

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

ANNUAL REPORT

FOR THE YEAR ENDED 30 APRIL 2021

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

COMMODORES REPORT

FOR THE YEAR ENDED 30 APRIL 2021

Firstly, I would like to say a big Thank You to our members and guests for their continual support through these ever-changing times.

Over the last 12 months it has been very challenging for the board of directors and staff to adapt to our constantly changing environment. All board of directors and staff have handled this with great expertise to assist this club in remaining a great asset for its members and guests.

We have continued to improve the club's facilities with minor renovations throughout the year, thanks to our members and sponsors for their assistance.

The Crystal Chinese restaurant has again been a great asset to the club with fine food and service.

Putting the last 12 months behind us and moving forward, the plans for the new deck over the water has been approved and we are now sourcing funding to enable us to complete this over the coming months.

The lake, our greatest asset, is once again full which will enable us to host numerous events for the benefit of our club and culturally for the city.

With Covid 19 restrictions continuing to ease over the next couple of months, we hope we can get back to some normality and resume hosting functions and events for our members and guests.

Also, I believe the club is still in a good financial position to remain viable for years to come.

Remembering the club is only as good as the people around it, a big Thank You to all the members who assist weekly in and around the club; Dad's Army Boys (Kegs and lawns), Diana Lewington (Club Memberships), Kell Tilden (Cellar Man) and all the other people who have assisted in and around the club over the last 12 months.

Thanks also to Anna and her great team of staff for the continual effort in making this club a great environment for our members and guests.

Also, to our dedicated Board of Directors for their commitment and contribution over the last 12 months.

All the best to everyone for the remainder of 2021 and here's to a safer and brighter year for all in 2022.

Regards,

Mick Henderson

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

VICE COMMODORES REPORT

FOR THE YEAR ENDED 30 APRIL 2021

Firstly, I would like to thank the present Directors and Commodore Hendo.

This year has been another struggle with Covid but we have achieved a few changes and club is looking good and very functional.

I would like to thank every board member and member that has supported the Boat club over my time at the club, I have stood side by side with Hendo, Anna and all the board members over the past 10 years and I have enjoyed the tough road we have had, there has been ups and downs but believe we have moved in the right direction with the clubs future looking positive.

I am happy with the Chinese restaurant and how it has helped built the clubs customer base and increased daily trade, the working relationship between the club and the restaurant is a strong positive one.

Unfortunately, I am going to step down as a board member this year as I have my own business to concentrate on and can't commit my time.

I am still happy to help out on the big projects e.g. deck over the water and flow festival.

A really big thanks to Hendo, Lesley, Doddsy, Ricky, Andrew and the members that have helped out year and year again.

Cheers

Matthew Crawford

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

CONTENTS

FOR THE YEAR ENDED 30 APRIL 2021

Financial Report	Page
Club Property Declaration	1
Directors' Report	2
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	22
Independent Auditor's Report	23
Disclaimer	26
Profit and Loss Account	27

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

CLUB PROPERTY DECLARATION

FOR THE YEAR ENDED 30 APRIL 2021

Pursuant to Section 41E of the *Registered Clubs Act 1976* the Directors declare that, for the financial year ended 30 April 2021, the classification of the land is as follows:

Property Address	Current Usage	Classification
67 Plumpton Road, Wagga Wagga, NSW 2650	Clubhouse, bar and restaurant facilities	Core

Notes to Members

Section 41E of the *Registered Clubs Act 1976* requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.

Core property is any real property owned or occupied by the Club that comprises:

- (a) the defined premises of the Club; or
- (b) any facility provided by the Club for use of its members and their guests; or
- (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.

Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.

The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:

- (a) the property has been valued by a registered valuer within the meaning of the *Valuers Act 2003*; and
- (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
- (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

These disposal provisions and what constitutes a disposal for the purposes of section 41E are to some extent modified by regulations made under the *Registered Clubs Act 1976* and by Section 41E itself. For example, the years on terms that have been subject of a valuation by a registered valuer.

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The Directors present their report on Wagga Wagga Boat Club Ltd (the Company) for the financial year ended 30 April 2021.

Directors

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

Names	Position	Appointed	Resigned
Michael Henderson	Commodore	20 October 2013	
Matthew Crawford	Vice Commodore	20 October 2013	
Angela Deece	Rear Commodore	21 October 2018	6 June 2021
Daryl Day	Director	29 September 2019	25 October 2020
Bruce Dodds	Director	29 September 2019	
Andrew McLachlan	Director	29 September 2019	
Ricky Evans	Director	25 October 2020	
Lesley Court	Director	25 October 2020	

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

Principal activities

The principal activity of the Company during the financial year was to carry the business of a Club in accordance with the *Registered Clubs Act 1976*.

No changes to the nature of the Company's principal activity occurred during the financial year.

Short term objectives

The Company's short-term objectives are to:

- improve club facilities;
- improve trading performance; and
- access additional finance for renovations.

Long term objectives

The Company's long term-objectives are to:

- establish and maintain a strong relationship with the local community;
- be sustainable and strive for continuous improvement so far as to offer the best possible outcomes for the Company's members and guests; and
- ensure all profits are preserved for the benefit of the Company's members (MJC Landscape Solutions and Lucas and Crawford Asphaltting).

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

Strategy for achieving the objectives

The Company has adopted the following strategies for the achievement of these objectives:

- to trade profitably to ensure future growth of the Club;
- to provide a safe environment for members and their guest under the current COVID-19 conditions;
- continue to improve Club facilities these improvements are expected to entice new members to join the Club and existing members to continue to utilise the Club facilities;
- continue to promote sporting events in and around the Club facilities for the benefit of the community;
- to promote and host live music for members and guest; and
- the Club purchasing and hiring of kayaks to be available to the community for recreational use.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by providing a stable base of operations to improve trading performance. As a result of the improved trading performance during the year, the Company was able to implement its strategies detailed above and meet other objectives.

Performance measures

The following measures are used within the Company to monitor performance:

- Historical performance versus current performance;
- Budget comparatives;
- Industry standards and comparatives; and
- Compliance with legislative and regulatory requirements, and reviews by external regulatory bodies.

Members' guarantee

Wagga Wagga Boat Club Ltd is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company.

Meetings of Directors

During the financial year, 10 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Number eligible to attend	Number attended
Michael Henderson	10	10
Matthew Crawford	10	10
Angela Deece	10	8
Daryl Day	4	2
Bruce Dodds	10	10
Andrew McLachlan	10	9
Ricky Evans	6	5
Lesley Court	6	6

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

Significant changes in state of affairs

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

Events after the reporting date

Since the end of the financial year there has been significant changes in the Company's operations trading income due to COVID-19. Lockdown restrictions which resulted in the closure of the facilities for several weeks resulted in reduced patron numbers and ability to host larger functions.

The Company has obtained government funding and support grants due to these changing circumstances to assist the Company to remain financially stable.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia. The *Smoke-Free Environment Act 2000*, *Smoke-Free Environment Amendment Regulation 2009*, and the *Smoke-Free Environment Regulation 2007* ban and regulate smoking in enclosed public places as well as specified public places.


Indemnification

The Company has paid premiums to insure each of its Director's against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than the conduct involving a willful breach of duty in relation to the Company. The Company has not indemnified its Auditor's.


Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 April 2021 has been received and can be found on page 5 of the financial report.

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

Director: 

Michael Henderson

Director: 

Matthew Crawford

Dated: 28 October 2021

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 APRIL 2021

In accordance with the requirements of section 307C of the *Corporations Act 2001*, we declare that, to the best of our knowledge and belief, during the year ended 30 April 2021, 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.

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated: 29 October 2021

Wagga Wagga

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2021

	2021	2020
Note	\$	\$
Revenue from contracts with customers	386,669	567,550
Other income	71,547	136,178
	<u>458,216</u>	<u>703,728</u>
	4	
Less: Expenses		
Depreciation expense	31,786	34,019
Employee benefits expense	114,645	170,575
Entertainment expenses	2,902	17,256
Finance costs	15,462	19,642
Loss on disposal of poker machines	-	22,238
Other expenses	46,008	51,627
Professional services	8,600	8,916
Stock purchases and related incidentals	153,261	195,080
Repairs and maintenance	10,825	27,788
Utilities	57,317	62,725
	<u>17,410</u>	<u>93,862</u>
Profit before income tax		
Income tax expense	2(a) -	-
Other comprehensive income	-	-
	<u>17,410</u>	<u>93,862</u>
Total comprehensive income for the year		
	<u>17,410</u>	<u>93,862</u>

The accompanying notes form part of these financial statements.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	35,705	34,657
Trade and other receivables		2,609	13,000
Inventories		31,434	21,051
Prepayments		-	9,299
TOTAL CURRENT ASSETS		<u>69,748</u>	<u>78,007</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	742,945	744,869
TOTAL NON-CURRENT ASSETS		<u>742,945</u>	<u>744,869</u>
TOTAL ASSETS		<u>812,693</u>	<u>822,876</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		35,703	52,735
Borrowings	7	217,660	232,095
Employee benefits		8,402	4,528
TOTAL CURRENT LIABILITIES		<u>261,765</u>	<u>289,358</u>
TOTAL LIABILITIES		<u>261,765</u>	<u>289,358</u>
NET ASSETS		<u>550,928</u>	<u>533,518</u>
EQUITY			
Asset revaluation reserves	2(l)	595,072	595,072
Accumulated losses		(44,144)	(61,554)
TOTAL EQUITY		<u>550,928</u>	<u>533,518</u>

The accompanying notes form part of these financial statements.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2021

	2021	2020
	\$	\$
ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(61,554)	(155,416)
Profit for the year	17,410	93,862
	<u>(44,144)</u>	<u>(61,554)</u>
ASSET REVALUATION RESERVE		
Revaluation reserve at the beginning of the year	595,072	595,072
Movements in reserve	-	-
	<u>595,072</u>	<u>595,072</u>
TOTAL EQUITY	<u>550,928</u>	<u>533,518</u>

The accompanying notes form part of these financial statements.

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	435,475	560,064
Proceeds from sale of gaming machine entitlements	-	105,000
Receipts from government subsidies	38,900	13,000
Payments to suppliers and employees	(426,668)	(566,759)
Interest paid	(11,089)	(14,390)
Net cash provided by operating activities	<u>36,618</u>	<u>96,915</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Grant receipts for capital expenditure	-	58,410
Purchase of property, plant and equipment	(27,135)	(60,985)
Net cash used in investing activities	<u>(27,135)</u>	<u>(2,575)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party loans	5,000	8,821
Repayment of related party loans	(5,000)	(61,155)
Proceeds from borrowings	5,217	-
Repayment of external borrowings	(13,652)	(20,603)
Net cash used in financing activities	<u>(8,435)</u>	<u>(72,937)</u>
Net increase in cash and cash equivalents held	1,048	21,403
Cash and cash equivalents at beginning of year	<u>34,657</u>	<u>13,254</u>
Cash and cash equivalents at end of financial year	5 <u>35,705</u>	<u>34,657</u>

The accompanying notes form part of these financial statements.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

The financial report covers Wagga Wagga Boat Club Ltd as an individual entity. Wagga Wagga Boat Club Ltd (the Company) is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Wagga Wagga Boat Club Ltd is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

The financial report was authorised for issue by the Board of Directors on 28 October 2021.

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, *Corporations Act 2001* and *Corporations Regulation 2001*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Going concern

Notwithstanding the Company's deficiency in current assets of \$192,017 (2020: 211,351) the financial statements have been prepared on a going concern basis. This basis has been adopted for the following reasons:

- the Company has continuing financial support from the Directors and members to allow the Company to meet its current liabilities, and it is the belief of the Directors that such financial support will continue to be made available;
- the Company recorded a profit of \$17,410 during the year (2020: \$93,861);
- at the date the financial statements were authorised for issue, the Company is negotiating with the current caterers for a three (3) year term contract, plus a further three (3) year option;
- capital expenditure has been incurred to improve facilities to entice new and existing members to utilise the Company's facilities; and
- the city in which the Company operates has recorded significantly more rain during the 2020-2021 winters than in most recent years. This is expected to have a positive impact on Lake Albert which should result in increased patronage and functions.

As detailed in Note 9 and 10, the COVID-19 pandemic may have an impact on the operations of the Company over the foreseeable future. However, the Federal and State Governments, suppliers and financial institutions are providing financial support when significant impacts occur.

Financial institutions may provide relief from loan repayments, extend terms or alter conditions. As outlined within Note 7 Borrowings, the Company has extended their bank loan facility with the National Australia Bank and altered repayment terms.

It is also noted that the loan from National Australia Bank is disclosed as a current liability, as the Company does not have an unconditional right to defer settlement beyond 12 months. There has been no indication that the National Australia Bank intends to call upon the entire loan balance within next twelve months. As such the repayments will continue to be made in accordance with and over the term of the loan agreement. It is therefore the view of the Directors that the Company will continue to operate as a going concern, for at least the next twelve months.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income Tax

The mutuality principle has been applied to the calculation of the Company's income tax.

The Company does not recognise deferred tax assets as the Company has assessed the tax losses carried forward from prior periods as unrecoverable.

(b) Revenue and other income

Revenue from contracts with customers

Under AASB 15 the Company recognises revenue on a basis that reflects the transfer of promised goods or services to patrons 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; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Under AASB 1058, the Company recognises revenue when the Company gains control over an asset transferred to them.

The Company's accounting policies for recognising revenue is outlined in further detail below.

Sales revenue

Revenue derived through bar sales is recognised on transfer of goods to the patron as this is deemed to be the point in time when all the risks and rewards associated with the goods are transferred, there is no longer any ownership or effective control over the inventory and the Company's performance obligations have been met.

Receipts from function hire is recognised as sales revenue at the point in time the function has been held or the customer has revoked their right to receive a refund for any deposits made.

Membership subscriptions

Membership subscriptions represent the amounts received from the Company's members in accordance with the Rules of the Company. Membership subscriptions received in advance incur an obligation for the Company to honour the terms and conditions of the membership for the term of the membership. This represents a performance obligation to provide all benefits associated with the membership to the members.

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss on the date the disposal occurred.

Other revenue

Other revenue is recognised as revenue when the Company has fulfilled its performance obligations.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and cash on hand which is readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Inventories

Inventories at year end consisted of bar stock (2020: bar stock) which is measured at the lower of cost and net realisable value. Cost of inventory is determined using the individual item basis which is inclusive of freight and delivery charges and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written off in the statement of profit or loss and other comprehensive income when deemed to be damaged or obsolete.

(e) 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 payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on an inclusive 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.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. 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.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

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.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Financial instruments

Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significantly 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 by the Company to actions such as realising security (if any is held); or
- the financial asset 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.

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

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or, other financial liabilities, depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, related party loans, and trade and other payables, which are measured at amortised cost using the effective interest rate method.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) 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.

Items of property, plant and equipment acquired or donated for nil or nominal consideration have been recorded at the acquisition date fair value.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Freehold land

Land and buildings are measured using the revaluation model. Revalued amounts are fair market values based on appraisals prepared by external professional valuers once every three (3) years or more if market factors indicate a material change in fair value. Refer to Note 3 for estimates and judgement used in determining fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings

Buildings are measured using the revaluation model. Buildings are measured using the depreciated replacement cost model (fair value). The depreciated replacement cost is determined using fair market values and useful life assessments which are based on appraisals prepared by external professional valuers once every three (3) years or more if market factors indicate a material change in fair value or useful life. Refer to Note 3 for estimates and judgement used in determining fair value.

Any revaluation surplus arising upon appraisal of buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

Downward revaluations of buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Prior to the determination of revaluation increments or decrements, any accumulated depreciation recognised is reversed and credited against the assets depreciated replacement cost.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Property, plant and equipment

Freehold land

To the extent changes are made to the buildings useful life, additional disclosures are made under Note 3: Critical Accounting Estimates and judgements with the increase or decrease in depreciation charges being debited in profit or loss.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's 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:

Fixed asset class	Depreciation Rate
Buildings and improvements	1.5 - 20%
Plant and equipment	10 - 40%

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.

(h) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(i) Impairment of non-financial assets

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

(j) Employee benefits

A liability is made for the Company's 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.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Asset revaluation reserve

The asset revaluation reserve comprises gains and losses from the revaluation of land and buildings (see Note 2(g): Property, Plant and Equipment) for more information. Refer to Note 3 for estimates and judgement used in determining fair value.

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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the goods, and services offered, customers, supply chain and staffing. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavorably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Fair value of property

The Company's land and building assets are measured at fair value. Where fair value has not been 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 assets could be affected by changes in these assumptions and inputs.

An independent valuation was obtained on 24 November 2017. The Directors have reviewed this valuation and do not believe there has been a material movement in the value of these assets. The valuation is an estimation which would only be realised if the property is sold.

Inventories

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. Where there is evidence of the carrying amount being higher than the net realisable value, inventory is written down to its estimated net realisable value.

Provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

4 REVENUE AND OTHER INCOME

Revenue from contracts with customers

	2021 \$	2020 \$
- Grants and subsidies	13,000	58,410
- Other revenue	3,331	58,155
- Sales revenue	356,497	442,323
- Subscriptions	13,841	8,662
	<u>386,669</u>	<u>567,550</u>

Revenue recognised upon receipt

- Cash flow boost (COVID-19)	12,203	10,000
- Disposal of gaming machine entitlements	-	105,000
- Donations	30,444	18,178
- JobKeeper subsidy	28,900	3,000
	<u>71,547</u>	<u>136,178</u>
	<u>458,216</u>	<u>703,728</u>

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 \$	2020 \$
5 CASH AND CASH EQUIVALENTS			
CURRENT			
Cash at bank		25,091	22,957
Cash on hand		5,614	6,700
Restricted cash on hand	7	5,000	5,000
		35,705	34,657
6 PROPERTY, PLANT AND EQUIPMENT			
NON-CURRENT			
Freehold land			
At fair value		211,680	211,680
Buildings			
At fair value		426,362	407,627
Accumulated depreciation		(40,033)	(27,358)
		386,329	380,269
Plant and equipment			
At cost		486,625	475,498
Accumulated depreciation		(341,689)	(322,578)
		144,936	152,920
Total property, plant and equipment		742,945	744,869

(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 & Improvements \$	Plant & Equipment \$	Total \$
Year ended 30 April 2021				
Balance at the beginning of year	211,680	380,269	152,920	744,869
Additions	-	18,735	11,127	29,862
Depreciation expense	-	(12,675)	(19,111)	(31,786)
Balance at the end of the year	211,680	386,329	144,936	742,945

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

	2021	2020
	\$	\$
7 BORROWINGS		
CURRENT		
Bank loan	212,660	221,095
Member loans	5,000	11,000
	<u>217,660</u>	<u>232,095</u>

(a) Bank loans

On the 29 December 2017, the Company extended their bank loan facility with the National Australia Bank (NAB), the loan facility provided was \$275,000 for a term of twelve (12) years. Repayment terms for the facility is a monthly payment of \$1,950.35 with a variable interest rate, which was 4.990% at the end of the year.

The security for the loan facility is a Registered Mortgage over the Company's property situated at 67 Plumpton Road, Wagga Wagga.

The loan provided by the NAB has been recognised as a current liability of the Company due to the bank's ability to call upon the outstanding loan amount at any time.

(b) Member Loans

The balance of members loans remaining at year end relates to the following loan:

- \$5,000 being for the ATM float recognised as restricted cash on hand.

During the current and prior year, there were no defaults or breaches on any of the loans.

8 RELATED PARTY TRANSACTIONS

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 are considered key management personnel. Key management personnel of the Company during the year were as follows:

- Michael Henderson (Commodore)
- Matthew Crawford (Vice Commodore)
- Bruce Dodds (Director)
- Andrew McLachlan (Director)
- Ricky Evans (Director - Appointed 25 October 2020)
- Lesley Court (Director - Appointed 25 October 2020)
- Daryl Day (Director - Resigned 25 October 2020)
- Angela Deece (Rear Commodore - Resigned 7 June 2021)

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

8 RELATED PARTY TRANSACTIONS

Other related parties

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.

Transactions with related parties

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

No transactions occurred with key management personnel or their related parties during the year.

	Purchases	Sales	Wages	Balance outstanding Owed by the Company	Loan Proceeds	Loan Repayments
Key management personnel	3,152	-	-	5,000	-	-
Other related entities	-	1,455	1,323	1,505	5,000	5,000
	3,152	1,455	1,323	6,505	5,000	5,000

9 CONTINGENCIES

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The impacts of the pandemic are rapidly developing and are dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions, economic sanctions imposed and economic stimulus that may be provided.

In the opinion of the Directors, the Company did not have any other contingencies at 30 April 2021 (30 April 2020: contingencies reported were the same as 2021).

10 EVENTS OCCURRING AFTER THE REPORTING DATE

The financial report was authorised for issue on 28 October 2021 by the Board of Directors.

Since the end of the financial year there has been significant changes in the Company's operations trading income due to COVID-19. Lockdown restrictions which resulted in the closure of the facilities for several weeks resulted in reduced patron numbers and ability to host larger functions.

The Company has obtained government funding and support grants due to these changing circumstances to assist the Company to remain financially stable.

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

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

11 COMPANY DETAILS

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

Wagga Wagga Boat Club Ltd

67 Plumptre Road

WAGGA WAGGA NSW 2650

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 APRIL 2021

The Directors of the Company declare that the financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Corporations Act 2001* and:

- (i) comply with the Australian Accounting Standards - Reduced Disclosure Requirements, and the *Corporations Regulation 2001*; and
- (ii) give a true and fair view of the Company's financial position as at 30 April 2021 and of its financial performance for the year then ended.

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 
Michael Henderson

Director 
Matthew Crawford

Dated: 28 October 2021

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2021

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wagga Wagga Boat Club Ltd (the Company), which comprises the statement of financial position as at 30 April 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, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 April 2021 and of its financial performance for the year then ended; and
- (ii) complying with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

We 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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates the Company's current liabilities exceeded its current assets by \$192,017 as at 30 April 2021 (2020: \$211,351). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 APRIL 2021

Other Information

The Directors' are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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, the *Corporations Act 2001* and *Corporations Regulation* 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.

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2021

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated: 29 October 2021

Wagga Wagga

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

DISCLAIMER

FOR THE YEAR ENDED 30 APRIL 2021

The additional financial data presented on page 27 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 April 2021.

It should be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Wagga Wagga Boat Club Ltd) in respect of such data, including any errors or omissions therein however caused.

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated: 29 October 2021

Wagga Wagga

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2021

	2021	2020
	\$	\$
Revenue		
Grants and subsidies	13,000	58,410
Other revenue	3,331	58,155
Sales revenue	356,497	442,323
Subscriptions	13,841	8,662
	<u>386,669</u>	<u>567,550</u>
Other income		
Cash flow boost (COVID-19)	12,203	10,000
Disposal of gaming machine entitlements	-	105,000
Donations	30,444	18,178
JobKeeper subsidy	28,900	3,000
	<u>71,547</u>	<u>136,178</u>
Total revenue and other income	<u>458,216</u>	<u>703,728</u>
Less: Expenses		
Bank charges	4,373	5,252
Bar purchases	152,225	181,482
Cafe purchase	206	65
Cleaning expenses	3,203	8,977
Depreciation	31,786	34,019
Electricity and gas	33,041	35,613
Entertainment	2,902	17,256
Gaming machine expenses	-	9,584
Interest paid	11,089	14,390
Kitchen food costs	-	12,731
Loss on disposal of poker machines	-	22,238
Other expenses	53,815	35,450
Professional services	8,600	8,916
Repairs and maintenance	10,825	27,788
Security	858	7,013
Sewerage	8,303	10,295
Wages and salaries	114,645	170,575
Water charges	4,935	8,222
	<u>440,806</u>	<u>609,866</u>
Profit for the year	<u>17,410</u>	<u>93,862</u>