

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Annual Report
For The Year Ended
30 September 2021

Erina Rugby League Football Club Limited
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Annual Report
For The Year Ended 30 September 2021

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Erina Rugby League Football Club Limited
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Directors' Report

Your Directors present the financial accounts of the company for the year ended 30 September 2021.

Directors

The names and details of Directors in office at the day of this report are:

Name	Particulars
James Savage	President, Company Director, aged 57, joined the Board in August 2011. During the financial year he attended 11 of the 12 Board meetings held and 3 of 3 of the special Board meetings held.
Stephen McGowan	Vice President, Company Director, aged 65, joined the Board in February 2009. During the financial year he attended 12 of the 12 Board meetings held and 2 of 3 special Board meetings held.
John Simnett	Treasurer, Retired President SDA Newcastle, Justice of the Peace, Member of Justices Association of NSW, aged 78, joined the Board in February 2016. During the financial year he attended 9 of the 12 Board meetings held and 3 of 3 special Board meetings held.
Anthony Lavette	Director, Company Director, aged 58, joined the Board in February 2015. During the financial year he attended 11 of the 12 Board meetings held and 3 of 3 special Board meetings held.
Glenn Deegan	Director, Company Director - Bricklayer, aged 55, joined the Board in February 2015. During the financial year he attended 11 of the 12 Board meetings held and 3 of 3 special Board meetings held.
Mark Besgrove	Director, Production Manager, aged 58 and joined the Board in February 2017. During the financial year he attended 10 of the 12 Board meetings held and 3 of 3 special Board meetings held.
John Creevey	Director, Company Director, aged 66, joined the Board in February 2019. During the financial year he attended 11 of the 12 Board meetings held and 2 of 3 special Board meetings held.

Directors have been in office since the start of the financial year unless otherwise stated.

Company Secretary

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

James Savage Company Secretary, was appointed on 14 December 2021

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Directors' Report

Principal Activities

The company's principal activities of the company during the course of the financial year were to conduct and promote the game of Rugby League Football and carry out the objectives of Erina Rugby League Football Club Limited.

No significant change in the nature of these activities occurred during the financial year.

Short-term and Long-term Objectives

The company's Short term objectives:

- Maintain and grow profitability
- Foster and promote the sport of rugby league and other sports

The company's Long term objectives:

- To grow and improve the participation and standard of rugby league and other sports at the club
- Maintain and improve profitability

Strategies

To achieve these through diversification the company has adopted the following strategies:

- Maintain membership and grow the company's profitability.
- To diversify the Club's activities and seek to develop the Club current land

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Measures used by the company for its performance:

- Standard Club industry Key Performance Indicators including Gross Profit percentages, Wages percentages, EBIT and EBITDA etc.

Events subsequent to year end

Impact of COVID19 Shutdown

The NSW Government announced the closure of Greater Sydney Registered Clubs effective from 26 June 2021. The impact of this announcement was the closure of the Club's hospitality and gaming activities, including the abandoning of the Central Coast rugby league season for both senior and competitions.

The Club was re-open from 11 October 2021 with mandatory health restrictions in place and the COVID safe plan in operation to ensure the Club's hospitality and gaming activities could re-commence.

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Directors' Report

Events subsequent to year end (cont'd)

Since the 26 June 2021 a range of measures have been introduced by the NSW and Commonwealth Government to support business, to which the Club is eligible and has received financial support during the lock down period. With the re-opening of the Club it is expected that government support will be withdrawn over time, however the Directors anticipates that the trading conditions will continue to be challenging until such a time when the Club can return to normal operations. The board continues to monitor the financial impact of the pandemic & government restrictions placed on its operations.

Dividends

Under the company's Constitution no dividend can be paid.

Operating Results

The profit for the company for the financial year amounted to \$159,621 (2020: \$405,076) and earnings before interest, tax and depreciation amounted to \$825,701 (2020: \$1,093,932). The net trading profit for the licensed club for the financial year amounted to \$270,707 (2020: \$422,097) before the net loss from the Football trading of \$111,086 (2020: \$17,021) was applied.

Review of Operations

During the financial year the company continued its following core activities. The results from operations of the Club were impacted by COVID19 restrictions in both the current financial year and prior years. including the following lock downs which impacted the Club and rugby league competition for seniors and juniors.

- 2021 – mandatory 15 weeks lock down from the 26 June 2021 to the 11 October 2021
- 2020 - mandatory 9 weeks lock down from 27 April 2020 to the 27 June 2020

Bar Trading:

Bar sales for the year totalled \$935,542 which is a decrease from 2020 of \$77,936 (7.7%). The reduction in total turnover is principally due the Club being in lock down longer in 2021 when compared to 2020. The trading profit decreased by \$11,088 (5%) to \$210,545.

Poker Machine Trading:

Net takings for the year totalled \$2,062,210 which is a decrease from 2020 of \$224,213 (9.8%). The reduction in total turnover is principally due to the Club being in lock down longer in 2021 when compared to 2020. The trading profit of \$1,258,562 showed a decrease over last year of \$165,167 (11.6%) due to lower net clearances and a decrease in wages of \$23,487.

Catering Trading:

Catering sales for the year totalled \$980,627 which is a decrease from 2020 of \$17,553 (1.8%). The reduction is principally due to the period the Club was in lock down in response to the public health response. The net trading profit of \$151,261 compared to a profit of \$36,788 in 2020 is a net increase of \$114,473 mainly due to a decrease in wages of \$88,316 and other cost savings from the Club's closure.

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Directors' Report

Membership

Total members for the year ended 30 September 2021 was 9,272 (2020: 10,497).

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the company.

As at 30 September 2021 the total amount that members of the company are liable to contribute of the company is wound up is \$18,544 (2020: \$20,994).

Auditors Independence Declaration

The Lead auditor's independence declaration for the year ended 30 September 2021 has been received and can be found on page 7 of the financial report.

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



President/Director

31 - 1 - 2022

Dated at Erina on

**Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001
to the Directors of Erina Rugby League Football Club Limited**

As lead auditor for the audit of Erina Rugby League Club Limited for the year ended 30 September 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 31 January 2022

Independent Audit Report to the Members of Erina Rugby League Football Club Limited

Report on the Financial Report

Opinion

We have audited the financial report of Erina Rugby League Football Club Limited (the company), which comprises the statement of financial position as at 30 September, 2021, the statement of profit or loss and other comprehensive income, statement of changes member's funds 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 accompanying financial report of Erina Rugby League Football 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 30 September, 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis of 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 Erina Rugby League Football Club Limited, 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September, 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.

Independent Audit Report to the Members of Erina Rugby League Football Club Limited

Other Information (continued...)

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 report.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine as 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 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.

**Independent Audit Report to the Members
of Erina Rugby League Football Club Limited**

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

- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion

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

FORTUNITY ASSURANCE



Adrian Thompson
Partner
155 The Entrance Road
ERINA NSW 2250

Dated: 31 January 2022

Erina Rugby League Football Club Limited
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Directors' Declaration

The directors of the company declare that:

1. The financial report and notes, as set out on pages 12 to 32 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (a) give a true and fair view of the financial position as at 30 September 2021 and of the performance for the year ended on that date of the company;
2. In the director's 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.

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



President/Director

31-1-22
Dated at Erina on

Erina Rugby League Football Club Limited
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Statement of Profit or Loss & Other Comprehensive Income
For The Year Ended 30 September 2021

	Note	2021 \$	2020 \$
Revenue	2	4,704,208	5,647,195
Consumables used – Cost of Goods Sold	3	(725,727)	(775,350)
Employee benefits expenses		(1,425,509)	(2,124,280)
Power and gas		(122,090)	(140,773)
Football expenses		(196,601)	(56,332)
Other operating expenses		(1,408,580)	(1,457,098)
Earnings before depreciation and interest		825,701	1,093,362
Depreciation & amortisation	3	(608,883)	(620,331)
Interest	3	(57,197)	(67,955)
Operating surplus before income tax		159,621	405,076
Income tax expense	1(i)	-	-
Net surplus for the year after income tax		159,621	405,076
Total comprehensive surplus for the year		159,621	405,076

The accompanying notes form part of these financial statements.

Erina Rugby League Football Club Limited
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Statement of Financial Position
As At 30 September 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	4	1,720,404	1,438,350
Trade & other receivables	5	34,120	175,719
Inventories	6	82,560	80,140
Other current assets	7	10,957	12,886
Total Current Assets		1,848,041	1,707,095
Non-Current Assets			
Property, plant & equipment	8	9,318,328	9,404,376
Total Non-Current Assets		9,318,328	9,404,376
Total Assets		11,166,369	11,111,471
Current Liabilities			
Trade and other payables	9	227,040	504,458
Borrowings	10	1,628,194	1,513,413
Provisions for employee benefits	11	318,212	335,382
Total Current Liabilities		2,173,446	2,353,253
Non-Current Liabilities			
Borrowings	10	194,892	118,649
Provisions for employee benefits	11	35,346	36,501
Total Non-Current Liabilities		230,238	155,150
Total Liabilities		2,403,684	2,508,403
Net Assets		8,762,685	8,603,068
Equity			
Retained earnings	12	5,401,457	5,241,840
Reserves	13	3,361,228	3,361,228
Total Equity		8,762,685	8,603,068

The accompanying notes form part of these financial statements

Erina Rugby League Football Club Limited
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Statement of Changes in Equity
For the Year Ended 30 September 2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 October 2019	4,836,760	3,361,228	8,197,988
Other Comprehensive Income	-	-	-
Surplus for the year attributable to members of the company	405,076	-	405,076
Balance at 30 September 2020	<u>5,241,840</u>	<u>3,361,228</u>	<u>8,603,068</u>
Other Comprehensive Income	-	-	-
Surplus for the year attributable to members of the company	159,621	-	159,621
Balance at 30 September 2021	<u>5,401,457</u>	<u>3,361,228</u>	<u>8,762,685</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows
For The Year Ended 30 September 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from members, customers & guests		4,747,327	5,462,745
Payments to suppliers & employees		(4,165,927)	(4,503,735)
Interest received		164	279
Finance costs – Interest paid		(57,197)	(67,955)
Net cash provided by operating activities	19 (b)	524,367	891,334
Cash flows from investing activities			
Proceeds from sale of plant & equipment		89,497	29,800
Payment for property, plant and equipment		(522,835)	(188,063)
Net cash used in investing activities		(433,338)	(158,263)
Cash flows from financing activities			
Proceeds from borrowings		326,064	49,500
Repayment of borrowings		(135,039)	(68,612)
Net cash provided by / (used in) financing activities		191,025	(19,112)
Net increase or decrease in cash held		282,054	713,969
Cash at beginning of the financial year		1,438,350	724,391
Cash at the end of the financial year	19 (a)	1,720,404	1,438,350

The accompanying notes form part of these financial statements.

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 1. Summary of Significant Accounting Policies

Basis of Preparation

Erina Rugby League Football Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on January 2022 by the directors of the company.

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members, guests etc.

Revenue from rendering a service is recognised upon the delivery of the service to members, guests etc.

Where the entity receives memberships, sponsorships or grants, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB15.

Where both these conditions are satisfied the Company;

- Identifies each performance obligation relating to the membership, sponsorship or grant;
- Recognises a contract liability for its obligations under the contract or grant;
- Recognises revenue as it satisfies its performance obligations.

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 1. Summary of Significant Accounting Policies (cont'd)

(a) Revenue (cont'd)

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Company;

- Recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB9, AASB16 and AASB138);
- Recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liabilities);
- Recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets.

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

(b) Inventories

Inventories are measured at the lower value of cost and current replacement cost. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for normal consideration, are valued at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

Each class of Property, Plant and Equipment is carried at cost or fair values as indicated, at independent valuation, less, where applicable accumulated depreciation and impairment losses.

Property

Buildings and Improvements are measured on the basis of cost. Freehold Land was measured at an independent valuation by Mr Benjamin Doran of Robertson & Robertson, registered valuer, such valuation was carried out on 16 October 2018. The valuation has not been taken up in the financial statements.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit and loss.

As the revalued buildings are depreciated the difference between depreciation recognised in the Statement of Comprehensive Income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

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

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Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 1. Summary Of Accounting Policies (cont'd)

(c) Property, Plant and Equipment (cont'd)

Property (cont'd)

Plant and Equipment

Plant and Equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in either profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment recoverable amount is made when impairment indicators are present (refer to Note 1 (e) for details of impairment). Plant and equipment that have been contributed at no cost are recognised at their fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2%
Plant and Equipment	5 – 20%
Poker Machines	20%
Leased Plant and Equipment	20%
Landscaping	5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 1. Summary Of Accounting Policies (cont'd)

(d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial instruments, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at cost which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

Financial assets that are within the scope of the accounting standards are required to be subsequently measured at amortised or fair value on the basis of the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The company holds investment classified as financial asset at fair value through other comprehensive income. In adopting AASB 9 Financial Instruments, the company has made an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. No further impairment of the financial assets at fair value through other comprehensive income will be recognised.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans and borrowings are classified as non-current.

(e) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 1. Summary Of Accounting Policies (cont'd)

(f) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within the 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised as non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of the expected future payments to be made in respect of services provided by employee up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bodies with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST included is not recoverable from Australian Taxation Office.

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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Income Tax

Under present legislation income derived by the Company is not assessable to income tax as per an exemption granted by the Australian Taxation Office under Division 50 of the *Income Tax Assessment Act 1997*.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 1. Summary Of Accounting Policies (cont'd)

(j) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(k) Trade and Other Receivables

Trade and other debtors include amounts from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Trade and Other Debtors expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other trade debtors are classified as non-current assets.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) New Accounting Standards and Interpretations

The company has adopted all new or amended Accounting Standards and Interpretations issued by the Australia Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There were no Accounting Standards and or Interpretations which will have or have had a material impact on the Club for the year.

(n) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events are based on current trends and economic data, obtained both externally and within the entity.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 1. Summary Of Accounting Policies (cont'd)

(n) Critical accounting estimates and judgements (cont'd)

Employee benefits provision

As discussed in Note 1 (f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2021	2020
	\$	\$
Note 2. Revenue		
Sales Revenue:		
Sale of Goods - Bar	935,542	1,013,478
Net Clearances - Poker Machines	2,062,210	2,286,423
Sale of Goods - Catering	980,731	998,114
Functions - Income	49,957	77,695
	4,028,440	4,375,710
Commission - Keno	29,660	40,398
Commission - Tab	13,106	12,329
Commission - Other	105,570	78,058
Courtesy Bus	2,101	5,606
Football Trading	85,515	39,312
Social and Promotions Income	90,720	83,738
Members Subscriptions	45,633	54,492
Interest Received	164	279
	372,469	314,212
Other Income		
Sundry Income	17,693	17,473
Government Subsidies	196,109	910,000
Net Gain on Disposal of Non-Current Assets	89,497	29,800
	303,299	957,273
Total Revenue and Other Income	4,704,208	5,647,195

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

	2021	2020
	\$	\$
Note 3. Surplus for the Year		
(a) Expenses:		
Cost of Sales	725,727	775,350
Interest expense	57,197	67,955
Depreciation and Amortisation:		
- buildings	234,211	236,694
- plant and equipment & motor vehicle	108,043	125,789
- poker machines	266,629	257,848
Total Depreciation and Amortisation	608,883	620,331
 (b) Significant Revenue and Expenses		
Net gain/(loss) on disposal of non-current assets:		
Proceeds on disposal	89,497	29,800
Disposal at carrying value	-	-
Net gain on disposals	89,497	29,800
 Note 4. Cash and Cash Equivalents		
Cash on hand	91,281	101,681
Cash at bank	1,629,123	1,336,669
Total cash and cash equivalents as stated in the statement of financial position	1,720,404	1,438,350
 Note 5. Trade & Other Receivables		
Other Debtors	34,120	43,219
Government Subsidies Receivable	-	132,500
Total Trade & Other Receivables	34,120	175,719

(i) Credit Risk-Accounts Receivable and Other Debtors

The company does not have any material credit risk exposure to any single receivable or group of receivables.

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

	2021	2020
	\$	\$
Note 6. Inventories		
Current – at Cost		
Bar	46,328	47,143
Catering – Restaurant	8,269	8,399
Catering – Café	800	800
Promotions	930	60
Football	26,233	23,738
Total Inventories	82,560	80,140
Note 7. Other Current Assets		
Prepayments	10,957	12,886
Total Other Current Assets	10,957	12,886
Note 8. Property, Plant & Equipment		
Freehold land - at valuation	3,425,000	3,425,000
Buildings - at cost	8,208,767	8,187,178
Less accumulated depreciation	(3,527,639)	(3,297,985)
Total Land and Buildings	8,106,128	8,314,193
Plant & Equipment - at cost	2,045,049	2,684,467
Less accumulated depreciation	(1,526,923)	(2,178,883)
Total Plant & Equipment	518,126	505,584
Poker Machines - at cost	2,930,363	2,878,924
Less accumulated depreciation	(2,236,289)	(2,294,325)
Total Poker Machines	694,074	584,599
Net Written Down Value of all Property, Plant & Equipment	9,318,328	9,404,376

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 8. Property, Plant & Equipment (cont'd)

Current Value of Freehold Land

Based on a valuation performed by Mr Benjamin Doran of Robertson & Robertson on 16 October 2018, the value of land is \$6,750,000. The valuation was performed on the basis of current market buying values. The valuation has not been taken up in the financial statements. The revaluation was not made in accordance with a policy of regular revaluations.

As per Section S41 j(3) of the Registered Clubs Act the Board of Directors of Erina Rugby League Football Club Limited declare that as of 30 September 2021 the company owned the following property assets classified as below.

Current use	Classification
Main Club – Land & Buildings	

Movements in Carrying Amounts

2021	Freehold Land & Buildings \$	Plant & Equipment \$	Poker Machines \$	Total \$
Opening Balance	8,314,193	505,584	584,599	9,404,376
Additions at cost	26,146	120,585	376,104	522,835
Disposals & Transfers	-	-	-	-
Depreciation expense	(234,211)	(108,043)	(266,629)	(608,883)
Carrying amount at end of year	8,106,128	518,126	694,074	9,318,328

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

	2021	2020
	\$	\$
Note 9. Trade and Other Payables		
Current:		
Unsecured:		
Trade payables and accrued expenses	209,446	478,046
Revenue received in advance	17,594	26,412
Total Trade and Other Payables	227,040	504,458
Note 10. Borrowings		
Current:		
Secured:		
Hire Purchase Liabilities (b)	228,194	113,413
Loan - Bank (a)	1,400,000	1,400,000
	1,628,194	1,513,413
Non-Current:		
Secured:		
Hire Purchase Liabilities (b)	194,892	118,649
Loan - Bank (a)	-	-
	194,892	118,649
Total Borrowings	1,823,086	1,632,062

Secured Liabilities

- (a) Bank Loan secured over the facility and assets. Expiration of the current agreement is 30th April 2022, therefore is classified as being current in nature.
- (b) Hire Purchase agreements secured over the purchase of new poker machine additions. At the end of the financial year, three hire purchase agreements were active, with principal and interest repayments due in the next 12 months classified as current in nature and any further amounts of each agreement listed as non-current.

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

	2021 \$	2020 \$
Note 11. Provisions for Employee Benefits		
Current:		
Annual leave entitlements	125,020	167,998
Long service leave entitlements	193,192	167,385
	318,212	335,383
Non-Current:		
Long service leave entitlements	35,346	36,501
Total leave entitlements	353,558	371,884

Employee benefits represent amounts accrued for annual and long service leave.

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(f) to these financial statements.

Note 12. Retained Earnings

Retained Earnings at the beginning of the financial year	5,241,840	4,836,760
Net surplus for the year	159,621	405,076
Retained Earnings at the end of the financial year	5,401,457	5,241,840

Note 13. Reserves

Asset Revaluation Reserve at the beginning of the year	3,361,228	3,361,228
Movement for the year	-	-
Asset Revaluation Reserve at the end of the year	3,361,228	3,361,228

Asset Revaluation Reserve

The asset revaluation reserve records the re-valuation increments and decrements (that do not represent impairment write-downs) that relate to assets such as property, plant and equipment (non-current assets).

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

	2021	2020
	\$	\$

Note 14. Related Party Disclosures

(a) Loans to Directors

The directors of Erina Rugby League Football Club Limited during the year were:

J Savage	S McGowan	J Simnett	A Lavette
G Deegan	M Besgrove	J Creevey	

Aggregate income received, or due and receivable, by the directors of the company in connection with:

Honorariums	Nil	Nil
	_____	_____

(b) Key Management Personnel Compensation

Total remuneration received or due and receivable by key management of the company, including redundancy and other payments, for management of the affairs of the company.

Total Compensation	215,701	228,316
	_____	_____

Note 15. Related Party Disclosures

(a) Loans to Directors

Loans in existence at balance date to directors of the company

Nil	Nil
_____	_____

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2021

	Note	2021 \$	2020 \$
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Note 15. Related Party Disclosures (cont'd)

(b) Transactions with Related Parties - Directors

Types of Terms & Transaction	Class of Conditions	Related Party		
Purchases & Meals, Drinks, Education & Training	Normal Commercial Terms	Directors	2,071	4,321
Maintenance & Goods	Director – Related entity	Directors	8,000	11,123

(c) The Directors also purchased goods from the company on the same terms and conditions available to the company's employees, members and guests.

Note 16. Contingent Liabilities

Bank Guarantee

The Company has provided Bank Guarantees in relation to the following:
 Indemnity guarantee to TAB

	5,000	5,000
	5,000	5,000

Note 17. Financial Reporting By Segments

The company operates predominantly in one industry. The principal activity of the company is that of a Licensed Club registered under the Registered Clubs Act, 1976. The company operates predominantly in one geographical area, being Erina, NSW.

Note 18. Financial Risk Management

Financial Assets

Cash & Cash Equivalents	4	1,720,404	1,438,350
Trade and other debtors	5	34,120	175,719
		1,754,524	1,614,069

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

	Note	2021 \$	2020 \$
Note 18. Financial Risk Management (cont'd)			
Financial Liabilities			
Trade and other payables	9	227,040	504,458
Borrowings	10	1,823,086	1,632,062
Total Financial Liabilities		2,050,126	2,136,520

The company does not have any derivative instruments at 30 September 2021.

Note 19. Cash Flow Information

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash on Hand		91,281	101,681
Cash at Bank		1,629,123	1,336,669
Total Cash & Cash Equivalents		1,720,404	1,438,350

**(b) Reconciliation of Cash Flow from Operations
With Current Year Surplus after income tax**

Profit after income tax		159,621	405,076
Non-cash flows:			
Depreciation and Amortisation		608,883	620,331
Net Profit on disposal of Property, Plant and Equipment		(89,497)	(29,800)
Change in net assets and liabilities:			
(Increase)/Decrease in Trade and Other Debtors		141,599	(112,937)
(Increase)/Decrease in Inventories		1,930	(4,837)
(Increase)/Decrease in Other Current Assets		(2,421)	30,703
Increase/(Decrease) in Trade and Other Payables		(277,423)	(19,384)
Increase/(Decrease) in Provisions for Employee Benefits		(18,325)	2,182
Cash Flows provided by operating activities		524,367	891,334

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

	2021 \$	2020 \$
Note 19. Cash Flow Information (cont'd)		
(c) Financing Facilities		
As at the end of the financial year the Company had the following facilities available to it:		
(i) Asset Purchase facilities	500,000	500,000
Amount Utilised	(423,086)	(232,062)
Unused credit facility	<u>76,914</u>	<u>267,938</u>
(ii) Loan Facilities		
Bank Loan	1,600,000	1,600,000
Amount Utilised	(1,400,000)	(1,400,000)
Unused credit facility	<u>200,00</u>	<u>200,000</u>

The bank loan facilities matures on 30 April 2022 but may be extended by mutual agreement. The company has completed its negotiating for an extension of the maturity date of these facilities as at the date of approval of these financial statements.

The Asset Purchase facilities mature at different dates, but may be extended by mutual agreement. The Directors of the Company are of the opinion that the Asset Purchase facilities will be maintained after 30 April 2022.

Note 20. Company Details

The registered office of the company is:

Erina Rugby League Football Club Limited
Ilya Avenue
ERINA NSW 2250

The principle place of business is:

Erina Rugby League Football Club Limited
Ilya Avenue
ERINA NSW 2250

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2021

Note 21. Members Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In accordance with the conditions in the Constitution, the liability of members in the event of the company being wound up would not exceed \$2 per member towards meeting any outstanding and obligations of the company. At 30 September 2021 there were 9,272 members.

Note 22. Events After the Reporting Period

The emergence of Coronavirus disease (COVID-19) during the first months of 2020 has had a significant impact on financial markets and assets globally, the broader economic and social disruption now evident and is anticipated to continue in the near-term.

The Club in response to the health emergency has implemented additional practices and safeguards for the customers and staff members to help reduce the likelihood of transmission of the virus which has resulted in the continued suspension of many of the activities and events the Club previously participated in.

On the 26 June 2021, the government announced another forced closure of the registered and licensed clubs, licensed premises in hotels and pubs in the Greater Sydney Region until the re-opening announcement from the 11 October 2021. This included the subsequent cancellation of the 2021 Central Coast rugby league competition for both the senior and junior clubs.

While the impact of COVID-19 is yet to be fully determined, we have assessed the impact of the financial position and considered potential impacts to be as follows;

- Restricted trading activity are expected to be in place once public health orders permit re-opening of the Club for at least 6 to 12 months from the date of re-opening;
- Financial assistance is expected to continue to be received from the Commonwealth and State government to facilitate the public safety for the closure period; and
- The business continues to pay its debts as and when they fall due and payable.

Given the nature of the services provided, management will continue to monitor the economic impact of this situation on the assets held and business as a whole.

Other than the item noted above, in the interval between the end of the financial year and the date of this report, no transactions or event of material and unusual nature has arisen to significantly affect the operation of the Club, the results of those operations, or the state of affairs of the Club in the future financial years.