

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

FINANCIAL REPORT

FOR THE YEAR ENDED 30 APRIL 2022

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

CONTENTS

FOR THE YEAR ENDED 30 APRIL 2022

Financial Report	Page
Club Property Declaration	1
Directors' Report	2
Auditor's Independence Declaration	6
Statement of Income and Retained Earnings	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	21
Independent Auditor's Report	22

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

CLUB PROPERTY DECLARATION

FOR THE YEAR ENDED 30 APRIL 2022

Pursuant to Section 41E of the *Registered Clubs Act 1976* the Directors declare that, for the financial year ended 30 April 2022, 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 2022

The Directors present their report on Wagga Wagga Boat Club Ltd (the Company) for the financial year ended 30 April 2022.

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	28 November 2021
Angela Deece	Rear Commodore	21 October 2018	6 June 2021
Bruce Dodds	Director	29 September 2019	
Andrew McLachlan	Director	29 September 2019	28 November 2021
Ricky Evans	Director	25 October 2020	
Lesley Court	Director	25 October 2020	28 November 2021
Paula Moss	Director	28 November 2021	
David Moss	Director	28 November 2021	
Belinda Coleman	Director	28 November 2021	

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.

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

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.

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

Meetings of Directors

During the financial year, 12 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Number eligible to attend	Number attended
Michael Henderson	12	12
Matthew Crawford	6	6
Angela Deece	1	1
Bruce Dodds	12	12
Andrew McLachlan	6	5
Ricky Evans	12	12
Lesley Court	6	5
Paula Moss	6	6
David Moss	6	6
Belinda Coleman	6	5

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

Construction of the new deck and improvements to the lower facility area of the Company commenced in January 2022. As of 30 April 2022, the Company had incurred \$52,565 in capital works in progress which has been paid in full.

Since year end, the construction of the new deck and other improvements to the Company's facilities has continued, including:

- instalation of the new deck;
- re-turfing and concreting the area adjacent to the deck; and
- instalation of temporary fencing around the deck and marquee as permanent fixtures are currently awaiting on engineer drawings.

Subsequent to year end, the Company has also been donated a new Kayak launcher which is estimated to have a market value of approximately \$30,000.

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.

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

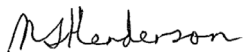
Indemnification

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 2022 has been received and can be found on page 6 of the financial report.

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

Director:


Michael Henderson

Director:


Bruce Dodds

Dated 30 November 2022

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 APRIL 2022

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 2022, 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 30 November 2022

Wagga Wagga

WAGGA WAGGA BOAT CLUB LTD

ABN: 23 001 064 106

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 APRIL 2022

	Note	2022 \$	2021 \$
Revenue		518,736	373,669
Other income		90,892	84,547
	4	<u>609,628</u>	<u>458,216</u>
Less: Expenses			
Depreciation expense		35,249	31,786
Employee benefits expense		158,369	114,645
Entertainment expenses		7,326	2,902
Finance costs		15,012	15,462
Other expenses		70,453	46,008
Professional services	5	12,836	8,600
Stock purchases and related incidentals		198,730	153,261
Repairs and maintenance		16,662	10,825
Utilities		48,948	57,317
		<u>46,043</u>	<u>17,410</u>
Profit before income tax		<u>46,043</u>	<u>17,410</u>
Income tax expense	2(a)	-	-
Other comprehensive income		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year		46,043	17,410
Accumulated losses at the beginning of the year		<u>(44,144)</u>	<u>(61,554)</u>
Retained earnings/(accumulated losses) at the end of the year		<u>1,899</u>	<u>(44,144)</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 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	42,098	35,705
Trade and Other Receivables		5,958	7,435
Inventories		48,462	31,434
TOTAL CURRENT ASSETS		<u>96,518</u>	<u>74,574</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	757,491	742,945
TOTAL NON-CURRENT ASSETS		<u>757,491</u>	<u>742,945</u>
TOTAL ASSETS		<u><u>854,009</u></u>	<u><u>817,519</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		14,916	40,529
Borrowings	8	233,692	217,660
Provisions		8,430	8,402
TOTAL CURRENT LIABILITIES		<u>257,038</u>	<u>266,591</u>
TOTAL LIABILITIES		<u>257,038</u>	<u>266,591</u>
NET ASSETS		<u><u>596,971</u></u>	<u><u>550,928</u></u>
EQUITY			
Asset revaluation reserves	2(h)	595,072	595,072
Retained Earnings/(Accumulated losses)		1,899	(44,144)
TOTAL EQUITY		<u><u>596,971</u></u>	<u><u>550,928</u></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 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	611,105	435,475
Receipts from government subsidies	-	38,900
Payments to suppliers and employees	(570,949)	(426,668)
Interest paid	-	(11,089)
Net cash provided by operating activities	<u>40,156</u>	<u>36,618</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(49,795)	(27,135)
Net cash used in investing activities	<u>(49,795)</u>	<u>(27,135)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party loans	-	5,000
Repayment of related party loans	-	(5,000)
Proceeds from borrowings	45,163	5,217
Repayment of external borrowings	(29,131)	(13,652)
Net cash used in financing activities	<u>16,032</u>	<u>(8,435)</u>
Net increase in cash and cash equivalents held	6,393	1,048
Cash and cash equivalents at beginning of year	35,705	34,657
Cash and cash equivalents at end of financial year	6 <u>42,098</u>	<u>35,705</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 2022

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 30 November 2022.

1 BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosure, *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 \$160,520 (2021: \$192,017), the financial statements have been prepared on a going concern basis. Included within current liabilities is \$233,692 in borrowings of which \$5,000 is not expected to be called upon by the related party, and the remaining NAB loan facility of \$228,692, which has current obligations of approximately \$30,000.

It is also noted that the loan from the NAB 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 NAB 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.

In addition to the above, the Directors have determined the going concern basis of preparation is also further supported due to the following reasons:

- the Company has continuing financial support from the Directors and members to allow the Company to meet its current liabilities and to assist with the completion of current and future facility upgrades, and it is the belief of the Directors that such financial support will continue to be made available;
- the Company recorded a profit of \$46,043 during the year (2021: \$17,410) and is now reporting accumulated earnings (2021: accumulated losses);
- the Directors are projecting positive cash flows for the next 12+ months based on current and expected sale volumes and known costs;
- at the date the financial statements were authorised for issue, the Company is negotiating with the current caterers for a further four (4) year term contract, plus a further three (3) year option;
- capital expenditure has been and will continue to be incurred to improve the overall facilities of the Company, which is also expected to increase the sales revenue of the Company;
- the Directors have a number of other strategic capital projects in the pipeline which are expected to further entice new and existing members, including the establishment of a coffee hut and toilet block which will be adjacent to the Company's premises; and

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

1 BASIS OF PREPARATION

Going concern

- The Directors are confident that planned fundraising activities scheduled will be sufficient to cover the remaining estimated costs to complete the remaining construction planned for the new deck.

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

Income of Not-for-Profit Entities

Under AASB 1058 *Income of Not-for-Profit Entities*, the Company recognises revenue on a basis that reflects the fair value of goods, services, and assets (such as cash, inventories and property, plant and equipment), which have been provided or transferred to the Company for nil or nominal consideration, is deemed to further the objectives of the Company, and has no enforceable or sufficiently specific performance obligations attached to the receipt.

Revenue from contracts with customers

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.

In accordance with AASB15, revenue from contracts with customers are 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.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Revenue and other income

Income of Not-for-Profit Entities

Under AASB 1058 *Income of Not-for-Profit Entities*, the Company recognises revenue on a basis that reflects the fair value of goods, services, and assets (such as cash, inventories and property, plant and equipment), which have been provided or transferred to the Company for nil or nominal consideration, is deemed to further the objectives of the Company, and has no enforceable or sufficiently specific performance obligations attached to the receipt.

Sales revenue

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 are recognised on receipt.

Grant funding

The Company recognises all grant funding received as revenue to the extent there are no performance obligations to the funds.

Donation income

Donations are recognised as revenue when received to the extent there are no performance obligations attached to the funds.

Other revenue

Other revenue is recognised as revenue when the Company has fulfilled its performance obligations, or on receipt to the extent there are no performance obligations attached to the funds.

(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.

Cash and cash equivalents includes restricted cash on hand which is shown in note 6 Cash and Cash Equivalents.

(d) Inventories

Inventories at year end consisted of 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.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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 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.

Refer to note 8(a) Borrowings for further information on financial liabilities.

(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

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Property, plant and equipment

Freehold land

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.

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) 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.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

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.

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.

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.

On completion of the deck and outdoor improvements, the Company will be obtaining a new valuation of its land and buildings which is expected to occur before the end of the next financial year.

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.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

	Note	2022 \$	2021 \$
4 REVENUE AND OTHER INCOME			
Revenue from contracts with customers			
- Other revenue		2,837	3,331
- Sales revenue		501,517	356,497
- Subscriptions		14,382	13,841
		518,736	373,669
Revenue recognised upon receipt			
- Cash flow boost (COVID-19)		-	12,203
- Donations		15,574	30,444
- JobKeeper subsidy		-	28,900
- Grants and subsidies		75,318	13,000
		90,892	84,547
		609,628	458,216
5 AUDITOR'S REMUNERATION			
Remuneration of the auditor, National Audits Groups Pty Ltd for:			
- auditing and assisting with the compilation of the financial statements		8,000	8,350
		8,000	8,350
6 CASH AND CASH EQUIVALENTS			
CURRENT			
Cash at bank		24,141	25,091
Cash on hand		12,957	5,614
Restricted cash on hand	8	5,000	5,000
		42,098	35,705

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

	2022	2021
	\$	\$
7 PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
Freehold land		
At fair value	211,680	211,680
Buildings and improvements		
At fair value	419,825	426,362
Less: Accumulated depreciation	(53,199)	(40,033)
	366,626	386,329
Capital works in progress		
At cost	52,565	-
Plant and equipment		
At cost	490,391	486,625
Less: Accumulated depreciation	(363,771)	(341,689)
	126,620	144,936
Total property, plant and equipment	757,491	742,945

(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	Capital Works in Progress	Plant & Equipment	Total
	\$	\$	\$	\$	\$
Year ended 30 April 2022					
Balance at the beginning of year	211,680	386,329	-	144,936	742,945
Additions	-	-	52,565	3,767	56,332
Disposals	-	(6,537)	-	-	(6,537)
Depreciation expense	-	(13,166)	-	(22,083)	(35,249)
Balance at the end of the year	211,680	366,626	52,565	126,620	757,491

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

	2022	2021
	\$	\$
8 BORROWINGS		
CURRENT		
Related party loan - unsecured	5,000	5,000
Bank loan - secured	228,692	212,660
	<u>233,692</u>	<u>217,660</u>

(a) Bank loan

On 15 December 2021, the Company extended the bank loan facility held with the National Australia Bank (NAB) by \$40,000 to \$242,200, for a term of 10 years from commencement date and with a 0.8% discount to the annual variable rate. The extension to the loan was to finance the construction of the Company's deck.

The loan provided by the NAB is recognised as a current liability as the Company does not have an unconditional right to defer payment if called upon.

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

During the year, the Company has paid more than the minimum loan repayment requirements, and has not had any defaults or breaches of the loans terms and conditions.

(b) Related Party Loan

The related party loan pertains to the \$5,000 used by the Company as an ATM float which has been recognised as restricted funds in cash on hand. The loan is non-interest bearing and unsecured. The related party does not intend on calling upon this debt within the next 12 month period.

9 CONTINGENCIES

The Company is awaiting for the engineer for the design to submit to the Wagga Wagga City Council to construct a permanent roof fixture over the newly constructed deck.

Further to above, the Company is also negotiating with the current caterers for a further four (4) year term contract, plus a further three (3) year option.

In the opinion of the Directors, the Company did not have any other contingencies at 30 April 2022 (30 April 2021: COVID19).

10 COMMITMENTS

The Company did not have any commitments as at 30 April 2022 (2021: None).

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

11 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 Board members/the Directors.

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.

The following transactions occurred with related parties:

	Purchases	Sales	Wages	Balance outstanding Owed by the Company	Loan Proceeds	Loan Repayments
Key management personnel	-	-	-	5,000	-	-
Other related entities	2,421	400	15,826	-	-	-
	<u>2,421</u>	<u>400</u>	<u>15,826</u>	<u>5,000</u>	<u>-</u>	<u>-</u>

12 EVENTS OCCURRING AFTER THE REPORTING DATE

The financial report was authorised for issue on 30 November 2022 by the Board of Directors.

Construction of the new deck and improvements to the lower facility area of the Company commenced in January 2022. As of 30 April 2022, the Company had incurred \$52,565 in capital works in progress which has been paid in full.

Since year end, the construction of the new deck and other improvements to the Company's facilities has continued, including:

- installation of the new deck;
- re-turfing and concreting the area adjacent to the deck; and
- installation of temporary fencing around the deck and marquee as permanent fixtures are currently awaiting on engineer drawings.

Subsequent to year end, the Company has also been donated a new Kayak launcher which is estimated to have a market value of approximately \$30,000.

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 2022

13 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

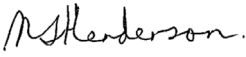
FOR THE YEAR ENDED 30 APRIL 2022


The Directors of the Company declare that the financial statements and notes, as set out on pages 7 to 20, are in accordance with the *Corporations Act 2001* and:

- (i) comply with the Australian Accounting Standards - Simplified Disclosure, and the *Corporations Regulation 2001*; and
- (ii) give a true and fair view of the Company's financial position as at 30 April 2022 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

Bruce Dodds

Dated 30 November 2022

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2022

Report on the Audit of the Financial Report

Qualified 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 2022, the statement of income and retained earnings, 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 30 April 2022 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 Qualified Opinion

During the course of the audit, it was evident that the membership subscriptions received in advance incur an obligation for the Company to honour the terms and conditions of the membership for the membership term. This represents a performance obligation to provide all benefits associated with the membership to the members. Therefore, membership subscriptions received in advance should be recognised on the Statement of Financial Position as a contract liability and subsequently recognised as revenue in the year to which they relate, on a straight-line basis in accordance with the *AASB 15 - Revenue from Contracts with Customers*. The Company recognises membership subscriptions upon receipt as outlined in Note 2(b) and due to limitation of scope posed from the source documents provided, we are unable to quantify whether the non-compliance is material.

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 qualified opinion.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 APRIL 2022

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 \$160,520 as at 30 April 2022 (2021: \$192,017). 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.

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.

WAGGA WAGGA BOAT CLUB LTD
ABN: 23 001 064 106

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 APRIL 2022

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

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated 30 November 2022

Wagga Wagga