

# Financial Report

Warragamba Workers & Sporting Club Ltd

ABN 40 000 880 393

For the year ended 31 December 2020

Prepared by Fitzpatrick & Robinson

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# Profit and Loss

## Warragamba Workers & Sporting Club Ltd For the year ended 31 December 2020

	2020	2019
<b>Income</b>		
<b>Revenue and Other Income</b>		
<b>Revenue from Contracts with customers</b>		
Bar sales	368,171	733,689
Promotion of revenue	27,847	72,834
Provision of services	534,508	759,784
Member subscriptions	1,735	13,035
<b>Total Revenue from Contracts with customers</b>	<b>932,261</b>	<b>1,579,343</b>
<b>Other Income</b>		
Interest received	171	284
Rental Income	12,150	12,984
Sundry Income	201	2,186
Other government grants	255,200	-
<b>Total Other Income</b>	<b>267,722</b>	<b>15,454</b>
<b>Total Revenue and Other Income</b>	<b>1,199,983</b>	<b>1,594,797</b>
<b>Total Income</b>	<b>1,199,983</b>	<b>1,594,797</b>
<b>Total Income</b>	<b>1,199,983</b>	<b>1,594,797</b>
<b>Expenses</b>		
Cost of Sales	177,957	348,091
<b>Depreciation</b>		
Depreciation	16,610	17,271
Depreciation - Buildings	93,198	76,250
Depreciation - Fixtures & Fittings	2,507	2,665
Depreciation Poker Machines	26,763	33,589
<b>Total Depreciation</b>	<b>139,077</b>	<b>129,775</b>
Employee Benefits Expense	395,581	534,929
Finance Costs	12,516	4,067
Loss on sale of non-current assets	25,902	-
<b>Other Expenses</b>		
Auditors remuneration	20,100	33,400
Bistro expenses	-	603
Cleaning expenses	33,446	42,917
Electricity and gas	51,247	70,313
Entertainment expenses	18,965	44,214
Function expenses	1,914	17,563
Insurance	75,270	64,172
Promotions	42,818	106,313
Rates and taxes	17,813	17,395
Repairs and maintenance	94,604	100,106

	2020	2019
Printing and stationery	7,060	7,127
TAB expenses	6,037	18,040
Other expenses	95,316	94,987
<b>Total Other Expenses</b>	<b>464,591</b>	<b>617,152</b>
<b>Total Expenses</b>	<b>1,215,624</b>	<b>1,634,013</b>
<b>Profit/(Loss) before Taxation</b>	<b>(15,641)</b>	<b>(39,216)</b>
<b>Income Tax Expense</b>		
Income Tax	4,313	(8,746)
<b>Total Income Tax Expense</b>	<b>4,313</b>	<b>(8,746)</b>
<b>Net Profit After Tax</b>	<b>(19,954)</b>	<b>(30,470)</b>
<b>Net Profit After Distributions/Dividends Paid</b>	<b>(19,954)</b>	<b>(30,470)</b>

# Balance Sheet

## Warragamba Workers & Sporting Club Ltd As at 31 December 2020

	NOTES	31 DEC 2020	31 DEC 2019
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	396,327	135,330
Inventories		25,659	28,681
Trade and other receivables	3	44,908	10,038
Prepayments	4	21,539	14,340
<b>Total Current Assets</b>		<b>488,433</b>	<b>188,388</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	4,064,212	4,216,192
Investment Property		440,000	440,000
Deferred Tax Asset		90,043	91,815
<b>Total Non-Current Assets</b>		<b>4,594,255</b>	<b>4,748,007</b>
<b>Total Assets</b>		<b>5,082,688</b>	<b>4,936,395</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	197,212	188,270
Other liabilities	7	22,792	17,977
Borrowings		196,843	41,975
<b>Total Current Liabilities</b>		<b>416,847</b>	<b>248,222</b>
<b>Non-Current Liabilities</b>			
Employee Entitlements		-	1,580
Deferred income		-	3,339
Deferred tax liability		119,401	111,021
<b>Total Non-Current Liabilities</b>		<b>119,401</b>	<b>115,940</b>
<b>Total Liabilities</b>		<b>536,248</b>	<b>364,162</b>
<b>Net Assets</b>		<b>4,546,440</b>	<b>4,572,233</b>
<b>Equity</b>			
<b>Retained Earnings</b>			
Asset Revaluation Reserve		2,043,728	2,043,728
Current Year Earnings		(19,954)	(30,470)
Retained Earnings		2,522,666	2,558,975
<b>Total Retained Earnings</b>		<b>4,546,440</b>	<b>4,572,233</b>
<b>Total Equity</b>		<b>4,546,440</b>	<b>4,572,233</b>

# Notes to the Financial Statements

## Warragamba Workers & Sporting Club Ltd For the year ended 31 December 2020

### 1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 31 December 2020. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

#### Inventories

Inventories are carried at the lower of cost or net realisable value. Cost is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to the existing condition and location.

#### Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Intangibles

Goodwill is recognised as the excess of the purchase price for a business acquired over the fair value of the net assets at the date of acquisition. Goodwill is assessed for impairment annually and is carried at cost less accumulated impairment losses.

#### Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

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These notes should be read in conjunction with the attached compilation report.

**Financial Assets**

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

**Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 December 2020. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

**Employee Benefits**

Provision is made for the liability for employee entitlements arising from services rendered by employees to 31 December 2020. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

**Provisions**

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**Revenue Recognition**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.  
Revenue from the rendering of services is recognised upon the delivery of the services to customers.  
Revenue from commissions is recognised upon delivery of services to customers.  
Revenue from interest is recognised using the effective interest rate method.  
Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

**Goods and Services Tax**

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

**Leases**

Finance leases are leases of fixed assets where substantially all of the risks and benefits incidental to the ownership of the asset are transferred to the entity, but the legal ownership is not transferred to the entity.

Finance leases are capitalised by recording an asset and a corresponding liability at the lower of the amounts equal to the fair value of the leased asset, or the minimum lease payments measured at present value including any residual values.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Operating lease payments are charged to the income statement on a straight-line basis over the term of the lease.

Lease incentives are deferred and amortised over the period of the lease.

Profits and losses on sale and leaseback transactions are recognised in the reporting period in which they occur.

## Grants

Grant revenue is recognised in the income statement when the entity receives the grant, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured.

If the grant has conditions attached which must be satisfied before the entity is eligible to receive the grant, the recognition of the revenue will be deferred until those conditions are satisfied.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the balance sheet until the required service has been completed, otherwise the income is recognised on receipt.

Warragamba Workers & Sporting Club Ltd receives non-reciprocal contributions of assets from the government and other parties for a nominal or zero value. These assets are recognised at their fair value on the date of acquisition in the balance sheet, with an equivalent amount of income recognised in the income statement.

Donations and bequests are recognised as revenue when received.

	2020	2019
<b>2. Cash and Cash Equivalents</b>		
Cash at bank	359,207	93,571
Cash on hand	37,002	41,641
<b>Total Cash and Cash Equivalents</b>	<b>396,209</b>	<b>135,212</b>

	2020	2019
<b>3. Receivables</b>		
Trade Debtors	19,908	10,038
Sundry debtors	25,000	-
<b>Total Receivables</b>	<b>44,908</b>	<b>10,038</b>

	2020	2019
<b>4. Prepayments</b>		
Prepayments	13,132	5,996
ANZ Term Deposit	8,407	8,344
<b>Total Prepayments</b>	<b>21,539</b>	<b>14,340</b>

	2020	2019
<b>5. Property Plant and Equipment</b>		
<b>Land and Buildings at Fair Value</b>		
Club Site Land	900,000	900,000
Former Club Site	250,000	250,000
<b>Land and Buildings</b>		
Buildings Revaluation	3,049,439	3,050,000

These notes should be read in conjunction with the attached compilation report.



	2020	2019
Accumulated Depreciation of Buildings	(245,597)	(152,500)
<b>Total Land and Buildings</b>	<b>2,803,842</b>	<b>2,897,500</b>
<b>Total Land and Buildings at Fair Value</b>	<b>3,953,842</b>	<b>4,047,500</b>
<b>Plant and Equipment</b>		
<b>Plant and Equipment at Cost</b>		
Poker Machines at Cost	341,700	437,393
Less Poker Machines Accumulated Depreciation	(272,113)	(346,030)
Furniture & Fittings at Cost	49,284	52,450
Less Furniture & Fittings Accumulated Depreciation	(36,751)	(35,885)
Plant & Equipment at Cost	111,856	167,656
Less Plant & Equipment Accumulated Depreciation	(88,151)	(118,679)
<b>Total Plant and Equipment at Cost</b>	<b>105,825</b>	<b>156,905</b>
<b>Total Plant and Equipment</b>	<b>105,825</b>	<b>156,905</b>
<b>Motor Vehicles</b>		
Motor Vehicles at Cost	36,212	36,212
Accumulated Depreciation of Motor Vehicles	(31,667)	(24,425)
<b>Total Motor Vehicles</b>	<b>4,545</b>	<b>11,787</b>
<b>Total Property Plant and Equipment</b>	<b>4,064,212</b>	<b>4,216,192</b>
	2020	2019

**6. Payables**

Trade payables	21,982	30,385
Accrued expenses	35,133	55,403
GST Payable	96,024	58,389
Employee entitlements	44,073	44,093
<b>Total Payables</b>	<b>197,212</b>	<b>188,270</b>
	2020	2019

**7. Other liabilities**

GST Gaming Rebate	7,158	7,158
Membership in Advance	11,290	6,475
Prepaid Member Cards	4,344	4,344
<b>Total Other liabilities</b>	<b>22,792</b>	<b>17,977</b>

These notes should be read in conjunction with the attached compilation report.