

# **Laurieton United Services Club Limited**

ABN 44 000 969 522

## **Financial Statements**

**For the Year Ended 30 June 2021**

# Laurieton United Services Club Limited

ABN 44 000 969 522

## FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### CONTENTS

	<u>Page</u>
DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	30
INDEPENDENT AUDITOR'S REPORT	31

# Laurieton United Services Club Limited

ABN 44 000 969 522

## DIRECTORS' REPORT

Your Directors present their report on the Company, for the financial year ended 30 June 2021.

### Directors

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

Greg ARMSTRONG

James (Jim) HENRY

Barry LANG

Ian JACKSON

Kenneth (Ken) WHYTE

Ingo MODEL

April SAUNDERS

(Appointed 29/04/2021)

Anne BURTON

(Resigned 28/01/2021)

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

### Short Term Objectives

The short-term objectives of the Company are to:

- Service all debts as and when they fall due.
- Provide benefits to members in a financially viable manner.
- Operate bar, gaming, catering, bowls and golf operations for the benefit of our members and their guests.
- Provide entertainment for the benefit of our members and their guests.
- Utilise funds derived from the Club's operations for the support and development of our community.
- Provide a high standard of customer service when dealing with members and their guests.
- Ensure the Governing Body is educated and informed appropriately in order to be able to provide the Club with the necessary guidance to achieve its objectives.

### Long Term Objectives

The long term objectives of the Company are to:

- Provide, maintain or change offerings in order to continually meet the needs of our members and their guests.
- Create sustainable financial viability while maintaining our position as the focus of social and community activities.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## DIRECTORS' REPORT

### **Strategies Adopted for Achieving Objectives**

To achieve the objectives of the Company the following strategies have been adopted:

#### ***Planning***

- The Club's strategic plan is reviewed by the Governing Body on an annual basis to ensure that the strategies implemented to meet the Club's objectives are appropriate.

#### ***Marketing***

- The Club regularly researches its members through surveys to assist in satisfying their needs and wants. Through this research the Club continues to market its food, beverage, gaming, bowls and golf activities for its members and their guests.
- The Club trains and monitors staff with a view to providing great experiences for its members and their guests.

### **Principal Activities**

The principal activity of the Company during the financial year was the conduct of a Registered Club.

No significant change in the nature of this principal activity occurred during the year.

### **Means by which Principal Activities Assisted in Achieving the Company's Objectives**

The principal activities of a Registered Club are multifaceted. Many activities assisted the Club in achieving its objectives including the marketing of the key trading areas of the business being:

- Bar operations;
- Bowls operations;
- Catering operations;
- Course operations;
- Gaming operations; and
- Entertainment.

The conduct of these activities, and the effective utilisation of cashflow surpluses, enabled the Club to achieve its objectives.

### **Key Performance Measures**

The Club's trading results are compared to last year's results and the Club's budget and the Club prepares cash flow forecasts to ensure the efficient utilisation of future cash flows. The results of these planning and control activities are presented to the Governing Body on a monthly basis. Variations are analysed and explanations for variances are provided to the Governing Body for their deliberation.

To assist the Governing Body in ensuring that the Club has the capacity to both repay its debt as well as invest in facilities and equipment, the Club's earnings before interest, tax and depreciation are reviewed bi-annually.

To assist in the monitoring of Club performance, market research is conducted on an on going basis.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## DIRECTORS' REPORT

### Members' Guarantee

The Laurieton United Services Club Limited 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 \$1 towards meeting any outstanding obligations of the Company. At 30 June 2021 collective liability of members was \$9,593 (2020: \$9,839).

### Core and Non-Core Property

Core property is defined as any real property owned by the Club that comprises the defined premises of the Club or any facility provided by the Club for the use of its members and their guests. Core property of the Club consists of land occupied by the Clubhouse and carpark at Seymour Street, Laurieton, New South Wales, and land occupied by the Clubhouse, golf course, bowling greens and carpark at Kendall Road, Kew, New South Wales.

Non-core property of the Club means any real property owned by the Club that is not core property. Non-core property consists of 3, 5 and 7 Lake Street, and Lot 4 McLennan Street, Laurieton, New South Wales.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and is included in these financial statements.

### Meetings of Directors

During the financial year, 16 meetings of Directors (including special meetings) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Greg ARMSTRONG	16	16
James (Jim) HENRY	16	16
Barry LANG	16	16
Ian JACKSON	16	14
Kenneth (Ken) WHYTE	16	16
Ingo MODEL	16	16
April SAUNDERS	3	3
Anne BURTON	9	9

Throughout the year an additional 22 sub-committee meetings were held to attend to business pertaining to the club.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## DIRECTORS' REPORT

### Information on Current Directors

#### **Greg ARMSTRONG**

Qualifications	Retired Practising Accountant
Experience	Board Experience 29 years
Special Responsibilities	President Chairman of Kew Country Club Course Management Committee Chairman of Executive Committee Chairman of Finance Committee Lake Street Committee

#### **James (Jim) HENRY**

Qualifications	Retired NRMA Manager
Experience	Board Experience 14 years
Special Responsibilities	Senior Vice President Executive Committee Finance Committee Club Grants Committee Chairman Government Grants Committee Board Representative of WHS Committee Lake Street Committee

#### **Barry LANG**

Qualifications	Australian Regular Army Returned from Active Service Retired NSW Distribution and Operations Manager for Big W
Experience	Board Experience 16 years
Special Responsibilities	Vice President Executive Committee Finance Committee Chairman of House and Building Committee Citation Committee

#### **Ian JACKSON**

Qualifications	Retired Licenced Real Estate Agent, Retired NSW Department of Education and Training Audit Investigator, Retired Army Lieutenant Colonel
Experience	Board Experience 27 years
Special Responsibilities	Chairman of Citation Committee

#### **Kenneth (Ken) WHYTE**

Qualifications	Retired Boiler Maker
Experience	Board Experience 20 years
Special Responsibilities	Citation Committee House and Building Committee Chairman of Club Grants Committee Lake Street Committee

# Laurieton United Services Club Limited

ABN 44 000 969 522

## DIRECTORS' REPORT

### **Ingo MODEL**

Qualifications Retired Automotive TAFE Teacher (Dip. TEACH S.C.A.E),  
Automotive Engineer

Experience Board Experience 5 years  
Director of 2 other NSW Clubs 19 years (President for 5 years)

Special Responsibilities Kew Country Club Course Management Committee  
Government Grants Committee

### **April SAUNDERS**

Qualifications Change Manager Essential Energy, Executive Master of Business  
Administration, Bachelor of Science

Experience Board experience 1 year

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

Director: .....

  
Greg ARMSTRONG

**Dated: 15 September 2021**

## **AUDITOR'S INDEPENDENCE DECLARATION**

**Under Section 307C of the *Corporations Act 2001***

**To the Directors of Laurieton United Services Club Limited**

declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 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.

**NorthCorp Accountants**



**Rodney Smith**  
Partner

**10-12 Short Street**  
**Port Macquarie NSW 2444**

**Dated: 15 September 2021**



# Laurieton United Services Club Limited

ABN 44 000 969 522

## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	2	<u>11,742,513</u>	<u>9,339,054</u>
Inventories purchased	3	(1,434,185)	(1,337,814)
Changes in inventories	3	11,207	(14,502)
Administration expenses		(622,456)	(616,339)
Depreciation, amortisation and impairment	3	(925,181)	(986,476)
Electricity, gas and diesel costs		(240,802)	(228,914)
Employee benefits expense		(3,059,609)	(3,040,785)
Entertainment expenses (excluding trading areas)		(1,198,701)	(1,027,340)
Finance costs	3	(20,981)	(84,863)
Insurance expenses		(277,442)	(198,836)
Loss on disposal of property, plant and equipment	3	(552,457)	(4,001)
Other golf and bowls expenses		(288,458)	(241,828)
Other poker machine expenses		(1,123,924)	(834,558)
Repairs, maintenance and cleaning expenses		(684,501)	(467,315)
Other expenses		<u>(156,178)</u>	<u>(158,872)</u>
		<u>(10,573,668)</u>	<u>(9,242,443)</u>
<b>Profit / (loss) before income tax</b>		<b>1,168,845</b>	<b>96,611</b>
Income tax benefit / (expense)	4	<u>(73,797)</u>	<u>65,103</u>
<b>Profit / (loss) for the year</b>		<b><u>1,095,048</u></b>	<b><u>161,714</u></b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b><u>1,095,048</u></b>	<b><u>161,714</u></b>
Profit / (loss) attributable to members of the Company		<u>1,095,048</u>	<u>161,714</u>
Total comprehensive income attributable to members of the Company		<u>1,095,048</u>	<u>161,714</u>

The accompanying notes form part of these financial statements.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	769,078	236,455
Trade and other receivables	6	80,300	269,438
Inventories	7	94,875	82,480
Other financial assets	8	157	157
Other assets	9	138,570	99,557
<b>Total current assets</b>		<b>1,082,980</b>	<b>688,087</b>
<b>Non-current assets</b>			
Investment property	10	1,080,631	1,083,508
Property, plant and equipment	11	10,040,097	10,491,768
Intangible assets	12	401,855	401,855
Deferred tax assets	14	568,086	642,751
<b>Total non-current assets</b>		<b>12,090,669</b>	<b>12,619,882</b>
<b>TOTAL ASSETS</b>		<b>13,173,649</b>	<b>13,307,969</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	792,760	947,222
Borrowings	15	202,585	365,592
Provisions	16	410,099	427,083
Other liabilities	17	211,196	248,498
<b>Total current liabilities</b>		<b>1,616,640</b>	<b>1,988,395</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	14	9,475	10,343
Borrowings	15	253,729	1,105,609
Provisions	16	52,661	57,526
<b>Total non-current liabilities</b>		<b>315,865</b>	<b>1,173,478</b>
<b>TOTAL LIABILITIES</b>		<b>1,932,505</b>	<b>3,161,873</b>
<b>NET ASSETS</b>		<b>11,241,144</b>	<b>10,146,096</b>
<b>EQUITY</b>			
Retained earnings		11,241,144	10,146,096
<b>TOTAL EQUITY</b>		<b>11,241,144</b>	<b>10,146,096</b>

The accompanying notes form part of these financial statements.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2021

### 2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	10,146,096	10,146,096
Profit / (loss) attributable to members of the Company	1,095,048	1,095,048
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,095,048</b>	<b>1,095,048</b>
<b>Balance at 30 June 2021</b>	<b>11,241,144</b>	<b>11,241,144</b>

### 2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	9,984,382	9,984,382
Profit / (loss) attributable to members of the Company	161,714	161,714
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>161,714</b>	<b>161,714</b>
<b>Balance at 30 June 2020</b>	<b>10,146,096</b>	<b>10,146,096</b>

The accompanying notes form part of these financial statements.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		12,916,805	10,033,391
Payments to suppliers and employees		(10,264,416)	(8,897,132)
Interest received		1,863	1,169
Finance costs		(20,981)	(84,863)
<b>Net cash provided by (used in) operating activities</b>		<b>2,633,271</b>	<b>1,052,565</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment		1,000	29,280
Purchase of property, plant and equipment		(1,086,761)	(421,504)
<b>Net cash provided by (used in) investing activities</b>		<b>(1,085,761)</b>	<b>(392,224)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		1,002,300	1,016,780
Repayment of borrowings		(2,017,182)	(1,594,693)
<b>Net cash provided by (used in) financing activities</b>		<b>(1,014,882)</b>	<b>(577,913)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>532,628</b>	<b>82,428</b>
Cash and cash equivalents at beginning of financial year		236,450	154,022
<b>Cash and cash equivalents at end of financial year</b>	5	<b>769,078</b>	<b>236,450</b>

The accompanying notes form part of these financial statements.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

The financial report is for Laurieton United Services Club Limited as an individual entity, incorporated and domiciled in Australia. Laurieton United Services Club Limited is a Company limited by guarantee.

The financial statements were authorised for issue on 15 September 2021 by the Directors of the Company.

### Note 1 Summary of Significant Accounting Policies

#### Basis of Preparation

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*.

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 otherwise stated.

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.

#### Accounting Policies

##### (a) Income Tax

The income tax expense / (income) for the year comprises current income tax expense / (income) and deferred tax expense / (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the Australian Taxation Office (ATO) using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 1 Summary of Significant Accounting Policies (continued)

#### (b) Inventories

Inventories are measured at the lower of cost and net realisable value.

#### (c) Investment Property

Investment property, comprising freehold residential property, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Investment property, excluding freehold land, is depreciated on a straight line basis over the life of the asset at a depreciation rate of 2.5%.

#### (d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### Property

Freehold land and buildings are measured on the cost basis.

##### Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

##### Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Depreciation is recognised in profit or loss.

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

<b><i>Class of Fixed Asset</i></b>	<b><i>Depreciation Rate</i></b>
Buildings and freehold improvements	2.5 to 10%
Plant and equipment	10 to 36%

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

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 1 Summary of Significant Accounting Policies (continued)

#### (d) Property, Plant and Equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

#### (e) Intangible Assets

##### *Poker Machine Licences*

Poker machine licences are recognised at cost of acquisition. Poker machine licences are tested annually for impairment and carried at cost less accumulated impairment losses.

#### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other financial institutions, 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.

#### (g) Financial Instruments

##### *Initial Recognition and Measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date the Company commits itself to either the purchase or sale of the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at "fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 1 Summary of Significant Accounting Policies (continued)

#### (g) Financial Instruments (continued)

##### ***Classification and Subsequent Measurement***

###### *Financial liabilities*

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or financial liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

###### *Financial assets*

Financial assets are subsequently measured at amortised cost.

Financial assets comprising cash and cash equivalents, trade and other receivables and interest bearing deposits are subsequently measured at amortised cost as they meet the following conditions:

- the financial assets are managed solely to collect contractual cash flows; and
- the contractual terms within the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

##### ***Derecognition***

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

###### *Derecognition of financial assets*

A financial asset is derecognised when the Company's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

- All of the following criteria need to be satisfied for derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all the risks and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

###### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 1 Summary of Significant Accounting Policies (continued)

#### (g) Financial Instruments (continued)

##### ***Impairment of Financial Assets***

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

##### *Recognition of expected credit losses in financial statements*

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

#### (h) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

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

Impairment testing is performed annually for intangible assets with indefinite useful lives.

#### (i) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

#### (j) Provisions

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

#### (k) Revenue Recognition

Revenue is recognised when control of the goods and services has transferred to the customers. For such transactions, this is the point in time when the goods are delivered to the customers or the services are received by customers.

Interest revenue is recognised using the effective interest method.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 1 Summary of Significant Accounting Policies (continued)

#### (k) Revenue Recognition (continued)

Receivables are recognised when items are delivered or services received, as at this point consideration is unconditional since only time needs to pass before payment of that consideration is due.

#### (l) Trade and other payables

Trade and other payables are carried at amortised cost and 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. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

#### (m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### (n) 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 (ATO). 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 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 in the statement of cashflows on a gross basis. The GST components of cash flows arising from investing and 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.

#### (o) Comparative Figures

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

#### (p) Critical Accounting Estimates and Judgements

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

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 1 Summary of Significant Accounting Policies (continued)

#### (p) Critical Accounting Estimates and Judgements (continued)

##### *Key estimates - Impairment*

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. The recoverable amount of the poker machine licences was estimated based on their value in use. The recoverable amount was estimated to be higher than the carrying amount of the poker machine licences, and no impairment was required.

No other impairment has been recognised in respect of assets at reporting date.

#### (q) New and Amended Accounting Policies not yet Adopted by the Company

##### *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The AASB has issued AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. AASB 1060 defines the disclosure requirements for Tier 2 general purpose financial statements, as defined by Australian Accounting Standards, and serves as a replacement for the existing Reduced Disclosure Regime.

AASB 1060 may be early-adopted and is mandatory for periods beginning on or after 1 July 2021 (and is mandatory for the Company's 30 June 2022 year end).

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 2 Revenue and Other Income

The Company has recognised the following amounts relating to revenue in the statement of comprehensive income.

	2021	2020
	\$	\$
<b>Continued operations</b>		
Sale of goods	2(a) 3,348,507	3,088,664
Other sources of revenue	2(b) 8,394,006	6,250,390
	<u>11,742,513</u>	<u>9,339,054</u>

#### (a) Revenue Disaggregation

The revenue is disaggregated along product lines:

Bar Sales	1,810,607	1,617,234
Bistro and cafe sales	1,537,900	1,471,430
<b>Total Sales Revenue</b>	<u>3,348,507</u>	<u>3,088,664</u>

#### Timing of revenue recognition

Goods and services transferred to customers:

- at a point in time	<u>3,348,507</u>	<u>3,088,664</u>
----------------------	------------------	------------------

#### (b) Other Sources of Revenue

ATO Grant - Jobkeeper Payments	640,500	552,000
ATO Grant - Cash Flow Boost	50,000	50,000
Commissions received - club keno	134,776	112,041
Commissions received - other	68,295	57,842
Commissions received - TAB	16,506	16,336
Competitions and meat draws	424,316	355,709
Entertainment	124,649	54,010
Golf and bowls fees and hire income	665,622	614,860
Insurance recoveries	500,000	68,622
Interest received - other persons	1,863	1,169
Membership subscriptions	302,662	301,106
Poker machine takings (net of payouts)	5,313,143	3,975,207
Poker machine GST rebate - LAB	30,174	27,775
Rent received	39,376	34,121
Other income	82,124	29,592
<b>Total Other Sources of Revenue</b>	<u>8,394,006</u>	<u>6,250,390</u>
<b>Total Revenue and Other Income</b>	<u>11,742,513</u>	<u>9,339,054</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 3 Profit for the Year

#### (a) Expenses

	2021	2020
	\$	\$
<b>Cost of Sales</b>		
Bar trading	770,911	686,427
Bistro and cafe trading	652,067	665,889
	<u>1,422,978</u>	<u>1,352,316</u>
<b>Finance Costs</b>		
Interest expense	<u>20,981</u>	84,863
<b>Depreciation</b>		
Buildings	366,089	371,660
Plant and equipment	556,215	611,940
Investment property	2,877	2,876
	<u>925,181</u>	<u>986,476</u>
<b>Loss on disposal of property plant and equipment</b>	<u>552,457</u>	<u>4,001</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 4 Income Tax Expense

(a) The components of tax expense/(benefit) comprise:

	2021	2020
	\$	\$
Current tax	14,212	(40,460)
Deferred tax	59,585	(24,643)
	<u>73,797</u>	<u>(65,103)</u>

14

(b) The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to income tax as follows:

Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 26% (2020: 27.5%)	303,900	26,569
Add:		
Tax effect of:		
- other non-allowable items	244,851	148,609
- net non-assessable income from principle of mutuality	-	33,111
	<u>548,751</u>	<u>208,289</u>
Less:		
Tax effect of:		
- net non-assessable income from principle of mutuality	151,125	-
- member only income not taxable	203,226	206,936
- deferred tax expense relating to origination and reversal of temporary differences	(59,585)	24,643
- other deductible items	180,188	41,813
	<u>73,797</u>	<u>(65,103)</u>
Income tax expense /(benefit) attributable to the entity		

### Note 5 Cash and Cash Equivalents

#### Current

Cash at bank and in hand	769,078	236,455
--------------------------	---------	---------

#### Reconciliation of Cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	769,078	236,455
Bank overdraft	-	(5)
	<u>769,078</u>	<u>236,450</u>

15

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 6 Trade and Other Receivables

	2021	2020
	\$	\$
<b>Current</b>		
Trade and other receivables	<u>80,300</u>	<u>269,438</u>

### Note 7 Inventories

<b>Current</b>		
Finished goods - at cost:		
Bar stock	76,853	66,194
Bistro and cafe stock	<u>18,022</u>	<u>16,286</u>
	<u>94,875</u>	<u>82,480</u>

### Note 8 Other Financial Assets

<b>Current</b>		
Unlisted investments, at fair value:		
- Shares in other corporations	<u>157</u>	<u>157</u>
	<u>157</u>	<u>157</u>

### Note 9 Other Assets

<b>Current</b>		
Prepayments	135,070	96,057
Security deposits	<u>3,500</u>	<u>3,500</u>
	<u>138,570</u>	<u>99,557</u>

### Note 10 Investment Property

Investment property at cost	1,126,490	1,126,490
Less accumulated depreciation	<u>(45,859)</u>	<u>(42,982)</u>
	<u>1,080,631</u>	<u>1,083,508</u>

#### (a) Movement in Carrying Amount

Balance at beginning of year	1,083,508	1,086,384
Additions	-	-
Disposals	-	-
Depreciation	<u>(2,877)</u>	<u>(2,876)</u>
Balance at end of year	<u>1,080,631</u>	<u>1,083,508</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 11 Property, Plant and Equipment

	2021	2020
	\$	\$
<b>Land and buildings</b>		
<b>Freehold land</b>		
Freehold land at cost	<u>1,227,844</u>	1,227,844
<b>Buildings</b>		
At cost	11,920,567	13,003,266
Accumulated depreciation	<u>(5,260,264)</u>	(5,887,902)
<b>Total buildings</b>	<u>6,660,303</u>	7,115,364
<b>Total land and buildings</b>	<u>7,888,147</u>	8,343,208
<b>Plant and equipment</b>		
At cost	5,287,864	8,313,093
Accumulated depreciation	<u>(3,135,914)</u>	(6,164,533)
<b>Total plant and equipment</b>	<u>2,151,950</u>	2,148,560
<b>Total property, plant and equipment</b>	<u>10,040,097</u>	10,491,768

#### (a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

#### 2021

	Freehold Land	Buildings and Freehold Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2020	1,227,844	7,115,364	2,148,560	10,491,768
Additions	-	414,882	609,209	1,024,091
Disposals	-	(503,854)	(49,604)	(553,458)
Depreciation expense	-	(366,089)	(556,215)	(922,304)
Balance at 30 June 2021	<u>1,227,844</u>	<u>6,660,303</u>	<u>2,151,950</u>	<u>10,040,097</u>



# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 12 Intangible Assets

	2021	2020
	\$	\$
<b>Poker machine licences</b>		
Poker machine licences at cost	<u>401,855</u>	<u>401,855</u>

Poker machine licences have been determined to have indefinite useful lives as the licences have not been cancelled by legislation and the Company has no intention to sell poker machine licences.

#### (a) Movements in carrying amounts

	Poker Machine Licences	Total
	\$	\$
30 June 2020		
2021 30 June 2021		
Balance at 1 July 2020	401,855	401,855
Additions	-	-
Disposals	-	-
Impairment losses	-	-
<b>Balance at 30 June 2021</b>	<u>401,855</u>	<u>401,855</u>

### Note 13 Trade and Other Payables

	2021	2020
	\$	\$
<b>Current</b>		
<b>Unsecured liabilities</b>		
Trade payables	485,108	765,025
Sundry creditors and accrued expenses	<u>307,652</u>	<u>182,197</u>
	<u>792,760</u>	<u>947,222</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 14 Income Tax

#### (a) Deferred Tax Liabilities

	Opening Balance	Charged (Credited ) to Statement of Comprehensive Income	Changes in Tax Rate	Closing Balance
	\$	\$	\$	\$
<b>2020</b>				
Tax allowances relating to property, plant and equipment	7,565	-	-	7,565
Other	2,814	(36)	-	2,778
<b>Balance at 30 June 2020</b>	<b>10,379</b>	<b>(36)</b>	<b>-</b>	<b>10,343</b>

#### 2021

Tax allowances relating to property, plant and equipment	7,565	(687)	-	6,878
Other	2,778	(181)	-	2,597
<b>Balance at 30 June 2021</b>	<b>10,343</b>	<b>(868)</b>	<b>-</b>	<b>9,475</b>

#### (b) Deferred Tax Assets

#### 2020

Tax allowances relating to property, plant and equipment	132,451	29,714	-	162,165
Future income tax benefits attributable to tax losses	405,772	40,460	-	446,232
Provisions	39,461	(5,107)	-	34,354
<b>Balance at 30 June 2020</b>	<b>577,684</b>	<b>65,067</b>	<b>-</b>	<b>642,751</b>

#### 2021

Tax allowances relating to property, plant and equipment	162,165	(13,931)	-	148,234
Future income tax benefits attributable to tax losses	446,232	(54,229)	-	392,003
Provisions	34,354	(6,505)	-	27,849
<b>Balance at 30 June 2021</b>	<b>642,751</b>	<b>(74,665)</b>	<b>-</b>	<b>568,086</b>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 15 Borrowings

	Note	2021 \$	2020 \$
<b>Current</b>			
<b>Unsecured liabilities</b>			
Other borrowings	15(d)	<u>158,235</u>	101,719
<b>Secured liabilities</b>			
Bank overdraft	15(b)(c)	-	5
Chattel mortgage loans	15(b)(c)	14,762	37,392
Bank loans	15(b)(c)	29,588	226,476
		<u>44,350</u>	263,873
<b>Total current borrowings</b>		<u>202,585</u>	365,592
<b>Non-Current</b>			
<b>Unsecured liabilities</b>			
Other borrowings	15(d)	<u>163,668</u>	49,632
<b>Secured liabilities</b>			
Chattel mortgage loans	15(b)(c)	45,933	39,075
Bank loans	15(b)(c)	44,128	1,016,902
		<u>90,061</u>	1,055,977
<b>Total non-current borrowings</b>		<u>253,729</u>	1,105,609
<b>Total borrowings</b>		<u>456,314</u>	1,471,201
<b>(a) Total current and non-current secured liabilities</b>			
Bank overdraft		-	5
Chattel mortgage loans		60,695	76,467
Bank loans		73,716	1,243,378
		<u>134,411</u>	1,319,850
<b>(b) Carrying amounts of non-current assets pledged as security</b>			
Investment property		1,080,631	1,083,508
Land and buildings		7,888,147	8,343,208
Plant and equipment		2,151,950	2,148,560
		<u>11,120,728</u>	11,575,276

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 15 Borrowings (continued)

#### (c) Collateral Provided

##### Bank Loans and Bank Overdraft

The bank loan and bank overdraft are secured by registered first mortgage over the freehold land and buildings of the Company and a registered first equitable mortgage over the assets of the Company.

Financial assets that have been pledged as part of the total collateral in relation to the bank loan and bank overdraft are as follows:

	2021	2020
	\$	\$
Cash and cash equivalents	769,078	236,455
Trade and other receivables	80,300	269,438
Other financial assets	157	157
	<u>849,535</u>	<u>506,050</u>

##### Chattel Mortgage Loans

Chattel mortgage loans are secured by registered first mortgage over certain plant and equipment of the Company.

#### (d) Other Loans

Other borrowings are unsecured and comprise of finance contracts for the purchase of poker machines and equipment with terms ranging from 1 to 3 years. The loans are interest free.

### Note 16 Provisions

	Employee Benefits	Total
	\$	\$
Opening balance at 1 July 2020	484,609	484,609
Amounts used	(21,849)	(21,849)
<b>Balance at 30 June 2021</b>	<u>462,760</u>	<u>462,760</u>

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 16 Provisions (continued)

#### Analysis of Total Provisions

#### Employee Benefits

	2021	2020
	\$	\$
Current	410,099	427,083
Non-current	52,661	57,526
	<u>462,760</u>	<u>484,609</u>

#### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for the provision includes the total amount accrued for annual leave entitlements and amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service.

These amounts are classified as current liabilities since the Company does not have an unconditional right to defer settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion of the provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

### Note 17 Other Liabilities

	2021	2020
	\$	\$
<b>Current</b>		
Members' subscriptions and other income in advance	<u>211,196</u>	<u>248,498</u>

### Note 18 Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

#### Bank Guarantees

Tabcorp Holdings Limited	<u>10,000</u>	<u>10,000</u>
--------------------------	---------------	---------------

The Company has banker's guarantees in favour of Tabcorp Holdings Limited (TAB) totalling \$10,000.

The guarantee is secured by mortgage over the Company's assets. The guarantee is only payable in the event of economic loss caused to TAB by the Company and its staff. To date there has been no event or events that would require the guarantee to be called upon.

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 19 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The aggregate compensation of key management personnel during the financial year comprising amounts paid or payable or provided for was as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<b>339,482</b>	336,860
Post-employment benefits	<b>30,621</b>	31,579
Other long-term benefits	<b>15,076</b>	13,517
	<b>385,179</b>	381,956

### Note 20 Related Party Transactions

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

### Note 21 Members' Guarantee

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 \$1 each towards meeting any outstanding obligations of the Company. At 30 June 2021 the number of members was 9,593 (2020: 9,839).

# Laurieton United Services Club Limited

ABN 44 000 969 522

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

### Note 22 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and other financial institutions, cash on hand, accounts receivable and payable, bank overdraft, bank loans and other borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 \$	2020 \$
<b>Financial Assets</b>			
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	5	769,078	236,455
Trade and other receivables	6	80,300	269,438
Investments	8	157	157
<b>Total financial assets</b>		<b>849,535</b>	<b>506,050</b>
<b>Financial Liabilities</b>			
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	13	792,760	947,222
Bank overdraft	15	-	5
Bank loans	15	73,716	1,243,378
Chattel mortgage loans	15	60,695	76,467
Other borrowings	15	321,903	151,351
<b>Total financial liabilities</b>		<b>1,249,074</b>	<b>2,418,423</b>

#### (a) Net Fair Values

The net fair values of financial assets and financial liabilities approximates their carrying values. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

### Note 23 Company Details

The registered office of the Company is:  
Laurieton United Services Club Limited  
Seymour Street  
Laurieton NSW 2443

# Laurieton United Services Club Limited

ABN 44 000 969 522

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Laurieton United Services Club Limited, the Directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position of the Company as at 30 June 2021 and of its 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.

Director .....

  
**Greg ARMSTRONG**

**Dated: 15 September 2021**



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Laurieton United Services Club Limited

#### Opinion

We have audited the financial report of Laurieton United Services Club Limited, which comprises the Statement of Financial Position as at 30 June 2021, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the Directors' Declaration.

In our opinion, the accompanying financial report of Laurieton United Services Club Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (b) 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 (including Independence Standards)* (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 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.

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Laurieton United Services Club Limited**

#### **Responsibilities of Directors for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

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

### To the Members of Laurieton United Services 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.

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.

#### NorthCorp Accountants



**Rodney Smith**  
Partner

**10-12 Short Street**  
**Port Macquarie NSW 2444**  
**Dated: 15 September 2021**