year	10,061,500	1,734,396	1,046,082	12,841,978

Core Properties

The following are core properties:

- 8 Currambene Street, Huskisson NSW 2540

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: TRADE AND OTHER PAYABLES

	2020	2019
	$	$
CURRENT		
Trade payables	235,639	210,429
Other current payables	636,499	799,130
	872,138	1,009,559
NON-CURRENT		
Other non-current payables	460,117	-
	460,117	-

a. **Financial liabilities at amortised cost classified as trade and other payables**

	2020	2019
Trade and other payables:		
– total current	235,639	210,429
– total non-current	-	-
Financial liabilities as trade and other payables	235,639	210,429

NOTE 13: PROVISION FOR EMPLOYEE BENEFITS

	2020	2019
CURRENT		
Provision for employee benefits:		
Annual leave	234,588	173,899
Time in lieu	12,026	9,040
Long service leave	9,258	75,991
	255,872	258,930
NON-CURRENT		
Provision for employee benefits:		
Long service leave	33,829	41,352
	33,829	41,352
Total provision for employee benefits	289,701	300,282

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: PROVISION FOR EMPLOYEE BENEFITS

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

NOTE 14: INCOME IN ADVANCE

	2020	2019
	$	$
CURRENT		
Membership subscriptions in advance	4,250	22,578
	4,250	22,578
NON-CURRENT		
Membership subscriptions in advance	42,756	26,322
	42,756	26,322

NOTE 15: INTEREST BEARING LOANS AND BORROWINGS

	2020	2019
	$	$
CURRENT		
Lease liabilities	102,327	53,984
Bank Loan	500,000	625,334
Insurance funding loan	90,605	63,649
	692,932	742,967
NON-CURRENT		
Lease liabilities	69,385	121,504
Bank Loan	2,037,669	2,162,335
	2,107,054	2,283,839

In respect of the Bank loans, totalling $2,595,514 the bank holds a First Registered Mortgage over all the Company's property and a fixed and floating charge over all the Company's assets in support of its guarantee and loan.

Loan Facility Limits	
NAB – Business Markets Loan	2,537,669
NAB – Equipment loan	57,845
	2,595,514
Loan facilities available	
NAB – Business Markets Loan	2,537,669
NAB – Equipment loan	57,84
	2,595,514

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Due to the forced shut down from COVID-19 the Club was closed for trading from 23 March 2020 to 1 June 2020. This meant that the Club did not reach the $250,000 threshold for poker machine tax to be levied in the quarter ending 31 May 2020 and received a $nil payable invoice. The Club did subsequently reach $1,000,000 annually and could be liable to pay the March 2020 poker machine tax ($25,862) in a future period. The Club has sought to clarify its position with government bodies but at the date of this report has not received a response.

The Club has a mortality benefits scheme. As of 30 June 2020, there were 188 people eligible for the payment. The payment will be recognised when due and payable. The total potential liability is $75,200.

The directors do not believe that there are any other contingent assets or liabilities as at the date of this report.

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any other significant events since the end of the reporting period.

NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION

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 (KMP).

The Key Management Personnel of the Company during the year are:

Gary Elliott	President
Robert Roach	Vice President
Elizabeth Abood	Treasurer
John Mendola	Director
Dennis Rutherford	Director
Kevin Nimmo	Director
Lesley Hoskins	Director
Marilyn Fetch	Director
John West	Chief Executive Officer
Rita Muscat	Operations Manager
Kim Williams	Catering Manager

The total remuneration/honorarium paid to Key Management Personnel (KMP) of the Company during the year is as follows:

	2020	2019
	$	$
KMP compensation	418,041	474,218

NOTE 19: 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 persons unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 20: FAIR VALUE MEASUREMENTS

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	Note	2020	2019
		$	$
Recurring fair value measurements			
Property, plant and equipment			
Freehold land and buildings (i)	11	10,375,000	10,375,000
		10,375,000	10,375,000
Financial assets			
Financial assets at fair value through profit or loss:			
Available-for-sale financial assets:			
– shares in listed corporations (ii)	9	8,163	8,163
		8,163	8,163

(i) For freehold land and buildings, the fair values are based on a valuation, which used comparable market data for similar properties.

(ii) For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

NOTE 21: RESERVES

a. **Revaluation Surplus**

The revaluation surplus records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this reserve.

	Note	2020	2019
		$	$
Gain on revaluation of land and buildings	11	-	-
Gain on revaluation of financial assets	9	-	-
Movement in revaluation surplus		-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 22: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2020	2019
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	38,098	30,598
Depreciation	470,455	388,254
(Gain)/loss on sale of property, plant and equipment	11,483	-
Operating profit before changes in working capital and provisions	520,036	418,852
(Increase)/decrease in trade and other receivables	(173,679)	(26,377)
(Increase)/decrease in inventories	(3,080)	(18,745)
(Increase)/decrease in other assets	156,082	(186,292)
(Increase)/decrease in other non-current assets	-	1,615,959
(Decrease)/increase in trade and other payables	322,696	(2,167,777)
(Decrease)/Increase in provisions and employee benefits	(10,581)	23,020
(Decrease)/Increase of other liabilities	(1,894)	(25,983)
Net cash from operating activities	809,580	(367,343)

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Club Jervis Bay Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 33, 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 of the company as at 30 June 2020 and of its performance for the year ended on that date.

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.

Gary Elliott

Elizabeth Abood

25 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLUB JERVIS BAY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Club Jervis Bay Limited (the company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss, statement of 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.

In our opinion, the accompanying financial report of Club Jervis Bay Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

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

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

Impact of the Coronavirus (COVID-19) outbreak

We draw attention to Note 1(q) of the financial report which notes the World Health Organisations' declaration of the outbreak of COVID-19 as a global pandemic and how this has been considered by the Directors in the preparation of the financial report. As set out in Note 1(q), no adjustments have been made to the financial statements as of 30 June 2020 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLUB JERVIS BAY LIMITED

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

We communicate with the directors 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.

Morton + Cord

Morton & Cord | Michael Lees

25 August 2020

21 Moss Street Nowra NSW 2541