

DARLINGTON POINT CLUB LTD

ABN 46 001 068 702

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

DARLINGTON POINT CLUB LTD
ABN 46 001 068 702

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DARLINGTON POINT CLUB LTD
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

DIRECTORS

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

Gordon Beaumont		Marlene Kelly	(resigned 19/12/20)
Debbie Gras	(resigned 19/02/20)	Bruce Watts	(appointed 19/02/20)
Paul Goodsall	(resigned 19/02/20), (re-appointed 08/04/20)	Chad Shields	(resigned 19/02/20)
	(resigned 29/09/20)		
Michelle Calloway	(resigned 19/02/20)	Lorraine Watson	(appointed 16/01/19)
Toni Lewis	(appointed 19/02/20)	Colleen Volleyberg	(appointed 16/01/19)
Steven Fattore	(appointed 19/02/20)	Jean Jones	(appointed 19/02/20)
Julie Watts	(appointed 19/02/20)		

Directors have been in office since the start of the financial year 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	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Gordon Beaumont	Farmer Director 12 years	Chairperson
Bruce Watts	Electrician Director <1 year	Senior Vice-President
Toni Lewis	Home Duties Director <1 year	Junior Vice-President
Vacant		Treasurer
Jean Jones	Retired Director 2 years	
Julie Watts	Home Duties Director <1 year	
Lorraine Watson	Accountant Director 2 years	
Colleen Volleyberg	Childcarer Director 2 years	
Steven Fattore	Builder Director <1 year	

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

MEETINGS OF DIRECTORS	ELIGIBLE	PRESENT	APOLOGY
Gordon Beaumont	15	15	0
Debbie Gras	3	3	0
Paul Goodsall	9	9	0
Toni Lewis	10	8	2
Jean Jones	15	15	0
Marlene Kelly	5	4	1
Lorraine Watson	15	14	1
Colleen Volleyberg	15	12	3
Bruce Watts	10	10	0
Toni Lewis	10	8	2
Julie Watts	10	9	1
Steve Fattore	10	8	2

During the financial year there were 15 ordinary meetings.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Club is the encouragement of sport and the provision of recreational facilities for its members and their guests.

SHORT AND LONG TERM OBJECTIVES

The Board has established short and long term objectives as outlined in the Club's strategic plan which is reviewed on an annual basis. These objectives are both financial and non financial, and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the registered club industry. The re-opening of the Golf course is one such long term objective that is hoped will benefit not only the Club, but the community as a whole.

STRATEGIES

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

The Club will provide sporting facilities to its members that are maintained to a satisfactory standard. In addition, the Club will support sporting, educational and charitable groups via sponsorship and venue functions. This will enable the Club to achieve its objective of encouraging the development of sports within the local community.

The Club will endeavour to keep Management, administrative and staff costs to a minimum in order to achieve its objective to trade profitably. This will be achieved through efficient staffing and cost control whilst ensuring there is no detrimental effect on the services provided.

The Club will ensure that staff are appropriately trained, and treat patrons with courtesy and respect. This will achieve the Club's objective of providing a safe and friendly environment appealing to patrons of all ages.

One of the Club's objectives is to market itself to a broad member base which is reflective of the local demographic. The Club aims to achieve this improving advertising, including a flyer emailed to members in out lying areas and use of the social media market in order to reach a wider demographic.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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.

MEMBERS' GUARANTEE

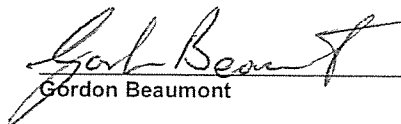
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 September 2020, the total amount that the members of the company are liable to contribute if the company is wound up is \$799 (2019: \$789)

AUDITOR'S INDEPENDENCE DECLARATION

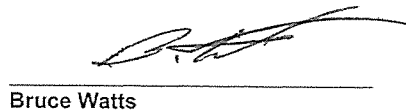
The auditor's independence declaration for the year ended 30 September 2020 has been received and can be found on page 9 of the financial report.

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

Director


Gordon Beaumont

Director


Bruce Watts

Dated: 4th January 2021

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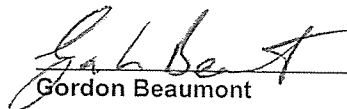
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 SEPTEMBER 2020

In accordance with a resolution of the directors of Darlington Point Club Ltd, the directors declare that:


1. The financial statements and notes, as set out on pages 10 to 23, are in accordance with the *Corporations Act 2001*:
 - (a) comply with the Australian Accounting Standards applicable to the company; and
 - (b) give a true and fair view of the financial position as at 30 September 2020 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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.

Director


Gordon Beaumont

Director


Bruce Watts

Dated: 4th January 2021

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andreazza CPA
Angela C Favell CPA
John P Farronato CA
Michael J Harris CA

DARLINGTON POINT CLUB LTD
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DARLINGTON POINT CLUB LTD**

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Darlington Point Club Ltd (the company), which comprises the statement of financial position as at 30 September 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial report of Darlington Point Club Ltd 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 September 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 September 2020, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DARLINGTON POINT CLUB LTD**

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andreatza CPA
Angela C Favell CPA
John P Farronato CA
Michael J Harris CA

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my 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 decision of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Committee's 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 association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the association 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.

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andrezza CPA
Angela C Favell CPA
John P Farronato CA
Michael J Harris CA

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DARLINGTON POINT CLUB LTD

- obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that I identify during my audit.



John P Keenan CPA
Registered Company Auditor 156228

PinnacleHPC Pty Ltd
135 Yambil Street Griffith NSW 2680

Dated: 5th January 2021

Principals

John P Keenan CPA
Morris G Massarotto CPA
Graeme J Lyons CA
Geoffrey M Marin CPA
Allan J Andrezza CPA
Angela C Favell CPA
John P Farronato CA
Michael J Harris CA

DARLINGTON POINT CLUB LTD
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**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
DARLINGTON POINT CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2020 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



John P Keenan CPA
Registered Company Auditor 156228

PinnaclePHC Pty Ltd
135 Yambil Street Griffith NSW 2680

Dated: 5th January 2021

DARLINGTON POINT CLUB LTD
ABN 46 001 068 702

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 \$	2019 \$
Revenues from ordinary activities	2	1,729,175	1,860,266
Employee benefits expense	3	(483,532)	(552,325)
Depreciation and amortisation expenses	3	(104,723)	(133,942)
Finance costs	3	-	-
Other expenses		<u>(863,327)</u>	<u>(1,128,990)</u>
Profit/(loss) before income tax expense		277,593	45,009
Income tax expense		<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>277,593</u>	<u>45,009</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	1,184
Items that will be reclassified subsequently to profit or loss when specific conditions are met		<u>-</u>	<u>-</u>
Total other comprehensive income for the year		<u>-</u>	<u>1,184</u>
Total comprehensive income for the year		<u>277,593</u>	<u>46,193</u>
Total comprehensive income attributable to members of the entity		<u>277,593</u>	<u>46,193</u>

The accompanying notes form part of these financial statements.

DARLINGTON POINT CLUB LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	534,198	380,116
Accounts receivable and other debtors	5	78,033	45,821
Inventories on hand	6	29,024	39,468
TOTAL CURRENT ASSETS		<u>641,255</u>	<u>465,404</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,366,118	1,275,463
Other Assets	8	80	62
Intangibles	9	5,000	5,000
TOTAL NON-CURRENT ASSETS		<u>1,371,199</u>	<u>1,280,526</u>
TOTAL ASSETS		<u><u>2,012,454</u></u>	<u><u>1,745,930</u></u>
CURRENT LIABILITIES			
Accounts payable and other payables	10	95,336	90,156
Provisions for employee benefits	11	30,423	40,765
TOTAL CURRENT LIABILITIES		<u>125,759</u>	<u>130,921</u>
NON-CURRENT LIABILITIES			
Accounts payable and other payables	10	-	6,133
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>6,133</u>
TOTAL LIABILITIES		<u>125,759</u>	<u>137,054</u>
NET ASSETS		<u><u>1,886,694</u></u>	<u><u>1,608,876</u></u>
EQUITY			
Asset revaluation reserve	12	327,487	327,487
Retained profits		1,559,207	1,281,389
TOTAL EQUITY		<u><u>1,886,694</u></u>	<u><u>1,608,876</u></u>

The accompanying notes form part of these financial statements.

DARLINGTON POINT CLUB LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Retained Earnings	Asset Revaluation Reserve	Total
Balance at 30 September 2018		1,239,973	328,671	1,568,644
Comprehensive income				
Net profit for the year attributable to members		45,009	-	45,009
Transfer for depreciation on revaluation		1,184	(1,184)	-
Adjustments to previous year		(4,777)	-	(4,777)
Total comprehensive income attributable to members		41,416	(1,184)	40,232
Balance at 30 September 2019		1,281,389	327,487	1,608,876
Comprehensive income				
Net profit for the year attributable to members		277,593	-	277,593
Other comprehensive income for the year		-	-	-
Transfer for depreciation on revaluation		-	-	-
Adjustments to previous year		226	-	226
Total comprehensive income attributable to members		277,819	-	277,819
Balance at 30 September 2020		1,559,207	327,487	1,886,694

The accompanying notes form part of these financial statements.

DARLINGTON POINT CLUB LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		1,724,138	1,833,638
Payments to suppliers and employees		(1,374,859)	(1,681,755)
Interest received		182	437
Finance costs		-	-
Net cash provided by operating activities		<u>349,460</u>	<u>152,320</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	16,150
Payments for property, plant and equipment		(195,378)	(66,316)
Net cash provided by investing activities		<u>(195,378)</u>	<u>(50,166)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	(13,198)
Net cash used in financing activities		<u>-</u>	<u>(13,198)</u>
Net increase in cash held		154,082	88,956
Cash at beginning of financial year		<u>380,116</u>	<u>291,160</u>
Cash at end of financial year	4	<u>534,198</u>	<u>380,116</u>

The accompanying notes form part of these financial statements.

DARLINGTON POINT CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The financial statements cover Darlington Point Club Ltd as an individual entity, incorporated and domiciled in Australia. Darlington Point Club Ltd is a company limited by guarantee.

The financial statements were authorised for issue on 04 January 2021 by the directors of the company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless 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.

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Donations and bequests are recognised when revenue is received.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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

(b) Inventories on Hand

Inventories are measured at the lower of cost and 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.

(c) Property, Plant and Equipment

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

DARLINGTON POINT CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Note 1: Summary of Significant Accounting Policies (cont'd)

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.

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(e) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed for no cost or for nominal cost are 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:

Land and Buildings	2.5% - 5.0%
Plant and Machinery	5% - 100.0%

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

DARLINGTON POINT CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Note 1: Summary of Significant Accounting Policies (cont'd)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and 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 surplus.

The entity holds poker machine licences either acquired through a past business combination or granted for no consideration by the NSW government. AIFRS requires that licences outside of a pre-AIFRS transition business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to 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 entity has determined the fair value at grant date for licences granted pre April 2002 to be zero. Licences granted to the entity post April 2002 are initially recognised at fair value. The entity has determined that the fair market for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

(d) 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 entity, 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 entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(e) Impairment of 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. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell it and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable value 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 the fair value.

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

DARLINGTON POINT CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Note 1: Summary of Significant Accounting Policies (cont'd)

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

(f) 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 before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements 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.

The company's obligations for long-term employee benefits are presented as non-current employee provisions 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 provisions.

(g) 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.

(h) 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.

(i) Goods and Services Tax

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

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

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

Note 1: Summary of Significant Accounting Policies (cont'd)

(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

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.

(m) Accounts Payable and Other Payables

Accounts 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.

(n) 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.

(o) Related Parties

The objective of the standard is to ensure that financial statements contain the disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by transactions and outstanding balances with related parties.

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

	2020	2019
2 REVENUE		
Operating activities of the company:		
Sales revenue	657,787	958,723
Gaming revenue	565,199	626,288
Subscriptions and nominations	2,683	25
Interest received	2(a) 182	437
Other revenue	503,325	264,806
	<u>1,729,175</u>	<u>1,850,279</u>

(a) All interest received is from other corporations.

Non-operating activities:

Profit on sale of non-current assets	-	9,987
Total revenue	<u>1,729,175</u>	<u>1,860,266</u>

3 PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax has been determined after:

Expenses:

Administration	13 383,591	466,412
Entertainment	15,042	20,856
Cost of goods sold	464,694	641,722
	<u>863,327</u>	<u>1,128,990</u>
Employee costs	493,874	547,481
Provision for employee entitlements	(10,342)	4,844
	<u>483,532</u>	<u>552,325</u>
Borrowing costs	3(a) -	-
Depreciation and amortisation	104,723	133,942
Total expenses from ordinary activities	<u>1,451,582</u>	<u>1,815,257</u>

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

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

	2020	2019
4 CASH AND CASH EQUIVALENTS		
Current assets - cash or cash equivalents	534,198	380,116
	<u>534,198</u>	<u>380,116</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	65,200	63,222
Daily takings deposits	4,097	29,722
Cash at bank - Westpac cheque account	132,168	149,609
Cash at bank - Westpac reserve account	332,733	137,562
	<u>534,198</u>	<u>380,116</u>

5 ACCOUNTS RECEIVABLE AND OTHER DEBTORS

Trade debtors	20,783	16,979
Other debtors	57,250	28,842
	<u>78,033</u>	<u>45,821</u>

(i) Credit Risk - Accounts Receivable and Other Debtors

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's accounts receivable and other debtors exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

- (ii) The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Accounts receivable		Other debtors	
	2020	2019	2020	2019
Gross amount				
< 30	2,654	7,370	57,250	28,842
31 - 60	-	6,290	-	-
61 - 90	-	2,600	-	-
> 90	18,129	720	-	-
	<u>20,783</u>	<u>16,979</u>	<u>57,250</u>	<u>28,842</u>

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

	2020	2019
6 INVENTORIES ON HAND		
Inventory at cost	29,024	39,468
	<u>29,024</u>	<u>39,468</u>
7 PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at fair value:		
- Independent valuation in 2011	200,000	200,000
Total land	<u>200,000</u>	<u>200,000</u>
Buildings at fair value:		
- Independent valuation in 2011	740,000	740,000
Additions at cost	296,887	296,887
Less accumulated depreciation	(251,182)	(216,098)
Total buildings	<u>785,705</u>	<u>820,789</u>
Total land and buildings	<u>985,705</u>	<u>1,020,789</u>
Plant and equipment		
Plant and equipment		
At cost	1,386,274	1,190,896
Less accumulated depreciation	(1,005,860)	(936,221)
	<u>380,413</u>	<u>254,674</u>
Total plant and equipment	<u>380,413</u>	<u>254,674</u>
Total property, plant and equipment	<u>1,366,118</u>	<u>1,275,463</u>

Movement in Carrying Amounts

	Land and Buildings	Plant and Equipment	Total
2020			
Balance at the beginning of the year	1,020,789	254,674	1,275,463
Additions at cost	-	195,378	195,378
Disposals @ WDV	-	-	-
Profit on disposal of assets	-	-	-
	<u>1,020,789</u>	<u>450,053</u>	<u>1,470,841</u>
Depreciation expense	(35,084)	(69,639)	(104,723)
Carrying amount at end of year	<u>985,705</u>	<u>380,413</u>	<u>1,366,118</u>

(a) Land

Under the *Registered Clubs Act 1976*, the company is required to distinguish between its core and non-core property.

(b) Core & Non-Core Property

Pursuant to Section 41J(2) of the *Registered Clubs Act 1976*, for the financial year ended 30 September 2020:

- (a) all property held by the company is to be classified as core property; and
- (b) the company does not hold any non-core property.

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

7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Asset revaluations

The freehold land and buildings were independently valued at 30 September 2011. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

At 30 September 2020 the directors reviewed the key assumptions made by the valuers at 30 September 2011. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying value does not exceed the recoverable amount of land and buildings at 30 September 2020.

	2020	2019
8 OTHER ASSETS		
Yenda Producers Co-op Society Ltd	80	62
	<u>80</u>	<u>62</u>

9 INTANGIBLE ASSETS

TAB security deposit	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

10 ACCOUNTS PAYABLE AND OTHER PAYABLES

Accounts payables	43,071	31,938
Subscriptions in advance	8,663	8,663
Income prepaid	11,453	12,505
Other payables	32,148	43,183
	<u>95,336</u>	<u>96,289</u>

9(a)

(a) Financial liabilities at amortised cost classified as trade and other payables

Accounts and other payables		
- Total current	95,336	90,156
- Total non-current	-	6,133
	<u>95,336</u>	<u>96,289</u>

Less deferred income

Less annual leave entitlements

Financial liabilities as accounts payable and other payables	<u>95,336</u>	<u>96,289</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020	2019
11 PROVISIONS FOR EMPLOYEE BENEFITS		
Opening balance at 1 October 2019	40,765	35,921
provisions reduced during the year	(10,342)	4,844
Balance at 30 September 2020	<u>30,423</u>	<u>40,765</u>
Analysis of Total Provisions		
Current	30,423	40,765
Non-current	-	-
	<u>30,423</u>	<u>40,765</u>

Provision for Non-current Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave.
The measurement and recognition criteria relating to employee benefits have been included in Note 1(f) to these financial statements.

12 RESERVES

Revaluation Reserve

The revaluation reserve records the revaluation of non-current assets.

13 RELATED PARTY TRANSACTION

Under IAS 24

Related party to Director Bruce Watts, Watts United Pty Ltd

Amounts paid to related party for works carried out	23,022	-
Outstanding Balances	-	-
	<u>23,022</u>	<u>-</u>