

Yass Soldiers' Club Limited



Annual Report & Financial Statements 2020 - 2021

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

A Company Limited by Guarantee and Not Having Share Capital

ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the forty-ninth Annual General Meeting of the Yass Soldiers' Club Limited will be held at the Registered Office of the Club, 86 Meehan Street, Yass on Thursday 2nd December, 2021 at 7.30pm.

BUSINESS

1. To confirm minutes of previous Annual General Meeting held on 22nd October, 2020.
2. To receive, consider and adopt the Reports of the Directors and the Statement of Comprehensive Income for the year ended 30th June, 2021, the Statement of Financial Position at that date and the Auditors' Report thereon.
3. To complete the election of a Committee for the ensuing two years in accordance with the Articles of Association of the Company.
4. To deal with any other business of which due notice has been given.
5. To transact any other business that may be brought forward in accordance with the Articles of Association of the Company.

By order of the Board



R. Packwood
Secretary

Dated at Yass
4th November, 2021

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152
PRESIDENT'S REPORT

Your club had a profit of \$1,377,906 this year. The capital expenditure figure was \$159,689, whilst the annual building improvements total was \$78,489 and finally the repairs and maintenance total amounted to \$75,865.

The benefits returned to members for the year amounted to \$262,933, down slightly on last year.

However, by far the most satisfying aspect of this year's result was whilst revenue did increase, we were at the same time able to keep expenses in line with last year by finding additional efficiencies within the business despite the interruptions caused by Covid-19.

For the year our donations totalled \$53,381.

We all should be extremely happy with our result this financial year.

This result would not have been achievable without the combination of hard work and your support during the last twelve months.


At this stage I would like to make special mention of our General Manager, Robert Packwood, he has made a tireless effort over the last twelve months to deliver this result, with the support of his team.

I would like to thank our staff for their efforts during the last twelve months, their efforts go towards making the Club an extremely pleasant place to visit, thank you.

Thanks, must also be issued to the team on the Board whose broad range of skills, experience and knowledge has only gone to help create an exceptional governing body, one I am very proud to be a part of. Of course, none of this would be possible without the ongoing support and patronage of you, the member.

Thank you for your contribution, without you we would not be where we are today. In closing I would like to once again Thank You and assure you with your continual support your club will continue to grow from strength to strength.

We have a fantastic Club with awesome facilities, so please use it, and let's look forward to another positive year.


Bill Nesbitt
President

4th November, 2021

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

REPORT OF THE DIRECTORS

Your Directors present their report on the company for the year ended 30th June 2021.

DIRECTORS

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

Mr W J Nesbitt
Mr R Webster
Mr M P McManus
Mr B G Cooke
Mrs K J Watt

Mr M J Valencic
Mr C B Medway
Mr G R Pryor
Mr A J B Douglas
Mrs C Blyss

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

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Mr Robert Packwood was appointed company secretary on 25th November 2013 on his commencement as General Manager of the Club.

PRINCIPAL ACTIVITIES

The principal activities of the Club for the financial year were those of a Licensed Club and no significant change in the nature of those activities has taken place during that period.

OPERATING RESULTS

The operating profit after income tax amounted to \$ 1,377,906

DIVIDENDS

By its Memorandum and Articles of Association the Club is not permitted to declare dividends.

REVIEW OF OPERATIONS

The Club's financial statements record a net operating profit before tax of \$1,377,906 compared with a profit of \$105,793 for the previous year.

During the year the Club incurred capital expenditure on gaming machines and plant and equipment of \$159,689, expenditure on building improvements of \$78,489 and expenditure on repairs and maintenance of \$75,865

SIGNIFICANT CHANGES

No significant changes in the state of affairs of the Company occurred during the year.

YASS SOLDIERS' CLUB LIMITED
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REPORT OF THE DIRECTORS (CONTINUED)

AFTER BALANCE DATE EVENTS

No matters have arisen since balance date that have or may have significant effect on the operation of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years.

SHORT-TERM AND LONG-TERM OBJECTIVES

The short-term and long-term objectives of the company are to operate a licensed club for the benefit of its members. The company follows industry best practice for the management of the Club's operations, and for reviewing the Club's performance.

CORE AND NON-CORE ASSETS

In accordance with Section 41J of the Registered Clubs Act, the Club's property assets are classified as follows:

Core property: The land and building comprising the Club's licensed premises located at 88 Meehan Street, Yass NSW.

Non-core property: The residential property located at 78 Meehan Street, Yass NSW.

INFORMATION ON DIRECTORS

W.J. Nesbitt	President - Retired. Elected to the Board on 12 November, 1996.
M.P. McManus	Vice President - Technical Officer. Elected to the Board on 12 November, 1996.
R.P. Webster	Vice President - Retired. Elected to the Board on 18 December, 2014.
C.B. Medway	Businessman. Elected to the Board on 1 July, 2008.
M.J. Valencic	Accountant. Elected to the Board on 31 October, 2013.
G.R. Pryor	Bank manager. Elected to the Board on 27 July, 2015.
A. J. B. Douglas	Pharmacist. Elected to the Board on 31 July, 2017.
G. B. Cooke	Retired. Elected to the Board on 4 November, 2019.
C.L. Blyss	Real Estate Elected to the Board on 24 August, 2020
K.J. Watt	Manager - Public Service. Resigned on 21 September, 2020.

YASS SOLDIERS' CLUB LIMITED
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REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' MEETING ATTENDANCES

	DIRECTORS' MEETINGS		
	Number eligible to attend	Number attended	Number of apologies
Mr W. J. Nesbitt	12	10	2
Mr M. P. McManus	12	7	5
Mr R. P. Webster	12	8	4
Mr C. Medway	12	7	5
Mr M. J. Valencic	12	12	-
Mr G. R. Pryor	12	4	8
Mr A. J. B. Douglas	12	11	1
Mr G. B. Cooke	12	11	1
Mrs C Blyss	10	5	5


AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been received for the year ended 30th June, 2021 and can be found on page 6 of this financial report.

Signed in accordance with a resolution of the directors.

Yass
4th November, 2021

W. J. Nesbitt
Director


R. P. Webster
Director



**YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF YASS SOLDIERS' CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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.

GREGORY & McCARTHY
Chartered Accountants



P H Twohill
Director

75 Lead Street, Yass.
4th November, 2021

YASS SOLDIERS' CLUB LIMITED
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DIRECTORS' DECLARATION


The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30th June, 2021 and of the performance for the year ended on that date;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors for and on behalf of the directors by:

Yass
4th November, 2021

W. J. Nesbitt
Director


R. P. Webster
Director



YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

IMPORTANT INFORMATION FOR CLUB MEMBERS

The reporting period for the Yass Soldiers' Club Limited (serial number 244504) is year ended 30th June 2021.

1 Important Notes

The Registered Club Act defines top executive as being an employee of the Club with total remuneration exceeding \$100,000.

2 Disclosure of Interests of Directors and Employees in Contracts with the Club

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

The Registered Club Act requires directors who have material personal interest in matters that relate to the affairs of the Club to declare the interest at a Board meeting and display the declaration on the Club's notice board.

A contract is any commercial arrangement whether written or not.

In the reporting period there were no occasions when a director reported a material personal interest in a matter that related to the affairs of the Club.

3 Interest in Hotels

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

In the reporting period there were nil occasions when directors reported an interest in a hotel in NSW.

In the reporting period there were nil occasions when top executives reported an interest in a hotel in NSW.

4 Gifts to Directors and Staff

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

An affiliated body of the Club includes subsidiary clubs, and any body which the Club made a grant to within the previous 12 months.

A gift includes money, hospitality, or discounts.

A gift valued at more than \$500 must be disclosed; gifts from contractors must be disclosed if they total more than \$500 from an individual contractor in the reporting period.

4.1 Directors

In the reporting period there were nil occasions when directors of the Club reported receiving gifts from affiliated bodies.

In the reporting period there were nil occasions when directors of the Club reported receiving gifts from contractors.

YASS SOLDIERS' CLUB LIMITED
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IMPORTANT INFORMATION FOR CLUB MEMBERS (CONTINUED)

4.2 Employees

In the reporting period there were nil occasions when top executives of the Club reported receiving gifts from affiliated bodies.

In the reporting period there were nil occasions when top executives of the Club reported receiving gifts from contractors.

4.3 Value of Gifts

The total value of all gifts that directors and top executives received from affiliated bodies in the reporting period was nil.

The total value of all gifts that directors and top executives received from contractors in the reporting period was nil.

5 Top Executives

In the reporting period one top executive received total remuneration above \$100,000.

6 Contracts Approved by the Board

The Registered Club Act defines a controlled contract as being a Club contract:

- in which a director or top executive has a pecuniary interest;
- of employment of a top executive of the Club;
- for provision of professional advice relating to significant change of management structure or governance of the Club; significant change to the financial management of the Club, disposal of land, and the amalgamation of the Club.

During the reporting period no controlled contracts were approved by the Board that needed to be forwarded to the Director of Liquor and Gaming of which:

- nil such contracts related to contracts in which a director or top executive has a pecuniary interest.
- nil such contracts related to contracts of employment of the Club's top executives.
- nil such contracts related to the provision of professional advice.

These contracts fall into the following categories:

- significant change of management structure or governance of the Club.
- significant changes to the financial management of the Club.
- disposal of Club land.
- amalgamation of the Club.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

IMPORTANT INFORMATION FOR CLUB MEMBERS (CONTINUED)

7 Employees Related to Directors and Top Executives

A close relative is defined in Section 41B of the Registered Club Act and includes the immediate family.

In the reporting period, the Club employed a person who was a close relative of a top executive of the Club. Normal payrates applied to the hours worked by this person. The club did not employ any other persons who were a close relative of a director or a top executive of the club.

8 Payments to Consultants

During the reporting period there were no instances where the Club engaged a consultant.

9 Details of Settlements Paid by the Club

In the reporting period there were no instances where the Club made a legal settlement with either a director or staff member.

10 Legal Fees Paid by the Club

In the reporting period there were no instances where the Club paid legal fees for directors and employees.

11 Gaming Machine Profit

Gaming machine profit is defined in the Gaming Machines Tax Act.

The reporting period is the financial year ending 30 November 2020 for the purposes of the Act.

The Club recorded a gaming machine profit of \$2,868,051 in the reporting period inclusive of GST.

12 Amount Paid to Community Development

Clubs earning in excess of \$1,000,000 p.a. in gaming machine profit are required to make donations to community development and support.

In the reporting period the Club's donations exceeded the required amount under the community development guidelines.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
YASS SOLDIERS' CLUB LIMITED

Opinion

We have audited the accompanying financial report of Yass Soldiers' Club Limited (the company) which comprises the statement of financial position as at 30th June, 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Yass Soldiers' Club Limited is in accordance with the Corporations Act 2001, including:-

- (i) giving a true and fair view of the company's financial position as at 30th June, 2021 and of its performance for the year ended on that date; and
- (ii) complying with 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2021, 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, 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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.

YASS SOLDIERS' CLUB LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
YASS SOLDIERS' CLUB LIMITED (CONTINUED)

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant 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. 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.

GREGORY & McCARTHY
Chartered Accountants



P H Twohill
Registered Company Auditor

75 Lead Street, Yass.
4th November, 2021

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021 \$	2020 \$
Revenue from bar trading, raffles and restaurant		2,432,089	1,757,646
Cost of sales		<u>(1,213,946)</u>	<u>(811,889)</u>
Gross profit - bar trading and restaurant		1,218,143	945,757
Gaming machine net takings		3,563,015	2,209,753
Other revenue from ordinary activities		164,520	161,333
Other income; Profit on disposal, Increase in Market Value of Investments		101,543	37,924
Covid 19 Australian Government Support		126,000	161,500
Gaming machine taxes, license fees and maintenance		(759,680)	(441,754)
Employee expenses		(1,708,087)	(1,567,134)
Depreciation expense		(419,170)	(512,554)
Member expenses		(262,933)	(275,764)
Other operating expenses		(645,445)	(613,268)
Profit from ordinary activities before income tax	2	<u>1,377,906</u>	<u>105,793</u>
Income tax attributable to operating profit	3	<u>-</u>	<u>-</u>
Operating profit after income tax		<u>1,377,906</u>	<u>105,793</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2021

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July, 2019	7,347,102	1,839,827	9,186,929
Profit after tax attributable to the entity	105,793	-	105,793
Balance at 30 June, 2020	<u>7,452,895</u>	<u>1,839,827</u>	<u>9,292,722</u>
Profit after tax attributable to the entity	1,377,906	-	1,377,906
Balance at 30 June, 2021	<u><u>8,830,801</u></u>	<u><u>1,839,827</u></u>	<u><u>10,670,628</u></u>

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash	5	4,354,330	2,962,543
Other Debtors and Prepayments	6	96,210	66,478
Inventories	7	121,966	122,394
TOTAL CURRENT ASSETS		<u>4,572,506</u>	<u>3,151,415</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	5,493,761	5,673,885
Investment property	11	450,000	347,903
Intangible Assets	12	799,489	799,489
TOTAL NON-CURRENT ASSETS		<u>6,743,250</u>	<u>6,821,277</u>
TOTAL ASSETS		<u>11,315,756</u>	<u>9,972,692</u>
CURRENT LIABILITIES			
Creditors and borrowings	8	467,041	446,742
Provisions	9	147,582	183,835
TOTAL CURRENT LIABILITIES		<u>614,623</u>	<u>630,577</u>
NON - CURRENT LIABILITIES			
Borrowings	8	-	21,900
Provisions	9	30,505	27,493
TOTAL NON - CURRENT LIABILITIES		<u>30,505</u>	<u>49,393</u>
TOTAL LIABILITIES		<u>645,128</u>	<u>679,970</u>
NET ASSETS		<u>\$10,670,628</u>	<u>\$9,292,722</u>
 ACCUMULATED FUNDS		 <u>\$10,670,628</u>	 <u>\$9,292,722</u>

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021	2020
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and visitors		6,766,617	4,663,638
Payments to suppliers and employees		(5,114,996)	(3,988,888)
Interest received		244	27,004
Net cash provided by operating activities	13	<u>1,651,865</u>	<u>701,754</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Building improvements		-	(4,800)
Building renovations		(78,489)	(307,735)
Purchase of plant and equipment		(159,689)	(66,681)
Purchase of gaming machines		-	(172,810)
Purchase of gaming machine entitlements		-	-
Proceeds from disposal of assets		-	42,900
Net cash used in investing activities		<u>(238,178)</u>	<u>(509,126)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loan - Aristocrat		-	-
Repayment of borrowings		(21,900)	(19,710)
Net Cash provided/(used in) financing activities		<u>(21,900)</u>	<u>(19,710)</u>
NET INCREASE IN CASH HELD		1,391,787	172,918
CASH AT START OF YEAR		<u>2,962,543</u>	<u>2,789,625</u>
CASH AT END OF YEAR		<u><u>\$4,354,330</u></u>	<u><u>\$2,962,543</u></u>

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The financial statements cover Yass Soldiers' Club Limited as an individual entity incorporated and domiciled in Australia. Yass Soldiers' Club Limited is a company limited by guarantee and is a not-for-profit entity.

The financial report is a general purpose report which has been prepared in accordance with the Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets for which the fair value basis of accounting has been applied.

(b) Property, Plant and Equipment

Property, plant and equipment are included at cost or at independent valuation. All fixed assets, including buildings but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use. The depreciation rates for each class of assets are as follows:

	Depreciation Rate
Buildings	1.50%
Gaming Machines - Poker Machines	25% - 40%
Plant and equipment	15% - 40%

Land and buildings are shown at fair value based on either external valuations or valuation reviews undertaken by the directors to ensure that the carrying value of land and buildings does not exceed fair market values.

(c) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items and application of the mutuality principle. It is calculated using the tax rates that have been enacted by the balance sheet date.

(d) Inventory

Stock on hand is valued at the lower of cost and net realisable value.

(e) Employee Benefits

Provision is made in respect of the Company's liability for annual leave and long service leave including applicable on costs. Long service leave is accrued in respect of employees with more than five years service with the Company.

(f) Superannuation

The Company makes contributions to superannuation funds on behalf of its employees. The company has no legal obligation to cover any shortfall that may occur in the obligation of the funds to provide benefits to employees on retirement.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Members' Undertaking

The Club was incorporated on 5th April, 1972 and is limited by guarantee. In the event of the company being wound up, every member undertakes to contribute an amount not exceeding Two Dollars(\$2) pursuant to Clause 4 of the Memorandum of Association.

(i) Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks and financial institutions.

(j) Poker Machine Licenses

The Club operates a total of 94 poker machines. Twenty machine entitlements were acquired this in 2018 for a cost of \$580,000. Four poker machine entitlements were acquired in 2016 for a cost of \$75,217 and eight machine entitlements were acquired in 2015. The balance comprising 62 entitlements were acquired at no cost in years subsequent to when the club was established. As no consideration was originally paid, an intangible asset for these 62 licences on hand has not been recognised in the Club's statement of financial position.

Although there is an active market for poker machine entitlements, the market is highly regulated and as such this regulation significantly affects the ability to sell such an asset. If the regulator allows the sale of entitlements the estimated current market value is \$61,000 per lot of 3. Poker machine licenses are not amortised as they have indefinite useful lives.

NOTE 2 - SPECIFIC ITEMS

	2021	2020
Operating profit has been determined after:	\$	\$
(a) Crediting as revenue:		
Sales and other trading revenue	6,148,770	4,085,357
Members subscriptions	12,851	19,145
Rent	13,696	13,696
Interest - other persons	243	27,003
Covid 19 - Australian Government Support	126,000	161,500
Total revenue	\$6,301,560	\$4,306,701
 Other income		
Profit on sale of plant and equipment	-	37,924
Movement in market value of investment property	101,543	-
Total other income	101,543	\$37,924

YASS SOLDIERS' CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

	2021	2020
	\$	\$
NOTE 2 - SPECIFIC ITEMS - Cont'd		
(b) Charging as expense:		
Depreciation of property, plant and equipment	419,170	512,554
Auditor's remuneration:		
- auditing the accounts	16,000	15,500
- other services; assistance with preparation of financial statements and preparation of income tax return	6,491	6,000
Presidents Honorarium	5,000	5,000
Transfers to/(from) provisions:		
- annual leave and sick leave	(36,673)	1,817
- long service leave	4,566	8,059

NOTE 3 - INCOME TAX

Income tax expense varies from the prima-facie tax payable on the operating profit before tax. This is due to the application of the mutuality principle of Clubs whereby tax is assessed on net non-member income and net investment income.

Operating profit before income tax	1,377,906	105,793
Income tax at 26.00% (2020: 27.5%)	358,256	29,023
Tax effect of:		
Net effect of mutuality principle applied in accordance with taxation regulations and tax losses.	(358,256)	(29,023)
Income tax attributable to operating profit after recoupment of losses	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 - SEGMENT REPORTING

The company's operation involves a single industry segment as a registered club. The operations are confined to the State of New South Wales in Australia.

NOTE 5 - CASH

Cash on hand	160,005	160,005
Cash at bank	4,184,049	2,792,267
Interest Bearing Deposits	10,276	10,271
	<u>\$4,354,330</u>	<u>\$2,962,543</u>

NOTE 6 - OTHER DEBTORS AND PREPAYMENTS

TAB security deposits	5,000	5,000
ILG Shares	750	750
Covid 19 Australian Government Support	-	50,000
Prepayments; insurance and other	71,622	500
Other debtors	18,838	10,228
	<u>\$96,210</u>	<u>\$66,478</u>

NOTE 7 - INVENTORIES

Bar inventories and poker machine prizes	85,227	74,851
Restaurant	36,739	47,543
	<u>\$121,966</u>	<u>\$122,394</u>

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

NOTE 8 - CREDITORS AND BORROWINGS

	2021	2020
	\$	\$
Current		
Trade creditors	283,766	224,325
Accrued charges	73,238	186,409
GST payable	109,797	39,763
GST adjustment	240	(3,755)
	<u>\$467,041</u>	<u>\$446,742</u>
Non - current		
Aristocrat	0	21,900
	<u>\$0</u>	<u>\$21,900</u>

NOTE 9 - PROVISIONS

Current		
Annual leave	66,103	102,776
Long service leave	31,172	29,617
Link Jackpot	20,957	29,116
Unearned Income - Subscriptions in advance	25,055	18,031
Unearned Income - Gaming Machine Tax rebate	4,295	4,295
	<u>\$147,582</u>	<u>\$183,835</u>
Non - current		
Long service leave	30,505	27,493
	<u>\$30,505</u>	<u>\$27,493</u>

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Land and buildings		
Freehold Land		
Freehold Land - at Directors' Valuation 2021	982,760	982,760
Buildings - Club		
Buildings - Independent Valuation	3,000,000	3,000,000
Buildings - at cost	50,426	50,426
Less: Accumulated depreciation	318,875	273,119
Building Renovations	2,731,551	2,777,307
Total Buildings - at Directors' Valuation 2021	591,264	512,775
	<u>3,322,815</u>	<u>3,290,082</u>
Plant and equipment		
Plant, equipment and furniture - at cost	7,060,396	6,900,707
Less: Accumulated depreciation	5,872,210	5,499,664
	1,188,186	1,401,043
	<u>\$5,493,761</u>	<u>\$5,673,885</u>

The directors reviewed the valuations of land and buildings at 30 June 2021 resolving to continue to value the land at \$982,760 and placing a valuation on the Club building of \$3,322,815 which was the carrying value at that date. The previous revaluation was made on 1 July 2014.

The Club is planning to undertake renovations. Plans have been prepared but no commitment for expenditure has been made at the date of this report. An independent valuation will be sought after completion of any renovation work.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Movements in Carrying Amounts	Land	Buildings	Plant and Equipment	Total
Balance 1 July, 2019	982,760	3,023,311	1,632,329	5,638,400
Additions	-	312,534	239,491	552,025
Disposals	-	-	(4,977)	(4,977)
Depreciation expense	-	(45,763)	(465,800)	(511,563)
Balance 30 June, 2020	<u>982,760</u>	<u>3,290,082</u>	<u>1,401,043</u>	<u>5,673,885</u>
Balance 1 July, 2020	982,760	3,290,082	1,401,043	5,673,885
Additions	-	78,489	159,689	238,178
Disposals	-	-	-	-
Depreciation expense	-	(45,756)	(372,546)	(418,302)
Balance 30 June, 2021	<u>982,760</u>	<u>3,322,815</u>	<u>1,188,186</u>	<u>5,493,761</u>

NOTE 11 - INVESTMENT PROPERTY

Land and building

78 Meehan Street - at Market Value

Buildings - at cost

Adjustment to Market Value

Improvements and depreciable plant - at cost

Less: Accumulated Depreciation

	2021 \$	2020 \$
	330,628	330,628
	101,543	-
	28,288	26,866
	(10,459)	(9,591)
	<u>\$450,000</u>	<u>\$347,903</u>

The investment property was purchased in 2013 and is carried at market value.

NOTE 12 - INTANGIBLE ASSETS

Intangible Assets - Gaming Machine Entitlements - at cost

Less accumulated amortisation and impairment

	799,489	799,489
	-	-
	<u>\$799,489</u>	<u>\$799,489</u>

**Reconciliation of Intangible Assets -
gaming machine entitlements - at cost**

Balance at beginning of year

Additions

Closing carrying value at 30 June, 2021

	799,489	799,489
	-	-
	<u>\$799,489</u>	<u>\$799,489</u>

YASS SOLDIERS' CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

NOTE 13 - CASH FLOWS FROM OPERATIONS

Reconciliation of cash flow from operations with operating profit after income tax:		
Operating profit after income tax	1,377,906	105,793
Non-cash items in operating profit		
- revaluation of investment property		
- depreciation	(102,965)	-
- (profit)/loss on disposal of plant and equipment	419,170	512,554
- provision for annual leave	-	(37,923)
- provision for long service leave	(36,673)	1,817
- other provisions	4,566	8,059
	(8,158)	13,360
Changes in assets and liabilities relating to operating revenues and expenses		
- decrease / (increase) in sundry debtors and prepayments	(29,732)	(20,630)
- decrease / (increase) in inventories	428	18,779
- increase / (decrease) in subscriptions in advance	7,024	3,400
- increase / (decrease) in GST payable	74,029	(63,287)
- increase / (decrease) in trade creditors and accruals	(53,730)	159,832
Cash flows from operations	<u>\$1,651,865</u>	<u>\$701,754</u>

NOTE 14 - RELATED PARTY TRANSACTIONS

The names of persons who were directors at any time during the year are set out in the Report of the Directors. No Director receives any remuneration from the Club, with the exception of an annual honorarium of \$5,000 paid to the Club President.

NOTE 15 - FINANCIAL INSTRUMENTS

(a) **Financial Risk Management**

The Club's activities expose it to a variety of financial risks including interest rate and liquidity risks. Due to the nature of the Club's investments and other financial instruments it is not exposed to significant financial risks.

(b) **Fair Value**

The carrying amounts and estimated fair values of financial assets and financial liabilities held at balance date are the same.

(c) **Market Risk**

The Club's financial assets which are subject to interest rate risk comprise cash on hand, at bank, on call and term deposits which are generally short term and are held to maturity. Therefore the Club does not consider that a change in interest rates would have a significant effect on profit or equity.

(d) **Credit Risk**

No credit risk exposure exists due to the nature of the Club's activities.

(e) **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash or credit facilities to meet the operating requirements of the Club. This is managed through prudent cash flow management and maintenance of significant deposits with banks. The deposits held by the Club include term deposits and deposits at call with Australian banks earning interest at market rates. The Club's financial liabilities at the reporting date are mainly due within 12 months and therefore discounting is not significant.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

NOTE 16 - COVID - 19

The Covid - 19 virus has disrupted the operations of the company. This may affect the future financial results of the company however by what amount is unknown as at the date of this report

NOTE 17 - ENTITY DETAILS

The registered office and principal place of business is as follows:
86 Meehan Street,
Yass. NSW. 2582.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2021

COMPILATION REPORT WITH AUDITED ACCOUNTS

On the basis of information provided by the Yass Soldiers' Club Limited, we have compiled the attached additional financial data for the year ended 30th June, 2021.

Our procedures have included classification and summarisation of information provided to us by the Club to compile this financial data. This additional financial data has been subjected to the auditing procedures applied in our statutory audit of the Club for the twelve months ended 30th June, 2021. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Neither the firm, nor any member or employee of the firm, undertakes any responsibility or accepts liability in any way whatsoever to any person, other than the Club, in respect of the attached financial data including any errors or omissions however caused.

GREGORY & McCARTHY
Chartered Accountants



P H Twohill
Director

75 Lead Street, Yass
4th November, 2021

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021 \$	2020 \$
INCOME			
Bar and raffles contribution			
Gaming machine contribution	A	596,333	410,930
Gaming machine GST rebate		3,563,015	2,209,753
Keno contribution		17,180	17,180
Catering contribution		39,444	28,283
Members subscriptions	B	621,810	534,827
Commission, hire and other		12,851	19,145
Covid 19 - Australian Government Support		84,719	59,850
Rent (net)		126,000	161,500
Profit on sale of plant, poker machines and games		10,083	9,872
Increase in Market Value of Investment Property		-	37,924
Interest		101,543	-
		243	27,003
		<u>5,173,221</u>	<u>3,516,267</u>
EXPENDITURE			
Administration	C	200,627	160,125
Members	D	262,933	275,764
Occupancy	E	783,662	883,325
Salaries and staff on costs	F	1,708,087	1,567,134
Gaming machine taxes, license fees and maintenance		759,680	441,754
Catering - Other Expenses		26,945	22,043
Donations and sponsorship		53,381	58,610
Bar sundries	G	-	1,719
		<u>3,795,315</u>	<u>3,410,474</u>
OPERATING PROFIT BEFORE TAX		<u><u>\$1,377,906</u></u>	<u><u>\$105,793</u></u>

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2021

	2021	2020
	\$	\$
A. BAR & RAFFLES		
Bar sales	937,186	631,003
Less: Cost of sales	<u>366,397</u>	<u>251,472</u>
	570,789	379,531
	60.90%	60.15%
Raffles		
Less: Cost of sales	116,721	102,106
	<u>91,177</u>	<u>70,707</u>
	25,544	31,399
Total Gross Profit	<u>\$596,333</u>	<u>\$410,930</u>
B. CATERING		
Restaurant Sales		
Less: Cost of Sales	1,378,182	1,024,537
	756,372	489,710
Total Gross Profit	<u>\$621,810</u>	<u>\$534,827</u>
	45.12%	52.20%
C. ADMINISTRATION		
Audit Fees	16,000	15,500
Accountancy	6,491	6,000
Advertising	8,106	14,559
Bank charges	14,154	7,652
Contract Bookkeeping	17,856	18,235
Computer support and data processing	40,900	38,255
Legal Fees	39,549	-
Printing, postages and stationery	20,099	33,849
Subscriptions	15,746	9,927
Telephone	8,844	9,880
Other expenses; recruiting, directors expenses, freight, FBT, bad debt	<u>12,882</u>	<u>6,268</u>
	<u>\$200,627</u>	<u>\$160,125</u>

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2021

	2021	2020
	\$	\$
D. MEMBERS		
Club promotion expenses	202,844	222,052
Entertainment	46,305	43,669
Other members' expenses	13,784	10,043
	<u>\$262,933</u>	<u>\$275,764</u>
E. CLUB BUILDINGS AND EQUIPMENT EXPENDITURE		
Cleaning and laundry	16,855	10,284
Depreciation - buildings	45,746	45,763
Depreciation - plant and fittings	373,424	466,791
Electricity, gas and heating	171,025	169,709
Insurances	53,957	57,497
Rates	23,597	25,309
Repairs and maintenance	75,865	85,500
Other expenses	23,193	22,472
	<u>\$783,662</u>	<u>\$883,325</u>
F. SALARIES AND STAFF ON COSTS		
Salaries	1,531,565	1,364,443
Superannuation	143,094	128,098
Payroll tax	18,665	24,478
Provision for annual leave	(36,673)	1,817
Provision for long service leave	4,566	8,059
Staff uniforms, training and other	8,937	9,367
Workers compensation insurance	37,933	30,872
	<u>\$1,708,087</u>	<u>\$1,567,134</u>
G. DONATIONS AND SPONSORSHIP		
RSL, Community Groups and Individuals	37,381	55,760
Registered Charities	16,000	2,850
	<u>\$53,381</u>	<u>\$58,610</u>