



**Taree Leagues Sports
Club Limited**

ACN 001 031 894

**Annual Financial Report
for the year ended 30 June 2021**

Taree Leagues Sports Club Limited ACN 001 031 894

Annual financial report for the year ended 30 June 2021

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These financial statements are the financial statements of Taree Leagues Sports Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 27 October 2021. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Taree Leagues Sports Club Limited (the Club) for the year ended 30 June 2021.

Directors details

The following persons were Directors of Taree Leagues Sports Club Limited during the financial year, and up to the date of this report:

Mrs Annette Campbell

President
Director since 2020
Retired

Mr Gilbert Hicks

Treasurer
Director since 2000
Accountant

Mrs Lee Dodkin

Director
Director since 2015
Retired Hospitality

Mr Shane Devitt

Director
Director since 2019
Taxi Driver

Mr John Connell

Director
Director since 2020
Retired

Mr Stephen Dallas

Vice President
Director since 2017
Retired Truck Driver

Mr Mervyn Emerton

Vice President
Director since 2007
Airport Manager

Mrs Gloria Payton

Director
Director since 2006
Domestic Duties

Mrs Fiona Hooper

Director
Director since 2020
Retired

Company secretary

Mr Greg Manning has been Company Secretary of Taree Leagues Sports Club Limited since January 2021, and is the Club's Chief Executive Officer.

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members		Board meetings	
		A	B
Mrs Annette Campbell	Elected at AGM 27/10/20	10	10
Mr Stephen Dallas		13	12
Mr Gilbert Hicks		13	13
Mr Mervyn Emerton		13	11
Mrs Lee Dodkin		13	13
Mrs Gloria Payton		13	12
Mr Shane Devitt		13	13
Mrs Fiona Hooper	Elected at AGM 27/10/20	10	8
Mr John Connell	Elected at AGM 27/10/20	10	10
Mr Edmund Loftus	Did not stand at AGM 27/10/20	3	3

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

Director's report (continued)

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2021, the following land and buildings are considered to be core and non-core property:

- Core**
- Land and building on which the Club and carpark are located being 43 Cowper Street, Taree NSW 2430.
 - The Leagues Ground, 45 Cowper Street, Taree NSW 2430.

Principal activities

During the year, the principal activities of the Club was the running of a licensed Club for the benefit of its members and to meet the Club's objectives under its constitution.

Significant changes in state of affairs

No significant changes in the Club's state of affairs occurred during the financial year other than the easing of restrictions first imposed in March 2020 as a result of the COVID-19 pandemic and the impact of the floods from 18 March 2021 to 29 March 2021.

Events since the end of the financial year

From 14 August 2021 the Club was required to close again due to lockdowns imposed as a result of the COVID-19 pandemic. The Club controlled costs throughout this period of closure and was able to reopen from 13 September 2021 following the easing of these restrictions.

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

Short-term and long-term objectives

The Club's short-term objectives are to:

- To provide the best possible facilities, products, services and sporting opportunities to its members, exceed their expectations, and to be at the forefront of club development within the Mid North Coast area.
- Conduct all aspects of the operation of the Club in a professional and responsible manner and in keeping with the spirit of the Club's Code of Practice and the high standards expected by the Club's members, the community and the operation of a successful business.

Strategy for achieving short and long-term objectives

During the year the objectives of the Club consisted of:

- Increase membership by 10% per annum effectively increasing membership by 60% over five years - Increase in younger membership;
- Provide excellence in dining;
- Promote and develop sporting activities existing within the club;
- Develop further sporting involvement by implementing strategic alliances with outside sporting clubs and associations;
- Providing excellence in service and facilities;
- Facilitate staff development and training;
- Provide better access for the elderly and disabled;

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

Performance measurement

The Club measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as bar, bistro and gaming. The Club also uses EBITDA to measure the financial performance of the Club overall.

Contribution in winding up

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Club. At 30 June 2021 the total amount that members of the Club are liable to contribute if the Club was wound up is \$10,930 (2020: \$6,915).

Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Director's report (continued)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this Directors' report.

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



Annette Campbell - President



Gilbert Hicks - Treasurer

Dated: 27 October 2021

Auditor's independence declaration

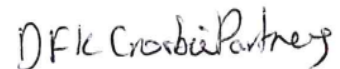
To the Directors of Taree Leagues Sports Club Limited

In accordance with the requirements of Corporations Act 2001, as lead auditor for the audit of Taree Leagues Sports Club Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, 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.



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

Dated: 27 October 2021
Newcastle West, NSW

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

		2021	2020
	Notes	\$	\$
Revenue from continuing operations	2	1,720,779	1,624,810
Other income	3	165,879	160,596
Bar cost of goods sold		(216,070)	(217,517)
Bistro cost of goods sold		(44,704)	(103,374)
Bar direct expenses		(213,347)	(161,139)
Bistro direct expenses		(59,024)	(124,892)
Poker machine direct expenses		(151,437)	(142,674)
Paper gaming direct expenses		(78,367)	(61,642)
Members amenities		(41,264)	(77,185)
Greens expenses		(96,244)	(90,480)
Clubhouse expenses		(341,369)	(349,778)
Administration expenses		(303,574)	(380,610)
Promotion expenses		(91,832)	(146,952)
Borrowing costs		(1,177)	(2,968)
		(1,638,409)	(1,859,211)
Profit / (loss) before income tax		248,249	(73,805)
Income tax expense	4	-	-
Profit / (loss) for the year		248,249	(73,805)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		248,249	(73,805)

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Statement of financial position

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	587,960	215,155
Inventories	6	20,759	16,260
Financial assets at amortised cost	7	35,470	63,273
Other assets	8	19,334	10,493
Total current assets		663,523	305,181
Non-current assets			
Property, plant and equipment	9	1,488,270	1,604,047
Intangible assets	10	278,785	278,785
Total non-current assets		1,767,055	1,882,832
Total assets		2,430,578	2,188,013
LIABILITIES			
Current liabilities			
Trade and other payables	11	82,883	108,695
Financial liabilities	12	11,369	6,658
Provisions	13	77,922	70,112
Other liabilities	14	5,709	8,137
Total current liabilities		177,883	193,602
Non-current liabilities			
Financial liabilities	12	20,745	-
Provisions	13	2,815	13,525
Total non-current liabilities		23,560	13,525
Total liabilities		201,443	207,127
Net assets		2,229,135	1,980,886
MEMBERS FUNDS			
Retained profits		2,229,135	1,980,886
Total members funds		2,229,135	1,980,886

The above *statement of financial position* should be read in conjunction with the accompanying notes

Taree Leagues Sports Club Limited

Statement of changes in equity

For the year ended 30 June 2021

	Retained Profits	Total
	\$	\$
Balance at 1 July 2019	2,054,691	2,054,691
Profit for the year	(73,805)	(73,805)
Total comprehensive income for the year	<u>(73,805)</u>	<u>(73,805)</u>
Balance at 30 June 2020	1,980,886	1,980,886
Profit for the year	248,249	248,249
Total comprehensive income for the year	<u>248,249</u>	<u>248,249</u>
Balance at 30 June 2021	<u>2,229,135</u>	<u>2,229,135</u>

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from members and customers		1,926,176	1,789,149
Payments to suppliers and employees		(1,615,907)	(1,827,726)
Interest received		956	3,417
Interest paid		(1,177)	(2,968)
Government stimulus payments received		154,793	89,498
Net cash inflow (outflow) from operating activities		464,841	51,370
Cash flows from investing activities			
Payments for property, plant and equipment		(150,492)	(35,244)
Proceeds from sale of entitlements		33,000	-
Transfer from interest bearing deposit		-	127,165
Net cash inflow (outflow) from investing activities		(117,492)	91,921
Cash flows from financing activities			
Proceeds from borrowings		87,152	48,548
Repayment of borrowings		(61,696)	(109,530)
Net cash inflow (outflow) from financing activities		25,456	(60,982)
Net increase in cash and cash equivalents		372,805	82,309
Cash and cash equivalents at the beginning of the financial year		215,155	132,846
Cash and cash equivalents at the end of the financial year	5	587,960	215,155

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2021

1 Summary of significant accounting policies

(a) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Taree Leagues Sports Club Limited (the Club) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

(b) Statement of compliance

This financial report complies with Australian Accounting Standards - *Reduced Disclosure Requirements* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian Dollars.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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.

(d) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Notes to the financial statements

For the year ended 30 June 2021

2 Revenue**(a) Disaggregation of revenue from contracts with customers**

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Food and beverage revenue	Gaming revenue	Membership revenue	Promotions revenue	Other revenue	Total
2021	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	569,061	1,004,481	12,095	93,050	24,912	1,703,599
Other revenue (not covered by AASB15)	-	17,180	-	-	-	17,180
	569,061	1,021,661	12,095	93,050	24,912	1,720,779

Timing of revenue recognition

At a point in time	569,061	1,004,481	-	93,050	24,912	1,691,504
Over time	-	17,180	12,095	-	-	29,275
	569,061	1,021,661	12,095	93,050	24,912	1,720,779

	Food and beverage revenue	Gaming revenue	Membership revenue	Promotions revenue	Other revenue	Total
2020	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	653,691	775,845	8,136	136,392	33,566	1,607,630
Other revenue (not covered by AASB15)	-	17,180	-	-	-	17,180
	653,691	793,025	8,136	136,392	33,566	1,624,810

Timing of revenue recognition

At a point in time	653,691	775,845	-	136,392	33,566	1,599,494
Over time	-	17,180	8,136	-	-	25,316
	653,691	793,025	8,136	136,392	33,566	1,624,810

(b) Accounting policies and significant judgements

The Club recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Club is or expects to be entitled in exchange for those goods or services.

The Club considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Sale of goods - food and beverage

Revenue from the sale of food and beverages is recognised at a point in time when the physical control of the goods passes to the customer.

(ii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission income where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transactions has been completed.

(iii) Provision of services - membership revenue

Membership subscriptions are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

Notes to the financial statements

For the year ended 30 June 2021

2 Revenue (continued)**(b) Accounting policies and significant judgements (continued)***(iv) Provision of services - promotions revenue*

Promotions income comprises income from raffle and bingo and is recognised at a point in time when the customer takes possession of the ticket and the raffle or bingo game has been conducted as at this point the performance obligations have been satisfied.

(v) Provision of services - Other revenue

The Club recognises other income at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2021	2020
	\$	\$
(a) Other income		
Rental income	13,367	13,432
Interest income	956	2,961
Government stimulus payment - JobKeeper	86,786	88,714
Government stimulus payment - Cashflow boost	33,293	55,489
Insurance claims	14,469	-
Gain on disposal of property, plant and equipment	4,007	-
Grant income	13,000	-
	165,879	160,596

(i) Rental income

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Club recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

(ii) Interest income

Interest income is recognised on an accruals basis.

(iii) Government stimulus funding

The Club recognises stimulus funding from the Australian Taxation Office when it is considered to be receivable.

(iv) Insurance recoveries

The Club recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

(v) Gain on disposal of property, plant and equipment

The Club recognised gains and losses on disposal of property, plant and equipment by comparing proceeds received on sale with the carrying amount of the asset being sold.

(vi) Grant income

The Club recognises grant income when it is considered to be receivable.

(b) Other expenses

Employee benefits expense	575,844	640,363
Loss on disposal of assets	-	8,945
Interest costs	1,177	2,968
Depreciation	189,648	196,752

Notes to the financial statements

For the year ended 30 June 2021

4 Income tax expense**(a) Numerical reconciliation of income tax expense to prima facie tax payable**

The Income Tax Assessment Act 1936 (amended) provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities. The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been provided on a taxable income calculated as follows:

	2021	2020
	\$	\$
Operating profit/(loss) before income tax	248,249	(73,805)
Tax at the Australian tax rate at 26% (2020: 27.5%)	64,545	(20,296)
Non deductible expenses	5,512	5,846
Apportionment adjustment members income and expenses	(64,542)	(2,657)
Timing differences not brought to account	2,845	807
Deferred tax asset for tax losses not brought to account	-	16,300
Recoupment of tax losses	(8,360)	-
Income tax expense	<u>-</u>	<u>-</u>

(b) The Directors estimate that the potential deferred tax asset as at 30 June 2021 not brought to account is as follows:

Deductible temporary differences	5,107	5,322
Tax losses at 25% (2020: 27.5%)	317,990	358,543
	<u>323,097</u>	<u>363,865</u>

Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Notes to the financial statements

For the year ended 30 June 2021

5 Cash and cash equivalents

	2021	2020
	\$	\$
Current		
Cash and cash equivalents	587,960	215,155
	<u>587,960</u>	<u>215,155</u>

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

6 Inventories

Current		
Stock on hand	20,759	16,260
	<u>20,759</u>	<u>16,260</u>

Accounting policy

Inventories are measured at the lower of cost and current replacement cost.

7 Financial assets at amortised cost

Current		
Other receivables	35,470	63,273
	<u>35,470</u>	<u>63,273</u>

Accounting policy

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

8 Other assets

Current		
Prepayments	19,334	10,493
	<u>19,334</u>	<u>10,493</u>

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

Notes to the financial statements

For the year ended 30 June 2021

9 Property, plant and equipment

	Land and buildings	Plant and equipment	Poker machines	Total
	\$	\$	\$	\$
Non-current assets				
At 1 July 2020				
Cost	2,356,343	1,120,482	991,230	4,468,055
Accumulated depreciation	1,342,028	802,666	719,314	2,864,008
Net book amount	<u>1,014,315</u>	<u>317,816</u>	<u>271,916</u>	<u>1,604,047</u>
Year ended 30 June 2021				
Opening net book amount	1,014,315	317,816	271,916	1,604,047
Additions	-	102,864	-	102,864
Disposals	-	28,993	-	28,993
Depreciation charge	66,105	65,694	57,849	189,648
Closing net book amount	<u>948,210</u>	<u>325,993</u>	<u>214,067</u>	<u>1,488,270</u>
At 30 June 2021				
Cost	2,356,343	1,169,841	991,230	4,517,414
Accumulated depreciation	1,408,133	843,848	777,163	3,029,144
Net book amount	<u>948,210</u>	<u>325,993</u>	<u>214,067</u>	<u>1,488,270</u>

Accounting policy**(a) Land and buildings**

Each class of land and buildings is carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment and poker machines

Plant and equipment and poker machines are carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings	5 - 40 years
Plant & Equipment	4 - 20 years
Poker Machines	4 - 8 years

(d) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

Notes to the financial statements

For the year ended 30 June 2021

10 Intangible assets

	Poker machine entitlements	Total
	\$	\$
Non-current assets		
As at 30 June 2020		
Cost	278,785	278,785
Net book amount	<u>278,785</u>	<u>278,785</u>
As at 30 June 2021		
Cost	278,785	278,785
Net book amount	<u>278,785</u>	<u>278,785</u>

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

The value shown for the Poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

11 Trade and other payables

	2021	2020
	\$	\$
Current		
Trade payables	75,096	94,625
GST payable	7,787	14,070
	<u>82,883</u>	<u>108,695</u>

Accounting policy

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

12 Financial liabilities**Current***Secured*

Other loans (i)	11,369	6,658
Total secured financial liabilities	<u>11,369</u>	<u>6,658</u>

Non-current*Secured*

Other loans (ii)	20,745	-
Total secured financial liabilities	<u>20,745</u>	<u>-</u>

(i) Other secured liabilities

The other loans are secured by a fixed charge over the specific assets that are financed.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has a right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the financial statements

For the year ended 30 June 2021

13 Provisions

	2021	2020
	\$	\$
Current		
Employee entitlements (i) & (ii)	56,554	48,914
Poker machine jackpots	21,368	21,198
	<u>77,922</u>	<u>70,112</u>
Non-current		
Employee entitlements (ii)	2,815	13,525
	<u>2,815</u>	<u>13,525</u>

Accounting policy*(i) Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) Long service leave

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

14 Other liabilities**Current**

Contract liabilities - membership income	4,809	7,637
Other liabilities	900	500
	<u>5,709</u>	<u>8,137</u>

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

15 Commitments*(i) Capital Commitments*

Cash redemption terminal	22,000	-
Poker machines	156,720	-
	<u>22,000</u>	<u>-</u>

16 Contingent liabilities

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
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17 Related parties

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

(a) Key management personnel compensation

Total key management personnel benefits	<u>73,653</u>	<u>93,072</u>
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(b) Transactions with other related parties

Purchases from Hicks Business Services (Director Gilbert Hicks)	18,602	5,227
Purchases from Eddies Fresh Chickens (former Director Edmund Loftus - include purchases until 27 October 2021 when no longer Director)	1,325	28,975
Total transactions with related parties	<u>93,580</u>	<u>127,274</u>

Notes to the financial statements

For the year ended 30 June 2021

18 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next period are disclosed where applicable, in the relevant notes to the financial statements:

- Estimation of useful lives of non-current assets (notes 9, 10) - The useful life of property, plant and equipment and intangibles is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Impairment of non-current assets (notes 9, 10) - Impairment testing of non-current assets is performed where indicators of impairment exist. In assessing impairment, estimates are made of the recoverable amount of each asset or cash generating unit based on discounted expected future cash flows or estimated replacement cost. Estimation uncertainty exists in relation to assumptions regarding future operating results and cash flows, determination of an appropriate discount rate and estimated current replacement cost of the asset.

19 Subsequent events

In response to the COVID-19 pandemic, the NSW Government announced mandatory lockdowns from 14 August 2021. As a result the Club was closed until 13 September 2021.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the Club's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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



Annette Campbell - President



Gilbert Hicks - Treasurer

Taree, NSW
27 October 2021

Independent auditor's report to the members of Taree Leagues Sports Club Limited

Opinion

We have audited the financial report of Taree Leagues Sports Club Limited (the Club) which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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 Club is in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the Clubs financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

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 Club in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the financial report

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

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

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Club for the year ended 30 June 2021 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

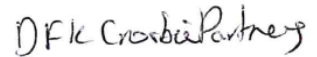
Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

27 October 2021
Newcastle West, NSW