



2021

# ANNUAL FINANCIAL REPORT



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647 Mackay Avenue  
Yoogali NSW 2680

ABN: 43 001 055 723

**YOOGALI CLUB LTD**

**ABN: 43 001 055 723**

**FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2021**

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**REGISTERED OFFICE: 647 Mackay Avenue, Yoogali NSW 2680**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Yoogali Club Limited will be held at the club's premises at 647 Mackay Avenue, Yoogali on Thursday the 23rd of December 2021 commencing at 7pm.

In accordance with the Registered Clubs Act, an employee of the Club cannot vote at any meeting of the Club or for the election of the Board or be a Director of the Club.

To be admitted to the above meeting, members must produce their current Membership Card.

**AGENDA**

1. Apologies.
2. Confirmation of the minutes of the previous Annual General Meeting held on Tuesday the 29<sup>th</sup> of September 2020.
3. To receive, consider and adopt the financial reports of the company for the year ending 31<sup>st</sup> May 2021 and the reports by the Directors and Auditors thereon.
4. Confirmation of Livestock Audit Services Pty Ltd as Auditors for 2022.
5. To consider and, if thought fit, pass the special Resolutions Listed below:
  - (i) Change of board meetings from monthly to quarterly and it is also up to the boards discretion to meet any other time in between the minimum quarterly meetings.
6. To elect the Board of Directors in accordance with the requirements of the constitution of the company.
7. Appointment of Legal Advisor.
8. To consider and, if thought fit, pass the Ordinary Resolutions set out below;

**ORDINARY RESOLUTION NO 1:**

That pursuant to the Registered Clubs Act, the members hereby approve and agree to the Members of the Board during the twelve (12) month period preceding the 2021 Annual General Meeting receiving the following benefits and the members further acknowledge that the benefits outlined in the following sub-paragraphs are not available to the members generally but only to those members who are elected Directors of the Club:

- (i) A reasonable supper and refreshments to be associated with each Board Meeting of the Club;
  - (ii) The reasonable cost of Directors attending the Registered Clubs Association Annual General Meeting;
  - (iii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
  - (iv) The reasonable cost of Directors attending functions when representing the Club;
  - (v) That prior to Christmas, a reasonable meal and refreshments be provided for all staff members and their partners and Directors and their partners.
9. General Business: To transact any business that may be lawfully brought forward.
  10. Life Membership: To nominate Guiseppe Pangallo as a life member of the Yoogali Club Ltd.

Nominations for office bearers will close at the Club's office at 7pm on Thursday the 16th of December 2021. A special request is made to members who have any enquiries in relation to the financial reports, to provide this in writing and sent to Club's office no later than Thursday the 23rd of December 2021 so that the necessary research can be undertaken to accurately answer all questions.

By authority of the Board,

GR

**Guiseppe Romeo**

President – Yoogali Club Ltd

**DIRECTOR'S REPORT**  
**FOR THE YEAR ENDED 31 MAY 2021**

The directors present their report on the company for the financial year ended 31 May 2021.

**DIRECTORS**

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

Guiseppe Romeo

Malcolm Wilmot

Domenico Sergi

Francesco Violi

Vicenzo Cartisano

Anthony Trimboli

Anthony Taliano

Bruno Musitano

Anthony Zirilli (Resigned 28.01.2021)

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

## INFORMATION ON DIRECTORS

In accordance with Section 300(10) of the Corporations Act particulars of the qualifications, experience and special responsibilities of the company's directors are as follows:

| DIRECTOR          | SPECIAL<br>RESPONSIBILITIES | QUALIFICATIONS | EXPERIENCE           |
|-------------------|-----------------------------|----------------|----------------------|
| Guiseppe Romeo    | President                   | Sole Trader    | Appointed 23.05.2018 |
| Malcolm Wilmot    | Vice President - Senior     | Accountant     | Appointed 13.07.2005 |
| Domenico Sergi    | Vice President - Junior     | Farmer         | Appointed 23.05.2018 |
| Francesco Violi   | Treasurer                   | Farmer         | Appointed 29.08.2002 |
| Vicenzo Cartisano | Director                    | Carpenter      | Appointed 24.11.2011 |
| Anthony Trimboli  | Director                    | Farmer         | Appointed 28.04.2016 |
| Anthony Taliano   | Director                    | Sole Trader    | Appointed 23.05.2018 |
| Bruno Musitano    | Director                    | Builder        | Appointed 21.11.2018 |
| Anthony Zirilli   | Director                    | Accountant     | Resigned 28.01.2021  |

## Principal Activities

The principal continuing activities of the club is the encouragement and promotion of sport activities including soccer, touch football, cricket, darts and a range of other sports and the provision of recreational facilities for its members.

## Operating Results

The net profit of the company for the 2021 financial year amounted to \$32,340.

## Review of Operations

A review of the operations of the company during the financial and the results of those operations are as follows:

| INCOME                            | 2021      | 2020      |
|-----------------------------------|-----------|-----------|
| Bar Sales                         | 217,549   | 264,855   |
| Cost of Goods Sold                | (107,459) | (175,448) |
| Gross Profit                      | 110,090   | 89,407    |
| Commission                        | 26,182    | 42,315    |
| Interest Received                 | 13        | 4         |
| Poker Machine Income              | 974,088   | 999,578   |
| Rebates & Recoveries              | 24,123    | 72,846    |
| Other Revenue                     | 19,752    | 10,833    |
| Government Subsidies              | 120,257   | 34,999    |
| Gross profit on rental operations | 52,395    | 62,591    |
| Total Income                      | 1,326,900 | 1,312,573 |
| Less: Expenses                    | 1,294,560 | 1,230,449 |
| Net Profit before income tax      | 32,340    | 82,124    |
| Income Tax Expense                | -         | -         |
| Net Profit after income tax       | 32,340    | 82,124    |

## Financial Position

The retained profits of the company have increased by \$32,340 from \$221,112 at 31 May 2020 to \$253,452 at 31 May 2021. This movement is represented by a \$32,340 net profit for the year ended 31 May 2021. The revaluation reserves of the company have decreased by \$23,800 from \$2,931,825 at 31 May 2020 to \$2,908,025 at 31 May 2021, bringing the company's net assets to \$3,161,477.

## Significant Change in the State of Affairs

There have been no significant changes in the state of affairs of the company during the financial year.

## Covid-19

Due to the Covid-19 pandemic which has taken affect in Australia, businesses in the hospitality industry have been one of the most severely impacted and the Yoogali Club is no exemption. Given the reliance on functions, particularly large events, as well as poker machine revenue which is a driving factor from these function related activities, the Federal and associated State Government restrictions have had a significant impact on not only the 2020 financials but also the 2021 financials.

Fortunately, the company was able to seek government assistance where possible during the 4 months of shutdown which eased some financial pressure. At the moment, the company still relies on these assistance packages to help them navigate out of the pandemic because of restrictions which are still in place.

Looking ahead, the company is still engaged with all health and safety directions from the relevant entities and currently complies with all state and government practices to adhere to the Covid-19 requirements.

With restrictions slowly being eased the company anticipates that this can continue in the future so that trading can get back to normal before the pandemic hit. With the exception of the club being closed between Monday 11/10/2021 and Wednesday 01/12/2021 due to the current Covid-19 restrictions.

#### **Events after the Reporting Date**

It was the decision of the directors to close the club for the period between Monday 11/10/2021 and Wednesday 01/12/2021 due to the current Covid-19 restrictions.

#### **Indemnification and Insurance of Officers and Auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company. No director has received or become entitled to receive during or since the end of the financial year, a benefit of a contract made by the company or a related body corporate with the director, a firm of which the director is a member or a company in which the director has a substantial financial interest, other than Malcolm Scott Wilmot, who is an employee of Roy Spagnolo and Associates, who have acted as accountants for the company since 2004 as well as Anthony Taliano, who is a director for Real Juice Company which supplies water and juice to the company from time to time and also Domenic Sergi, who is the son of Rosa Sergi, who is the owner of Yoogali Kitchen Pty Ltd which provides contract food catering for the Yoogali Club Ltd.

#### **Key Performance Indicators**

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short term and long-term objectives are being achieved.

#### **Member Guarantee**

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 entity. At 31 May 2021, the total amount that the members of the company are liable to contribute if the company is wound up is \$513.

#### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under Section 370C of the Corporations Act 2001 is attached to this financial report.

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

**President:**



Mr Giuseppe Romeo

**Director:**



Mr Francesco Violi

**Dated this 28th day of November 2021**

**DIRECTOR'S DECLARATION**  
**FOR THE YEAR ENDED 31 MAY 2021**

The directors of the Yoogali Club Limited declare that:

1. The financial statements and notes present fairly the company's financial position as at 31 May 2021 and are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 May 2021 and of the performance for the year ended on that date of the company;
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.

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

**President:**



Mr Giuseppe Romeo

**Director:**



Mr Francesco Violi

**Dated this 28th day of November 2021**



**Independent Auditor's Report**

**To the Members of Yoogali Club Limited**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of Yoogali Club Ltd ("the Company") which comprises the statement of financial position as at 31 May 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 May 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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.

Level 1, Suite 4 576 Kiewa Street  
Albury NSW 2640  
Australia

**Phone:** +61 2 6021 3222  
**Email:** warwick@livestockaudit.com

We confirm that the independence declaration required by the *Corporations Act 2001*, given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### **Material Uncertainty Regarding Going Concern**

We draw attention to Note 1 (a) in the financial report, which indicates:

The impact of COVID-19 and Government restrictions has had and continues to have a detrimental impact on the Company which has a high reliance on large functions along with ongoing bar and poker machine trade. Government assistance has been received and continues to be received however the full impact of the pandemic on the Company will not be evident until future periods.

The Company recorded a net profit during the year ended 31 May 2021, however the company had previously incurred consecutive losses in the prior years; that said the Unaudited Management Accounts to 31 October 2021 disclose a trading surplus after allowing for any Government assistance received.

As stated in Note 1 (a), these conditions, along with other matters as set forth in Note 1 (a), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. 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 31 May 2021, 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes 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 ability of the Company 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 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.

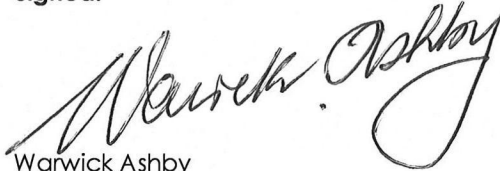
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Signed:**

A handwritten signature in black ink, appearing to read 'Warwick Ashby', written in a cursive style.

Warwick Ashby  
Director  
Livestock Audit Services Pty Ltd  
Registered Audit Company No. 490443

Level 1, Suite 4  
576 Kiewa Street  
Albury NSW 2640

Dated this 28 November 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF YOOGALI CLUB LIMITED**

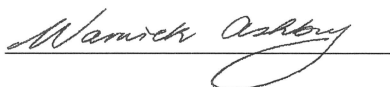
I declare that, to the best of my knowledge and belief, during the year ended 31 May 2021 there have been:

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

**Name of Auditor:** Warwick Ashby  
Director  
Livestock Audit Services Pty Ltd - Registered Audit Company No. 490443

**Address:** Level 1, Suite 4, 576 Kiewa Street, Albury NSW

**Signed:**



**Dated this 28<sup>th</sup> day of November 2021**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MAY 2021**

|  | <b>Note</b> | <b>2021</b><br><b>(\$)</b> | <b>2020</b><br><b>(\$)</b> |
|--|-------------|----------------------------|----------------------------|
| Revenue from ordinary activities               | <b>2</b>    | 1,434,359                  | 1,487,210                  |
|  |             | <u>1,434,359</u>           | <u>1,487,210</u>           |
| Changes in Inventories                         | <b>4</b>    | (1,788)                    | (11,451)                   |
| Raw materials and consumables used             | <b>4</b>    | (105,671)                  | (163,997)                  |
| <b>Expenditure</b>                             |             |                            |                            |
| Advertising expenses                           |             | (401)                      | (577)                      |
| Auditors & accountants' remuneration           | <b>3</b>    | (15,000)                   | (12,200)                   |
| Direct gaming expenses                         |             | (723,983)                  | (723,983)                  |
| Depreciation and amortisation expenses         | <b>4</b>    | (79,543)                   | (78,159)                   |
| Employee expenses                              | <b>4</b>    | (143,972)                  | (160,682)                  |
| Finance costs                                  | <b>4</b>    | (27,088)                   | (33,388)                   |
| Other expenses                                 |             | (83,924)                   | (220,649)                  |
|  |             | <u></u>                    | <u></u>                    |
| <b>Profit for the year</b>                     |             | <b>32,340</b>              | <b>82,124</b>              |
|  |             | <u></u>                    | <u></u>                    |
| <b>Total comprehensive income for the year</b> |             | <b>32,340</b>              | <b>82,124</b>              |
|  |             | <u><u></u></u>             | <u><u></u></u>             |

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2021

|                                      | Note | 2021<br>(\$)     | 2020<br>(\$)     |
|--------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                        |      |                  |                  |
| <b>CURRENT ASSETS</b>                |      |                  |                  |
| Cash and cash equivalents            | 5    | 104,894          | 94,416           |
| Trade and other receivables          | 6    | 51,894           | 19,086           |
| Inventories                          | 7    | 16,734           | 18,522           |
| Other current assets                 | 8    | 13,877           | 17,212           |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>187,399</b>   | <b>149,236</b>   |
| <b>NON-CURRENT ASSETS</b>            |      |                  |                  |
| Property, plant and equipment        | 9    | 3,220,872        | 3,244,616        |
| Intangible assets                    | 9    | 408,700          | 432,500          |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>3,629,572</b> | <b>3,677,116</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>3,816,971</b> | <b>3,826,352</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |
| <b>CURRENT LIABILITIES</b>           |      |                  |                  |
| Trade and other payables             | 10   | 58,138           | 64,616           |
| Borrowings                           | 11   | 75,181           | 79,851           |
| Provisions                           | 12   | (20,619)         | (34,716)         |
| Other current liabilities            | 13   | 15,500           | 6,700            |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>128,200</b>   | <b>116,451</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |      |                  |                  |
| Borrowings                           | 11   | 527,294          | 556,963          |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>527,294</b>   | <b>556,963</b>   |
| <b>TOTAL LIABILITIES</b>             |      | <b>655,494</b>   | <b>673,414</b>   |
| <b>NET ASSETS</b>                    |      | <b>3,161,477</b> | <b>3,152,938</b> |
| <b>EQUITY</b>                        |      |                  |                  |
| Reserves                             | 14   | 2,908,025        | 2,931,825        |
| Retained earnings                    | 15   | 253,452          | 221,113          |
| <b>TOTAL EQUITY</b>                  |      | <b>3,161,477</b> | <b>3,152,938</b> |

# STATEMENT OF CHANGES IN EQUITY

AS AT 31 MAY 2021

|  | Retained<br>Earnings  | Asset Revaluation<br>Reserve | Total                   |
|--|-----------------------|------------------------------|-------------------------|
|  | \$                    | \$                           | \$                      |
| <b>Balance at 31 May 2020</b>                      | <u>221,113</u>        | <u>2,931,825</u>             | <u>3,152,938</u>        |
| Profit/(Loss) attributed to equity shareholders    | 32,340                | -                            | 32,340                  |
| Movement of Valuation – Water Entitlements         | -                     | (23,800)                     | (23,800)                |
| Movement of Valuation – Poker Machine Entitlements | -                     | -                            | -                       |
| <b>Balance at 31 May 2021</b>                      | <u><b>253,453</b></u> | <u><b>2,908,025</b></u>      | <u><b>3,161,478</b></u> |



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MAY 2021**

|  | <b>2021</b>     | <b>2020</b>      |
|--|-----------------|------------------|
|  | <b>(\$)</b>     | <b>(\$)</b>      |
| <b>Cash Flows From Operating Activities</b>                |                 |                  |
| Receipts from Customers                                    | 630,451         | 870,539          |
| Payment to Suppliers & Employees                           | (515,636)       | (641,757)        |
| Interest & Other Cost of Finance Paid                      | (17,661)        | (24,034)         |
| <b>Net cash provided by (used in) operating activities</b> | <b>97,154</b>   | <b>204,748</b>   |
| <b>Cash Flows from Investing Activities</b>                |                 |                  |
| Interest Received  | 13              | 4                |
| Payment for Property, Plant & Equipment                    | (55,799)        | (189,944)        |
| Proceeds from Sale of Plant & Equipment                    | -               | -                |
| <b>Net cash provided by (used in) Investing Activities</b> | <b>(55,786)</b> | <b>(189,940)</b> |
| <b>Cash Flows From Financing Activities</b>                |                 |                  |
| Repayments of Borrowings                                   | (30,889)        | (24,767)         |
| <b>Net cash provided by (used in) Financing Activities</b> | <b>(30,889)</b> | <b>(24,767)</b>  |
| Net increase (decrease) in cash held                       | 10,479          | (9,959)          |
| Cash at Beginning of Financial Year                        | 94,416          | 104,375          |
| <b>Cash at end of year</b>                                 | <b>104,895</b>  | <b>94,416</b>    |

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MAY 2021**

The financial statements are for the Yoogali Club Ltd as an individual entity, incorporated and domiciled in Australia. Yoogali Club Ltd is a company limited by guarantee.

#### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporation 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 significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

##### **Accounting Policies**

###### **(a) Going Concern**

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

The impact of COVID-19 and Government restrictions has had a detrimental impact on the Company which has a high reliance on large functions such as weddings to support its revenue. With the Government assistance that has been received and unknown future economic outlook, the full impact of the pandemic on the Company will not be determined until proceeding financial years.

It was the decision of the directors to close the club for the period between Monday 11/10/2021 and Wednesday 01/12/2021 due to the current Covid-19 restrictions.

It is to be noted that mitigating factors in relation to the going concern basis include:

- The positive cashflow from operating activities of \$97,154 for the year ended 31 May 2021;
- The Government assistance received by the Company

In the opinion of the directors, the ability of the company and to continue as a going concern and pay their debts as and when they become due and payable is dependent upon:

- The future trading prospects of the company.
- The future impacts of COVID-19 and associated Government measures

If the company is unable to achieve successful outcomes in relation to the above matters, significant uncertainty would exist as to the ability of the company to continue as a going concern and therefore, they

may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

No adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and consolidated entity not continue as going concerns.

#### **(b) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers, interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from rendering of services is recognised upon delivery of the service to the customers.

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

COVID-19 stimulus packages and Government assistance have been recorded in the financial statements on an accruals basis and recognised in the period in which the payment is related.

#### **(c) Inventories**

Inventories are measured at the lower of cost and the current replacement cost. Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

#### **(d) Property, Plant and Equipment**

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

#### **Core Property**

Core property of the company refers to any real property owned or occupied by the club that comprises:

- (i) the premises of the club, or
- (ii) any facility provided by the club for the use of its members and their guests, or
- (iii) any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club,

but does not include any property referred to in paragraphs (i)–(iii) that is declared, by a 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.

#### **Freehold land and buildings**

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent values, 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.

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 valued and recognised at the fair value of the asset at the date it is acquired.

It is the policy of the board to have an independent valuation of the land and buildings every three years, with annual appraisals by the directors. The land and buildings were valued by MIA Valuers Pty Ltd, property valuers and consultants on 6<sup>th</sup> November 2018. The revaluation is effective as of 31<sup>st</sup> May 2021.

### **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 loss. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

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

| <u>Class of Fixed Asset</u> | <u>Depreciation Rate</u> |
|-----------------------------|--------------------------|
| Building                    | 2.5% to 7.5%             |
| Plant & Equipment           | 3% to 40%                |

### **(e) Intangible Assets**

#### **Licences and Entitlements**

Water Entitlements and Poker Machine Entitlements are recognised at market value. Water Entitlements and Poker Machine Entitlements have a finite life and are carried at their represented market values, which are reviewed at each reporting date and adjusted if appropriate to the revaluation reserve.

The below entitlements were revalued and recognised for the first time in the Company financial statements at 31 May 2021:

|                            |         |
|----------------------------|---------|
| Water Entitlements         | 120,700 |
| Poker Machine Entitlements | 288,000 |

### **(f) Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

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

## **(g) 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 equivalent to the date that the company commits itself to either purchase or sell the asset (example: trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at 'fair value through profit or loss,' in which case transaction costs are recognised as expenses in profit or loss immediately.

### *Classification and Subsequent Management*

Financial instruments are subsequently measured at fair value, amortised cost, using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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

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

#### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### *(iv) Available-for-sale financial assets*

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

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

#### *(v) Financial Liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

### **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a 'loss event'), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at the point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults. For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses.

After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts. When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

### **De-recognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are

either discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **(h) Impairment of Non-financial Assets**

At the end of each reporting period the entity reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### **(i) Employee Benefits**

The 2021 financial statements have recognised long term employee benefits in line in AASB 119 paragraph 129

The amount has been included as a liability on the 2021 balance sheet.

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

#### **(j) Cash and Cash Equivalents**

Cash and cash equivalents comprises 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.

#### **(k) Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

#### **(l) Goods and Services Tax**

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

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

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

#### **(m) Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

#### **(n) 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.

#### **(o) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

#### **(p) Accounts Payable and Other Payables**

Account payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### **(q) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgments 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.



| <b>2. REVENUE</b>   | <b>2021</b>      | <b>2020</b>      |
|---|------------------|------------------|
|   | <b>(\$)</b>      | <b>(\$)</b>      |
| <b>Operating Activities of Company</b>  |                  |                  |
| Sale of Goods   | 217,549          | 264,855          |
| Gaming Revenue  | 1,000,270        | 1,041,893        |
| Rental & Hire Income  | 52,395           | 62,591           |
| Rebates & Recoveries  | 24,123           | 72,846           |
| Interest Revenue  | 13               | 4                |
| Other Revenue   | 19,752           | 10,833           |
| Government Subsidies  | 120,257          | 34,999           |
|   | <u>1,434,359</u> | <u>1,488,021</u> |
| <b>3. AUDITORS REMUNERATION</b>   |                  |                  |
| <b>Auditors Remuneration</b>  |                  |                  |
| Auditors Remuneration   | 7,500            | 3,000            |
|   | <u>7,500</u>     | <u>3,000</u>     |
| <b>4. PROFIT FOR THE YEAR</b>   |                  |                  |
| Profit before income tax expense from continuing operations includes the following specific expenses: |                  |                  |
| <b>Expenses</b>   |                  |                  |
| Cost of sales   | 107,459          | 175,448          |
| Borrowing costs amortised (a)   | 9,427            | 9,354            |
| Interest paid   | 17,661           | 24,034           |
| Total Finance Costs   | <u>27,088</u>    | <u>33,388</u>    |
| Salaries & Wages  | 135,679          | 148,651          |
| Contributions to Superannuation Funds   | 8,293            | 12,031           |
| Total Employee Expenses   | <u>143,972</u>   | <u>160,682</u>   |
| Depreciation and Amortisation expenses  | 79,543           | 78,159           |

(a) All borrowing costs are payable to other corporations.

**5. CASH AND CASH EQUIVALENTS**

|                            | <b>2021</b>    | <b>2020</b>   |
|----------------------------|----------------|---------------|
|                            | <b>(\$)</b>    | <b>(\$)</b>   |
| Cash on hand               | 48,198         | 45,475        |
| Clearing Accounts          | (743)          | -             |
| TAB security bond          | 5,000          | 5,000         |
| CBA Bank - Trading Account | 42,566         | 21,365        |
| NAB Bank - Trading Account | 9,873          | 22,576        |
|                            | <u>104,894</u> | <u>94,416</u> |

**6. TRADE AND OTHER RECEIVABLES****Current**

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Sundry Debtors                   | -             | 12,000        |
| Trade Debtors                    | 48,663        | 1,734         |
| Less Provision for Doubtful Debt | -             | -             |
|                                  | <u>48,663</u> | <u>13,734</u> |
| GST Input Tax Credits            | 3,231         | 5,352         |
|                                  | <u>51,894</u> | <u>19,086</u> |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

**7. INVENTORIES**

|               |               |               |
|---------------|---------------|---------------|
| Stock on Hand | 16,734        | 18,522        |
|               | <u>16,734</u> | <u>18,522</u> |

**8. OTHER CURRENT ASSETS**

|                            |               |               |
|----------------------------|---------------|---------------|
| Prepaid expenses           | 6,092         | -             |
| Prepaid Borrowing expenses | 7,785         | 17,212        |
|                            | <u>13,877</u> | <u>17,212</u> |

**9. PROPERTY - PLANT AND EQUIPMENT****2021****2020****(\$)****(\$)****LAND & BUILDINGS****Freehold land at:**

Independent Valuation

1,550,000

1,550,000

1,550,0001,550,000**Buildings at:**

Capital Works - Cottage

31,461

31,461

Capital Works - Auditorium

224,648

218,328

Capital Works - Kitchen

52,363

52,363

Capital Works - Main Bar

41,212

2,970

Capital Works - Oval

36,799

36,799

Buildings - At Cost

1,642,355

1,642,355

Less: Accumulated Depreciation

(577,367)(543,481)1,451,4711,440,795**Total Land and Buildings****3,001,471****2,990,795****PROPERTY - PLANT AND EQUIPMENT****Plant and Equipment:**

At Cost

1,054,535

1,043,297

Less: Accumulation Depreciation

(835,134)(789,476)**Total Plant and Equipment****219,401****253,821****Total Property, Plant and Equipment****3,220,872****3,244,616****INTANGIBLE ASSETS**

Water Entitlements

120,700

144,500

Poker Machine Entitlements

288,000288,000**Total Intangible Assets****408,700****432,500**

As required by the Registered Clubs Act 1976 No 31, the company has categorised the above amounts in relation to property plant and equipment between core property and non-core property as detailed in Note 1(d).

#### **CORE PROPERTY**

|                                  | <b>2021</b>      | <b>2020</b>      |
|----------------------------------|------------------|------------------|
|                                  | <b>(\$)</b>      | <b>(\$)</b>      |
| Land & Improvements - at Cost    | 64,844           | 64,844           |
| Land & Improvements at Valuation | 1,485,156        | 1,485,156        |
| Property Improvements            | 386,483          | 341,921          |
| Less: Accumulated Depreciation   | (95,851)         | (82,656)         |
| Buildings - at Cost              | 1,642,355        | 1,642,355        |
| Less: Accumulated Depreciation   | (481,516)        | (460,825)        |
| Poker Machines                   | 178,064          | 178,064          |
| Less: Accumulated Depreciation   | (106,229)        | (88,088)         |
| Floorcoverings & Curtains        | 97,316           | 97,316           |
| Less: Accumulated Depreciation   | (95,493)         | (94,947)         |
| <b>Total Core Property</b>       | <b>3,075,129</b> | <b>3,083,140</b> |

#### **NON-CORE PROPERTY**

|  | <b>2021</b>    | <b>2020</b>    |
|--|----------------|----------------|
|  | <b>(\$)</b>    | <b>(\$)</b>    |
| Club Equipment, Furniture & Fittings - at Cost | 452,712        | 442,383        |
| Less: Accumulated Depreciation                 | (361,419)      | (338,862)      |
| Furniture & Fittings                           | 98,813         | 98,813         |
| Less: Accumulated Depreciation                 | (95,260)       | (94,860)       |
| Kitchen/Dining Room Equipment                  | 199,869        | 199,869        |
| Less: Accumulated Depreciation                 | (168,989)      | (165,384)      |
| Crockery & Cutlery - at cost                   | 19,126         | 19,126         |
| Computer Hardware & Software                   | 8,635          | 7,726          |
| Less: Accumulated Depreciation                 | (7,744)        | (7,335)        |
| <b>Total Non-Core Property</b>                 | <b>145,743</b> | <b>161,476</b> |

| <b>10. TRADE AND OTHER PAYABLES</b>  | <b>2021</b>   | <b>2020</b>   |
|--------------------------------------|---------------|---------------|
| <b>Current</b>                       | <b>(\$)</b>   | <b>(\$)</b>   |
| Trade Creditors                      | 42,895        | 46,820        |
| Superannuation Payable               | 1,966         | 710           |
| GST Payable                          | 10,454        | 158           |
| Amounts Withheld from Salary & Wages | 2,671         | 3,352         |
| ATO – Integrated Client Account      | 152           | 13,576        |
|                                      | <u>58,138</u> | <u>64,616</u> |

| <b>11. BORROWINGS</b>        | <b>2021</b>    | <b>2020</b>    |
|------------------------------|----------------|----------------|
|                              | <b>(\$)</b>    | <b>(\$)</b>    |
| <b>Current</b>               |                |                |
| Pokie Machine Lease          | 13,649         | 13,649         |
| Kitchen Oven Equipment Loan  | 14,311         | 13,537         |
| Secured Loans                | 47,221         | 52,665         |
| Total current borrowings     | <u>75,181</u>  | <u>79,851</u>  |
| <b>Non- Current</b>          |                |                |
| Pokie Machine Lease          | 1,137          | 13,649         |
| Kitchen Oven Equipment Loan  | 12,648         | 21,770         |
| Sundry Creditors             | 48,521         | 51,971         |
| Secured Loans                | 462,988        | 467,573        |
| Bond Liability               | 2,000          | 2,000          |
| Total non-current borrowings | <u>527,294</u> | <u>556,963</u> |
| Total borrowings             | <u>602,475</u> | <u>636,814</u> |

| <b>12. PROVISIONS</b>                                 |                 |                 |
|---|-----------------|-----------------|
| Provision for Long Service Leave                      | 11,711          | 10,010          |
| Under/Over Provision of Accrued Charges (Prior Years) | (32,330)        | (44,726)        |
|   | <u>(20,619)</u> | <u>(34,716)</u> |

| <b>13. OTHER CURRENT LIABILITIES</b> |               |              |
|--------------------------------------|---------------|--------------|
| Accrued Charges                      | 11,200        | 6,700        |
| Income in Advance/Function Deposits  | 4,300         | -            |
|                                      | <u>15,500</u> | <u>6,700</u> |

| <b>14. RESERVES</b>              |                  |                  |
|----------------------------------|------------------|------------------|
| <b>Asset revaluation reserve</b> |                  |                  |
| Opening balance for the year     | 2,931,825        | 2,499,325        |
| Movements during the year        | (23,800)         | 432,500          |
| Closing balance for the year     | <u>2,908,025</u> | <u>2,931,825</u> |

| <b>15. RETAINED PROFITS</b>  | <b>2021</b>    | <b>2020</b>    |
|--|----------------|----------------|
| Retained profits (accumulated losses) at the beginning of the financial year | 221,113        | 138,988        |
| Net profit/(loss) attributable to members of the company                     | 32,340         | 82,124         |
| Retained profits (accumulated losses) at the end of the financial year       | <u>253,453</u> | <u>221,113</u> |

## **16. FINANCIAL RISK MANAGEMENT**

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate those financial assets and financial liabilities, is as follows;

| <b>Financial Assets</b>       | <b>2021</b>           | <b>2020</b>           |
|-------------------------------|-----------------------|-----------------------|
| Cash and cash equivalents     | 104,894               | 94,416                |
| Trade and other receivables   | <u>51,894</u>         | <u>19,086</u>         |
| <b>Total Financial Assets</b> | <b><u>156,788</u></b> | <b><u>113,502</u></b> |

| <b>Financial Liabilities</b>       |                       |                       |
|------------------------------------|-----------------------|-----------------------|
| Trade and other payables           | 150,404               | 181,192               |
| Variable rate borrowings           | <u>510,209</u>        | <u>520,238</u>        |
| <b>Total Financial Liabilities</b> | <b><u>660,613</u></b> | <b><u>701,430</u></b> |

### **Financial Risk Management Policies**

The board's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements

### **Specific Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

**(a) Credit Risk**

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

Credit risk is managed through maintaining procedures ensuring, to the extent possible that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also maintained through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board of Directors has otherwise cleared as being financially sound.

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors in accordance with approved board policy.

**(b) Liquidity Risk**

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms;

- Monitoring undrawn credit facilities
- Obtaining funding from a variety of sources
- Maintaining a reputable credit profile
- Managing credit risk, related to financial assets
- Only investing surplus cash with major financial institutions
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months.

## Net Fair Values

Fair value estimation. The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market with more reliable information available from markets that are actively traded.

| Financial Assets                   | Carrying Amount | Net Fair Value |
|------------------------------------|-----------------|----------------|
|                                    | 2021            | 2020           |
| Cash and cash equivalents          | 104,894         | 94,416         |
| Trade and other receivables        | 51,894          | 19,086         |
| <b>Total Financial Assets</b>      | <b>156,788</b>  | <b>113,502</b> |
|                                    |                 |                |
| <b>Financial Liabilities</b>       |                 |                |
| Trade and other payables           | 150,404         | 181,192        |
| Variable rate borrowings           | 510,209         | 520,238        |
| <b>Total Financial Liabilities</b> | <b>660,613</b>  | <b>701,430</b> |

The fair values disclosed in the above table have been determined based on the following methodologies;

- (i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.
- (ii) Discounted cash flow models have not been used to determine the fair values of loans and advances.

## 17. EVENTS AFTER REPORTING DATE

It was the decision of the directors to close the club for the period between Monday 11/10/2021 and Wednesday 01/12/2021 due to the current Covid-19 restrictions.

## 18. COMPANY DETAILS

The registered office of the company is as follows;

Yoogali Club Ltd  
647 Mackay Avenue  
Yoogali, NSW 2680

## 19. GUARANTEES

As a requirement for the installation of TAB facilities in the club, the Totalizer Agency Board requires guarantees to the value of \$5,000