

# **Warragamba Workers & Sporting Club Limited**

**ABN 40 000 880 393**

## **Financial Statements**

**For the Year Ended 31 December 2020**

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

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For the Year Ended 31 December 2020

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# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Directors' Report

31 December 2020

The directors present their report on Warragamba Workers & Sporting Club Limited for the financial year ended 31 December 2020.

### 1. General information

#### Directors

The names of the directors in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>
Maurie Hall	President
Dave Costello	Vice President
Terry Frazer	Director
Robert Brooks	Director
Kim Streater	Director
Carmen Chetcuti	Director
Narelle Jones	Director

The Directors are residents of the local community and members of the Club.

Maurie Hall served as president from April 2019 to the date of this report.

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

#### Principal activities

The principal activity of Warragamba Workers & Sporting Club Limited during the financial year was to operate a sporting and recreation and licensed club.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### Objectives

The Company's short term objectives are to:

- provide members and guests with a relaxed, friendly place to meet with family and friends; and
- support local sporting and social organisations.

#### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- The Company strives to attract and retain quality staff who are committed to providing quality service to members and guests;
- The Company actively provides recordkeeping assistance to local clubs and organisations; and
- The Company is committed to having relevant staff undertake training in the Responsible Conduct of Gaming and Responsible Service of Alcohol.

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Directors' Report

31 December 2020

### 1. General information

#### Performance measures

The Company measures its 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 objectives are being achieved.

#### Members' guarantee

Warragamba Workers & Sporting Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2.

At 31 December 2020 the collective liability of members was \$ NIL (2019: \$ NIL).

#### Operating results and review of operations for the year

##### Operating results

The loss of the Company after providing for income tax amounted to \$ (38,011) (2019: \$ (30,468)).

### 2. Other items

#### Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

#### Meetings of directors

During the financial year, 9 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Maurie Hall	9	9
Dave Costello	9	9
Terry Frazer	9	9
Narelle Jones	9	6
Kim Streater	9	9
Robert Brooks	9	9
Carmen Chetcuti	9	7

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Directors' Report

31 December 2020

### Indemnification and insurance of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company against a liability incurred as a director to the extent permitted by the Corporations Act 2001. The insurance premium was included as part of the Company's overall insurance package and the specific premium paid cannot be determined.

### Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2020 has been received and can be found on page 4 of the financial report.

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

Director: .....  
Maurie Hall

Director: .....  
Dave Costello

Dated 31 July 2021

## **Warragamba Workers & Sporting Club Limited**

ABN 40 000 880 393

### **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Warragamba Workers & Sporting Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Fitzpatrick + Robinson**

**Warwick Fitzpatrick**  
**Audit Partner**

Gregory Hills

Date: 31 July 2021

## Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	4	1,191,065	1,592,327
Finance income	5	171	284
Other income	4	201	2,186
Employee benefits expense	6	(412,310)	(534,928)
Depreciation and amortisation expense	6	(139,078)	(129,775)
Cost of Sales	6	(177,956)	(348,091)
Other Expenses	6	(450,820)	(617,150)
Loss on Disposal of Assets		(25,902)	-
Finance expenses	5	(13,230)	(4,067)
<b>Deficit before income tax</b>		<b>(27,859)</b>	<b>(39,214)</b>
Income tax expense		(10,152)	8,746
<b>Deficit for the year</b>		<b>(38,011)</b>	<b>(30,468)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(38,011)</b>	<b>(30,468)</b>

The accompanying notes form part of these financial statements.

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	404,734	143,674
Trade and other receivables	9	33,419	10,038
Inventories	10	25,659	28,681
Other assets	14	13,132	5,996
TOTAL CURRENT ASSETS		<u>476,944</u>	<u>188,389</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	4,064,212	4,216,192
Investment properties	13	440,000	440,000
Deferred tax assets	18	90,043	91,815
TOTAL NON-CURRENT ASSETS		<u>4,594,255</u>	<u>4,748,007</u>
TOTAL ASSETS		<u>5,071,199</u>	<u>4,936,396</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	15	158,435	143,942
Borrowings	16	196,843	41,975
Contract liabilities	11	18,222	18,211
Employee benefits	17	44,074	44,093
TOTAL CURRENT LIABILITIES		<u>417,574</u>	<u>248,221</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	18	119,401	111,021
Contract liabilities	11	-	3,339
Employee benefits	17	-	1,580
TOTAL NON-CURRENT LIABILITIES		<u>119,401</u>	<u>115,940</u>
TOTAL LIABILITIES		<u>536,975</u>	<u>364,161</u>
NET ASSETS		<u>4,534,224</u>	<u>4,572,235</u>
<b>EQUITY</b>			
Reserves		2,043,728	2,043,728
Retained earnings		2,490,496	2,528,507
TOTAL EQUITY		<u>4,534,224</u>	<u>4,572,235</u>

The accompanying notes form part of these financial statements.



## Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

### Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
<b>Balance at 1 January 2020</b>	<b>2,528,507</b>	<b>2,043,728</b>	<b>4,572,235</b>
Deficit for the year	(38,011)	-	(38,011)
Total other comprehensive income for the period	-	-	-
<b>Balance at 31 December 2020</b>	<b>2,490,496</b>	<b>2,043,728</b>	<b>4,534,224</b>

2019

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
<b>Balance at 1 January 2019</b>	<b>2,558,978</b>	<b>2,043,728</b>	<b>4,602,706</b>
Deficit for the year	(30,471)	-	(30,471)
Total other comprehensive income for the period	-	-	-
<b>Balance at 31 December 2019</b>	<b>2,528,507</b>	<b>2,043,728</b>	<b>4,572,235</b>

The accompanying notes form part of these financial statements.

# Warragamba Workers & Sporting Club Limited

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## Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,167,885	1,738,486
Payments to suppliers and employees	(1,035,634)	(1,718,625)
Interest received	171	105
Interest paid	-	(2,978)
Net cash provided by/(used in) operating activities	<u>132,422</u>	<u>16,988</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(13,000)	(7,445)
Net cash provided by/(used in) investing activities	<u>(13,000)</u>	<u>(7,445)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	203,035	-
Repayment of borrowings	(48,167)	(24,254)
Interest paid	(13,230)	-
Net cash provided by/(used in) financing activities	<u>141,638</u>	<u>(24,254)</u>
Net increase/(decrease) in cash and cash equivalents held	261,060	(14,711)
Cash and cash equivalents at beginning of year	<u>143,674</u>	<u>158,385</u>
Cash and cash equivalents at end of financial year	7 <u>404,734</u>	<u>143,674</u>

The accompanying notes form part of these financial statements.

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

The financial report covers Warragamba Workers & Sporting Club Limited as an individual entity. Warragamba Workers & Sporting Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Warragamba Workers & Sporting Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and Directors' Report have been rounded to the nearest dollars.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

#### 2 Summary of Significant Accounting Policies

##### (a) Revenue and other income

###### Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

###### Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

###### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

##### Poker Machine Income

Gaming revenue is the net difference between gaming wins and losses, and is recognised upon the outcome of the game. This is consistent with current accounting treatment.

##### Bar Sales

Food and beverage revenue is recognised as the goods are provided.

##### Statement of financial position balances relating to revenue recognition

##### Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Statement of financial position balances relating to revenue recognition

###### Contract cost assets

The Company recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

###### *Costs to obtain a contract*

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

###### *Set-up / mobilisation costs*

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Company if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

###### *Costs to fulfil a contract*

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Company that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

##### Provisions relating to contracts with customers

There are no provisions relating to contracts with customers.

##### Financing component of contracts with customers

There are no significant financing component of contracts with customers.

##### Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (b) Income Tax

Only non-member income of the Company is assessable for tax, as member income is excluded under the principle of mutuality.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

#### (c) Goods and services tax (GST)

Revenue, 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 Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

#### (d) Inventories

Inventories are measured at the lower of cost and net realisable value.

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (e) 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 impairment.

##### Land and buildings

Land and buildings are measured using the revaluation model.

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.5%
Plant and Equipment	7.5% - 50%
Furniture, Fixtures and Fittings	11.25% - 20%
Poker Machine at Cost	25% - 37.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (f) Investment property

Investment property is held to generate long-term yields and capital growth. Investment property is carried at fair value, determined by independent valuers every 3 years and assessed annually by the Director. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

#### (g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL (Not applicable to entity)
- fair value through other comprehensive income - equity instrument (FVOCI - equity) (Not applicable to entity)
- fair value through other comprehensive income - debt investments (FVOCI - debt) (Not applicable to entity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.



## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(g) Financial instruments**

###### **Financial assets**

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI (Not applicable to entity)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

# Warragamba Workers & Sporting Club Limited

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## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### Financial assets

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

#### (h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for 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) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

# Warragamba Workers & Sporting Club Limited

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## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

There are no indicators of impairment during the year.

#### Key estimates - fair value of land and buildings and investment property

The Company carries its land and buildings at fair value with changes in the fair value recognised in the revaluation reserve (for property, plant and equipment) and the statement of profit or loss and other comprehensive income (for investment property). Independent valuations are obtained every 3-5 years, and at the end of each reporting period the Directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 4 Revenue and Other Income

#### Revenue from continuing operations

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Sale of goods	359,667	733,689
- Gaming related income	530,131	759,784
- Promotion revenue	32,182	72,835
- Member subscriptions	1,735	13,035
	<u>923,715</u>	<u>1,579,343</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Rental Income	12,150	12,984
- Job Keeper Subsidy	142,200	-
- Cash Flow Boost	100,000	-
- Other Government Grants	13,000	-
	<u>267,350</u>	<u>12,984</u>
<b>Total Revenue</b>	<u><u>1,191,065</u></u>	<u><u>1,592,327</u></u>

	2020	2019
	\$	\$
Other Income		
- Sundry income	201	2,186
	<u>201</u>	<u>2,186</u>

### 5 Finance Income and Expenses

#### Finance income

	2020	2019
	\$	\$
Interest income		
- Assets measured at amortised cost	171	284
<b>Total finance income</b>	<u><u>171</u></u>	<u><u>284</u></u>

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 5 Finance Income and Expenses

#### Finance expenses

	2020	2019
	\$	\$
Other finance expenses	13,230	4,067
<b>Total finance expenses</b>	<b>13,230</b>	<b>4,067</b>

### 6 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Cost of Sales	177,956	348,091
Employee benefits expense	412,310	534,928
Depreciation expense	139,078	129,775
Other expenses:		
- Auditor's remuneration	20,100	33,400
- Cleaning expenses	33,446	42,917
- Electricity and gas	51,247	70,313
- Insurance	75,270	64,172
- Promotion expenses	42,818	106,401
- Repairs and maintenance	94,604	100,106
- Bistro expenses	-	603
- Function expenses	1,914	17,563
- Printing and stationery	7,060	7,127
- Rates and taxes	17,813	17,395
- TAB expenses	6,037	18,040
- Entertainment expenses	18,965	44,214
- Other expenses	81,546	94,899
<b>Total other expenses</b>	<b>450,820</b>	<b>617,150</b>

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 7 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	396,327	135,330
Short-term deposits	8,407	8,344
	<u>404,734</u>	<u>143,674</u>

#### Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	404,734	143,674
<b>Balance as per statement of cash flows</b>	<u>404,734</u>	<u>143,674</u>

### 8 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2020	2019
	\$	\$
Current tax expense		
Local income tax	-	(11,133)
Deferred tax expense		
Deferred tax expense	10,152	2,387
	<u>10,152</u>	<u>(8,746)</u>

(b) Reconciliation of income tax to accounting profit:

	2020	2019
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	(7,661)	(10,784)
Add:		
Tax effect of:		
- (Profit)/ loss relating to members	-	2,039
- Other temporary differences	14,654	-
	<u>6,993</u>	<u>(8,745)</u>

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 8 Income Tax Expense

	2020	2019
	\$	\$
Less:		
Tax effect of:		
- Over provision for income tax in prior year	-	-
Income tax expense	<u>6,993</u>	<u>(8,745)</u>

### 9 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	8,419	10,038
Other receivables	25,000	-
<b>Total current trade and other receivables</b>	<u>33,419</u>	<u>10,038</u>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 10 Inventories

	2020	2019
	\$	\$
CURRENT		
At cost:		
Finished goods	25,659	28,681
	<u>25,659</u>	<u>28,681</u>

Write downs of inventories to net realisable value during the year were \$ NIL (2019: \$ NIL).

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 11 Contract Balances

#### Contract assets and liabilities

The Company has recognised the following contract assets and liabilities from contracts with customers:

	2020	2019
	\$	\$
CURRENT		
Contract liabilities	18,222	18,211
<b>Total current contract liabilities</b>	<b>18,222</b>	<b>18,211</b>
	2020	2019
	\$	\$
NON-CURRENT		
Prepaid Membership Income	-	3,339
<b>Total non-current contract liabilities</b>	<b>-</b>	<b>3,339</b>

### 12 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	3,949,439	3,950,000
Total freehold land	3,949,439	3,950,000
Total Land	3,949,439	3,950,000
Buildings		
At cost	250,000	250,000
Accumulated depreciation	(245,597)	(152,500)
Total buildings	4,403	97,500
Total land and buildings	3,953,842	4,047,500
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	111,856	167,656
Accumulated depreciation	(88,151)	(118,679)
Total plant and equipment	23,705	48,977



# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 12 Property, plant and equipment

	2020	2019
	\$	\$
Furniture, fixtures and fittings		
At cost	49,284	52,450
Accumulated depreciation	(36,751)	(35,885)
Total furniture, fixtures and fittings	<u>12,533</u>	<u>16,565</u>
Motor vehicles		
At cost	36,212	36,212
Accumulated depreciation	(31,667)	(24,425)
Total motor vehicles	<u>4,545</u>	<u>11,787</u>
Poker Machine		
At cost	341,700	437,393
Accumulated depreciation	(272,113)	(346,030)
Total Poker Machine	<u>69,587</u>	<u>91,363</u>
Total plant and equipment	<u>110,370</u>	<u>168,692</u>
<b>Total property, plant and equipment</b>	<u><b>4,064,212</b></u>	<u><b>4,216,192</b></u>

#### (a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings
	\$	\$	\$	\$
<b>Year ended 31 December 2020</b>				
Balance at the beginning of year	1,150,000	2,897,500	48,977	16,565
Additions	-	-	-	-
Disposals	-	(460)	(15,905)	(1,525)
Depreciation	-	(93,198)	(9,367)	(2,507)
<b>Balance at the end of the year</b>	<u>1,150,000</u>	<u>2,803,842</u>	<u>23,705</u>	<u>12,533</u>
		Motor Vehicles	Poker Machine at Cost	Total
		\$	\$	\$
<b>Year ended 31 December 2020</b>				
Balance at the beginning of year		11,787	91,363	4,216,192
Additions		-	13,000	13,000
Disposals		-	(8,013)	(25,903)
Depreciation		(7,242)	(26,763)	(139,077)
<b>Balance at the end of the year</b>		<u>4,545</u>	<u>69,587</u>	<u>4,064,212</u>

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 13 Investment Properties

	2020	2019
	\$	\$
<b>At fair value</b>		
<b>Owned Property</b>		
Balance at beginning of year	440,000	440,000
<b>Balance at end of year</b>	<u>440,000</u>	<u>440,000</u>

The investment property was revalued at 31 December 2017 by independent valuers. The 2019 and 2020 valuations were performed by the Directors. Valuations were made using the market approach.

### 14 Other Assets

	2020	2019
	\$	\$
<b>CURRENT</b>		
Prepayments	13,132	5,996
	<u>13,132</u>	<u>5,996</u>

### 15 Trade and Other Payables

	2020	2019
	\$	\$
<b>CURRENT</b>		
Trade payables	19,604	23,492
GST payable	14,307	58,389
Sundry payables and accrued expenses	124,524	62,061
	<u>158,435</u>	<u>143,942</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 16 Borrowings

	2020	2019
	\$	\$
<b>CURRENT</b>		
Secured liabilities:		
Bank loans	196,843	41,975
<b>Total current borrowings</b>	<u>196,843</u>	<u>41,975</u>

The bank debt is secured by a registered first mortgage over the investment property.

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 17 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Long service leave	28,073	35,571
Provision for Annual Leave	16,001	8,522
	<u>44,074</u>	<u>44,093</u>
	2020	2019
	\$	\$
Non-current liabilities		
Long service leave	-	1,580
	<u>-</u>	<u>1,580</u>

### 18 Tax assets and liabilities

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Deferred tax assets</b>			
Accruals	6,641	(2,220)	4,421
Deferred tax assets attributable to tax losses	76,265	11,129	87,394
<b>Balance at 31 December 2019</b>	<u>82,906</u>	<u>8,909</u>	<u>91,815</u>
Accruals	4,421	(1,071)	3,350
Deferred tax assets attributable to tax losses	87,394	(701)	86,693
<b>Balance at 31 December 2020</b>	<u>91,815</u>	<u>(1,772)</u>	<u>90,043</u>

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Deferred tax liability</b>			
Fair value gain	110,858	163	111,021
<b>Balance at 31 December 2019</b>	<u>110,858</u>	<u>163</u>	<u>111,021</u>
Fair value gain	111,021	8,380	119,401
<b>Balance at 31 December 2020</b>	<u>111,021</u>	<u>8,380</u>	<u>119,401</u>

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 19 Reserves

#### (a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

### 20 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 \$ 2 each towards meeting any outstandings and obligations of the Company. At 31 December 2020 the number of members was 1,983.

### 21 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Warragamba Workers & Sporting Club Limited during the year are as follows:

The total remuneration paid to key management personnel of the Company is \$ 71,041 (2019: \$ 91,596).

### 22 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	18,000	31,000
- taxation services	2,100	2,400
<b>Total</b>	<b>20,100</b>	<b>33,400</b>

### 23 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
  - Land
  - Buildings
- Investment property

### 24 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (31 December 2019: None).

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 25 Related Parties

**(a) The Company's main related parties are as follows:**

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

For details of remuneration relating to key management personnel, refer to Note 21.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

**(b) Transactions with related parties**

There were no transactions with related parties during the year.

**(c) Loans to/from related parties**

There were no loans to/ from related parties during the year.

### 26 Events after the end of the Reporting Period

The financial report was authorised for issue on 31 July 2021 by the Board of Directors.

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

### 27 Statutory Information

The registered office and principal place of business of the company is:

Warragamba Workers & Sporting Club Limited  
9-11 Eighteenth Street  
WARRAGAMBA NSW 2752

# Warragamba Workers & Sporting Club Limited

ABN 40 000 880 393

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 27, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 31 December 2020 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.

Director .....

Maurie Hall

Director .....

Dave Costello

Dated 31 July 2021

## Warragamba Workers & Sporting Club Limited

# Independent Audit Report to the members of Warragamba Workers & Sporting Club Limited

### Report on the Audit of the Financial Report

#### Qualified Opinion

We have audited the financial report of Warragamba Workers & Sporting Club Limited (the Company), which comprises the statement of financial position as at 31 December 2020, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for Qualified Opinion

##### Opening Balances

We have been appointed as auditors of the Company for the financial year ended 31 December 2020. We have not audited the prior year balances and as a result, we are unable to provide an opinion on the opening balances of 31 December 2020.

##### Completeness of Revenue

As it is common for organisation of this type, it is not practical for the Association to maintain an effective system of internal control over takings until their initial entry in the accounting records. Accordingly, my audit in relation to receipts was limited to the amounts recorded.

##### Inventory

We did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2020, which are stated in the statements of financial position at \$25,659. As a result, we were unable to determine the valuation, existence and completeness of inventory on hand and whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and accounts receivable, and the elements making up the annual financial statements as at 31 December 2020.

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 (including Independence Standards)* (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.

## **Warragamba Workers & Sporting Club Limited**

# **Independent Audit Report to the members of Warragamba Workers & Sporting Club Limited**

We 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.

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

### **Responsibilities of Directors for the Financial Report**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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



## **Warragamba Workers & Sporting Club Limited**

### **Independent Audit Report to the members of Warragamba Workers & Sporting Club Limited**

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, actions taken to eliminate threats or safeguards applied.

**Fitzpatrick + Robinson**

**Warwick Fitzpatrick**  
**Audit Partner**

Gregory Hills  
Date: 31 July 2021