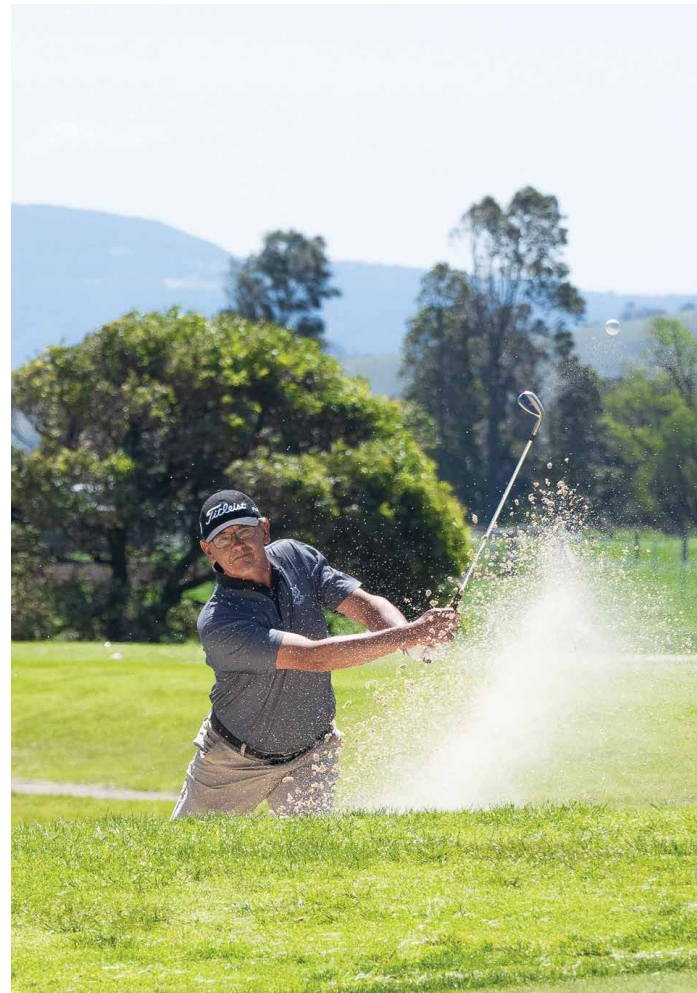


SHOALHAVEN EX-SERVICEMEN'S CLUB LIMITED
A.B.N. 81 000 845 358



ANNUAL REPORT 2021

FINANCIAL REPORT FOR THE YEAR ENDED
31 MARCH 2021



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SNAPSHOT

\$17.3M
TOTAL REVENUE

\$2.3M
PROFIT

176816
TAP BEERS SOLD

1564
MOJITOS SOLD

24456
COFFEES SOLD

\$142465
WAS SPENT ON
CHICKEN SCHNITZELS

67%
OF CUSTOMERS ASKED FOR CHIPS
& SALAD

33%
OF CUSTOMERS ASKED FOR MASH
& VEG

137
STAFF MEMBERS

56% FEMALES
44% MALES



CEO REPORT 2021

Dear Members

Welcome to the annual report for 2021. I am pleased to announce a profit of \$2,326,161 (\$1,237,937 - 2020) which is written down after revaluation of property by \$304,877 to \$2,021,284. This is a great result given the first 2 months of trading were completely wiped out due to the COVID-19 forced closure. The Club reopened in the first week of June 2020 and enjoyed strong trading which continued well into the new year.

Sadly, during the year, we have lost a number of members including those who have dedicated countless hours volunteering in the administration of our sporting bodies, veterans and on the Club Board of Directors. The Board and wider Club community were

saddened at the passing of Club Chairman Mr Eddie Lee earlier this year. Eddie was a stoic character and led the board diligently and was proud to preside over the ongoing Clubhouse improvements at Worrigee and the launch of The Growers. Eddie was always keen for a chat and was well liked by members and his peers. To all of the members who have lost loved ones throughout the year we pass on our sincere condolences.

It has certainly been a crazy year with lock downs and the pandemic ever looming coupled with a huge holiday season seeing our numbers surge from the October break onwards through to February this year. The border closures have seen a strong demand



CEO REPORT 2021

for domestic tourism with the South Coast receiving its fair share over the Christmas / New Year period. The opening of the much-anticipated Growers was timed perfectly to take advantage of easing restrictions and benefitted from utilising the expansive outdoor spaces. We saw an amazing level of community support from locals and tourists alike who have engaged with the concept of local produce and site grown edibles. By the end of our Club year, some 40,000 people have dined at The Growers generating around \$1.3m in additional food and beverage turnover in the first 4 months of operation. This is a huge boost for local suppliers who service our menu requirements. Amazingly we have seen nice growth in sales from Pepper Trees since The Growers opened with around 5% increase over the holiday period with significant growth across Monday and Tuesday especially. With these areas

powering along, it is anticipated to see group food and beverage sales exceed \$8m annually and provide an estimated 45% of total group turnover.

The Growers project would not have been possible without the support of the board who have been closely developing the concept over the past 3 years and showed great diligence and strategic vision to accept risk at a time of uncertainty and at the same time, great opportunity. I would also like to take this opportunity to congratulate Group COO Andrew Gunn for taking on the project and dedicating so much time in the development, construction and operation of The Growers on top of his Club operational duties. Andrew was recruited several years ago as a strategic appointment to capitalise on and develop our food and beverage operations and has proven to be a true asset to the business.

CEO REPORT 2021

Andrew has been ably assisted by Group Executive Chef Patrick who has dedicated countless hours in the recruitment, menu design, product sourcing and in the kitchen making The Growers what it is today. Front of house, Venue Manager Robert leads with his amazing customer service and Bar Manager Ana has created some of the best cocktails available on the South Coast and continues to source local beverage products to showcase across the bar.

We are now seeing a whole new generation of customers frequenting the Club and it's great to see families and a diverse mix of members enjoying the renovated Club lounge areas and The Growers. This will set the Club on a sustainable membership growth trajectory and continue to be a destination venue. It is a great facility realising its full potential and is a testament to previous boards and management who had the vision and drive to break ground over 20 years ago. Worrigee Sports now offers food, beverage and recreational facilities to cater to all budgets, tastes and expectations.

Sporting facilities will continue to be a strong focus for our strategic planning with a golf course improvement and renovation program in early consultation stages where we will seek input from our growing golf membership base through surveys and focus groups. The cricket oval has been identified for drainage upgrades and we have been actively applying for sports grants to assist with getting the work done. The pavilion may also look to be upgraded with the continued desire to improve

facilities for Womens cricket participation as well as improved accessibility for disability and veteran sport programs. Again, grants, combined with funding from the Club will assist with this project. A big thank you to Chris our Sports Turf Manager who, with his dedicated team, are presenting our facilities to an enviable standard for the enjoyment of members.

We will continue to develop the masterplan for The Ex Servos site with a view to increase food focus and family friendly facilities. The board is committed to improvements and ongoing maintenance including roof replacement, solar installation and main power switch room relocation. These ongoing maintenance and asset replacement activities are important for ongoing operational efficiencies, compliance and safety.

Our staff have shown true resilience through a very trying year. We have been overwhelmed by the team's commitment to keep our operations in readiness through the lock down and when winding down for closure and rallying for the reopen. There have been many challenges especially for the HR department. Shelley Beale our Group HR Manager has done an outstanding job not only recruiting around 50 staff for The Growers operation during a period of hospitality staff shortages, as well as interpreting and implementing various stand down provisions and reopen rosters in an ever-changing environment.

I can't overstate the challenges that our team has faced from the time of opening

CEO REPORT 2021

under Public Health Orders requiring constant patron management enforcing social distancing, remaining seated, QR code and contact tracing requirements, enforcing hot spot LGA visitor restrictions and venue capacities. On the whole, the vast majority of members and visitors have been compliant.

To our customer service leaders, supervisors and staff thank you for your efforts this year. Our admin team led by Debbie have provided enormous support to the board and myself throughout the year, a big thank you. The department head team, including IT, Functions and Events, Marketing, Gaming, Golf Pro and Catering have provided diligent and experienced support to the board, executive and members - a job well done.

Lastly, a big thank you to the members for your ongoing support and patience as we move through this pandemic journey together. Your continued patronage and support of the Club allows us to continue our strong community grants program at a time that it is needed more than ever.

Kind regards

A handwritten signature in black ink, consisting of a large, stylized 'B' followed by a long horizontal line.

Bernie Brown
ACCM MAICD
Group CEO



Bernie Brown ACCM MAICD
CHIEF EXECUTIVE OFFICER

THE BOARD



Bill Garrick
VICE PRESIDENT



Alan Bird
PRESIDENT ELECT



Eddie Lee
PRESIDENT (DECEASED)



Greg Sturgiss
TREASURER



John Newbold
DIRECTOR



Phil Viret
DIRECTOR



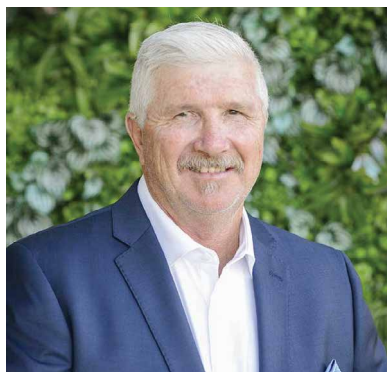
Suzanne Dendle
DIRECTOR



Bernie Brown ACCM MAICD
CHIEF EXECUTIVE OFFICER



Neville Whalan
DIRECTOR



Shayne Ashton
DIRECTOR

GIVING BACK

\$101,476.90

TO CLUB GRANTS RECIPIENTS

Albatross Musical Theatre

Cancer Council

Clubs NSW Illawarra

Nowra Albatross Football Club

Nowra Bomaderry Rugby League
Football Club

Nowra Warriors Junior Rugby
League Football Club

Rosie's Golf Day

Shoalhaven Ex Services Group
Cricket Club

Shoalhaven Ex Services Group
Fishing Club

Shoalhaven Ex Services Group
Indoor Sports

Shoalhaven Ex Services Group Mens
Bowling Club

Shoalhaven Ex Services Group Mens

Golf Club

Shoalhaven Ex Services Group
Snooker

Shoalhaven Ex Services Group Social
Bowlers

Shoalhaven Ex Services Group Social
Golf

Shoalhaven Ex Services Group
Veterans Golf Club

Shoalhaven Ex Services Group
Womens Bowling Club

Shoalhaven Ex Services Group
Womens Golf Club

Shoalhaven Rugby Football Club

Shoalhaven United Football Club

South Coast Rugby League

South East Phoenix FC

Veterans Bevevolent Fund



FINANCIAL REPORT FOR THE YEAR END 31 MARCH 2021

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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were:

To provide and maintain a licensed sporting club. The short term and long term objectives are to continue to provide these facilities and strengthen the Club's financial position. The strategy for achieving these objectives is to conservatively manage and monitor the Club's financial position to enable services and facilities for members. The Club uses industry accepted key performance indicators to monitor performance.

REVIEW OF OPERATIONS

The Club was affected by a closure for two months this year due to COVID19. During this time the Club managed funds conservatively, minimised expenses and was able to access government incentives. Following the shutdown, social distancing measures were in place which had some impact on revenue. At the date of this report, some further uncertainty about future potential issues resulting from COVID19 remains, however, the directors are confident that the Club has appropriate plans in place about management of funds and that the Club will continue to meet its objectives into the future.

OBJECTIVES & STRATEGIES

The short and long term objectives of the company are to provide club facilities to members and guests.

The strategy for achieving these objectives is to conservatively manage and monitor the company's financial position, and ensure that member facilities are kept at the highest of standards.

PERFORMANCE MEASUREMENT

The company uses industry accepted financial and non-financial KPI's to monitor performance.

MEMBERSHIP

The number of members registered in the Register of Members at 31 March 2021 were as follows:

Members	13,876
Total Members	13,876

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution states that each member is liable to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 31 March 2021 the collective liability of members was \$27,752 (31 March 2020: \$31,278).

DIRECTORS

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

DIRECTORS' REPORT

ALAN BIRD

Qualifications, experience, and special duties:
Member Board of Directors 32 years Retired
Club Directors Institute Member Mandatory Director Training
(Exempt) Chairman Sports Council

VICE PRESIDENT

WILLIAM GARRICK

Qualifications, experience, and special duties:
Member Board of Directors 5 years Retired Maintenance
Supervisor Club Directors Institute Member
Mandatory Director Training Completed

VICE PRESIDENT

GREGORY STURGISS

Qualifications, experience, and special duties:
Member Board of Directors 16 years Business Owner
Club Directors Institute Member Mandatory Director Training
(Exempt)

TREASURER

SUZANNE DENDLE

Qualifications, experience, and special duties:
Member Board of Directors 3 years Veterans Welfare Advocate
Club Directors Institute Member Mandatory Director Training
Completed

DIRECTOR

PHILLIP VIRET

Qualifications, experience, and special duties:
Member Board of Directors 3 years Self Employed
Club Directors Institute Member Mandatory Director Training
Completed

DIRECTOR

JOHN NEWBOLD

Qualifications, experience, and special duties:
Member Board of Directors 19 years Retired
Club Directors Institute Member Mandatory Director Training
(Exempt)

DIRECTOR

NEVILLE WHALAN

Qualifications, experience, and special duties:
Member Board of Directors 3 years Retired
Club Directors Institute Member Mandatory Director Training
Completed

DIRECTOR

DIRECTORS' REPORT

SHAYNE ASHTON

DIRECTOR (BOARD APPOINTED)

Qualifications, experience, and special duties:

Member Board of Directors 20 Months

Construction Supervisor

Club Directors Institute Member Mandatory Director Training Completed

ALBERT LEE (DECEASED)

FORMER PRESIDENT

Resigned 23/12/2020

Qualifications, experience, and special duties:

Member Board of Directors 3 years

Retired

Club Directors Institute Member Mandatory Director Training Completed

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

SUMMARY OF MEETING ATTENDANCES:

13 ordinary meetings were held during the year.

	Number of Meetings Eligible To Attend	Number of Meetings Attended
Alan Bird	13	13
William Garrick	13	12
Gregory Sturgiss	13	11
Suzanne Dendle	13	10
Phillip Viret	13	13
John Newbold	13	10
Neville Whalan	13	11
Shayne Ashton	13	13
Albert Lee (Deceased)	10	5

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31 March 2021 has been received and can be found on page 8 of the financial report.

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

Director: 
Mr Alan Maxwell Bird

Dated 26 May 2021

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF SHOALHAVEN EX-SERVICEMEN'S CLUB LIMITED

A.B.N. 81 000 845 358

AUDIT OPINION

We have audited the financial report of Shoalhaven Ex-Servicemen's Club Limited (the company), which comprises the statement of financial position as at year ended 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Shoalhaven Ex-Servicemen's 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 the year ended 31 March 2021 and of their performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information does not include the financial report and our auditor's report thereon, but comprises the Supplementary Information contained in the annual report, which we obtained prior to the date of this auditor's report, and the President's Report and the Treasurer's Report, which are expected to be made available to us after the date of this auditor's report.

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 AUDIT REPORT

TO THE MEMBERS OF SHOALHAVEN EX-SERVICEMEN'S CLUB LIMITED

A.B.N. 81 000 845 358

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 and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL REPORT

The auditor's report relates to the financial report of Shoalhaven Ex-Servicemen's Club Limited for the financial year ended 31 March 2021 included on the company's website. The directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of the company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

BOOTH PARTNERS



Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 26 May 2021

AUDITOR'S INDEPENDENCE DECLARATION

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS
OF SHOALHAVEN EX-SERVICEMEN'S CLUB LIMITED
A.B.N. 81 000 845 358**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 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.

BOOTH PARTNERS



Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 26 May 2021

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Note	\$	\$
Revenue	2	15,804,414	16,629,750
Other income	2	1,459,194	-
Cost of sales		(1,796,844)	(1,770,502)
Administration and Wages on Costs		(2,969,887)	(2,582,505)
Bar Operating Expenses		(451,086)	(621,889)
Bistro Operating Expenses		(557,987)	(645,532)
Borrowing Expenses		(124,673)	(152,121)
Bunker Operating Expenses		(22,514)	(20,007)
Cafe Operating Expense		(74,372)	(139,213)
Commission Expenses		(75,349)	(297,182)
Depreciation and Amortisation		(1,740,259)	(1,797,483)
Gaming Operating Expenses		(2,651,641)	(3,233,717)
Golf Course Operating Expenses		(600,967)	(599,611)
Greens Operating Expenses		(101,717)	(114,833)
Growers Project Expense		(1,057,353)	-
Insurance Expense		(280,712)	(248,252)
Motor Vehicle Expenses		(15,303)	(20,349)
Occupancy Expenses		(982,636)	(1,203,198)
Promotion and Entertainment Costs		(587,987)	(1,311,170)
Residential Property Expenses		(8,218)	(10,503)
Other expenses		(837,942)	(623,746)
Profit before income tax	3	2,326,161	1,237,937
Income tax expense		-	-
Profit (loss) attributable to members of the company		2,326,161	1,237,937
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of Land and Buildings, 31 March 2021	8	(304,877)	-
Other comprehensive income for the year, net of tax		(304,877)	-
Total comprehensive income (loss) attributable to members of the company		2,021,284	1,237,937

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		2021	2020
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	3,216,851	1,650,290
Trade and other receivables	5	291,935	144,615
Inventories	6	383,274	306,874
Other current assets	7	111,011	148,882
TOTAL CURRENT ASSETS		4,003,071	2,250,661
NON-CURRENT ASSETS			
Property, plant and equipment	8	38,402,957	35,236,671
Right of use assets	9	193,076	-
Investment property	10	840,000	812,806
Intangible assets	11	762,730	762,730
TOTAL NON-CURRENT ASSETS		40,198,763	36,812,207
TOTAL ASSETS		44,201,834	39,062,868
CURRENT LIABILITIES			
Trade and other payables	12	1,163,253	949,009
Borrowings	13	528,147	543,108
Short term provisions	14	633,322	548,235
Other current liabilities	15	323,490	267,941
TOTAL CURRENT LIABILITIES		2,648,212	2,308,293
NON-CURRENT LIABILITIES			
Borrowings	13	5,829,339	3,030,477
Long term provisions	14	67,226	88,325
TOTAL NON-CURRENT LIABILITIES		5,896,565	3,118,802
TOTAL LIABILITIES		8,544,777	5,427,095
NET ASSETS		35,657,057	33,635,773
EQUITY			
Reserves	16	13,682,872	13,987,749
Retained earnings		21,974,185	19,648,024
TOTAL EQUITY		35,657,057	33,635,773

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report of Booth Partners.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Retained Profits	Reserves	Total
Balance at 1 April 2019	18,410,087	13,987,749	32,397,836
Profit (loss) for the year	1,237,937	-	1,237,937
Other comprehensive income for the year	-	-	-
Total comprehensive income attributable to members of the entity	1,237,937	-	1,237,937
Balance at 31 March 2020	19,648,024	13,987,749	33,635,773
Balance at 1 April 2020	19,648,024	13,987,749	33,635,773
Profit (loss) for the year	2,326,161	-	2,326,161
Other comprehensive income for the year	-	(304,877)	(304,877)
Total comprehensive income attributable to members of the entity	2,326,161	(304,877)	2,021,284
Balance at 31 March 2021	21,974,185	13,682,872	35,657,057

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report of Booth Partners.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,144,205	16,552,592
Payments to suppliers and employees		(12,810,541)	(13,291,506)
Interest received		439	1,778
Borrowing costs paid		(124,673)	(152,121)
Net cash provided by (used in) operating activities		4,209,430	3,110,743
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		2,521	49,745
Payments for property, plant and equipment		(5,429,292)	(3,563,478)
Net cash provided by (used in) investing activities		(5,426,771)	(3,513,733)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		3,923,038	1,897,106
Repayment of borrowings		(1,139,136)	(1,525,877)
Net cash provided by (used in) financing activities		2,783,902	371,229
Net increase (decrease) in cash held		1,566,561	(31,761)
Cash at beginning of financial year		1,650,290	1,682,052
Cash at end of year	4	3,216,851	1,650,291

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report of Booth Partners.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board 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 the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accrual 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 of Shoalhaven Ex-Servicemen's Club Limited for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 26 May 2021.

REVENUE AND OTHER INCOME

The company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and

AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 April 2020. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. Due to the nature of the changes in the accounting policy, no equity adjustment has been required. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.

In the current year

Goods and Services

All goods and services other than those detailed below are delivered, invoiced, and paid for simultaneously. This includes sales of liquor, gaming products, golf games and other products.

Revenue is recognised immediately at the point of sale. The impact of the loyalty program has been detailed below.

Memberships

Membership is granted following payment of annual fees and in the case of new members, board approval of their application. Payment for new members is due on application, and payment for renewing members is due within one month of the renewal date.

Contract liabilities are recognised on receipt of payment, and revenue is recognised on a straight line basis over the period of membership.

Loyalty Program

Members are eligible to earn points based on their

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

poker machine usage. Points are redeemable against any future purchases from the company. The points accumulate and do not expire.

A portion of poker machine takings relating to loyalty points are deferred to contract liabilities. Revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

Advertising and Sponsorships

Advertising and sponsorships are invoiced prior to the agreed period of coverage and invoices are typically payable within 30 days.

Contract liabilities are recognised when the invoices are issued, and revenue is recognised on a straight line basis over the agreed period of coverage.

Function Income

Deposits for functions are invoiced at the time of booking and are payable by the earlier of 30 days from the booking, or 10 days prior to the event. Full payment for the function is typically due by the day of the event.

Contract liabilities are recognised when the booking is made, and for any part payments received prior to the time of the event. Revenue is recognised at the time the function is held.

Ticket Sales

Event tickets are invoiced when payment is received.

Contract liabilities are recognised when tickets are sold prior to the date of the event. Revenue is recognised at the time the event is held.

Rental Income

Rental income is invoiced and payable on a

monthly basis.

Revenue is recognised on a straight line basis over the length of the lease.

Operating grants, donations and bequests

When the company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB

15. When both these conditions are satisfied, the company identifies each performance obligation relating to the grant, recognises a contract liability for its obligations under the agreement, and recognises revenue as it satisfies its performance obligations.

Where 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 (for example AASB 9, AASB 16, AASB 116 and AASB 138), recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer), and recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Capital Grants

When the company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The company recognises income in profit or loss when or as the company satisfies its obligations under the terms of the grant.

Interest Income

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

Investment Property Revenue

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

In the comparative period

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the period of the memberships.

Grant revenue is recognised in the statement of comprehensive income when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

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

Shoalhaven Ex-Servicemen's Club Limited receives non-reciprocal contributions of assets from the government and other parties for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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 borrowings in current liabilities on the balance sheet.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Stores are valued at cost.

PREPAYMENTS

Prepayments are recognised when a payment is made for services that the company expects to utilise over a period of time. Prepayments are measured at the unexpended portion of the contractual cost of the services. Expenditure is transferred to profits and losses on a straight line basis over the period to which it relates.

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 shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing

parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in other comprehensive income; all other decreases are recognised in profit or loss.

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.

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 the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Class of Fixed Asset	Depreciation Rate
Buildings and Course	2.5% - 4.0%
Plant and Equipment	15.0% - 40.0%

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

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 included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

INVESTMENT PROPERTY

Investment property is held to generate long-term rental yields and capital growth. Investment property is carried at fair value, determined by independent valuers. Changes to fair value are recorded in the statement of comprehensive income as other income or expenses.

INTANGIBLES

Poker Machine Licences

Purchased poker machine licences are initially recognised at cost. They have an infinite life and are carried at cost in accordance with the licence terms. Poker machine licences are assessed annually for impairment.

FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.63.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

On the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

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

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The entity initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy

and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

A financial asset is derecognised when the holder'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.

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.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

retained earnings.

Financial Liabilities

Financial liabilities are subsequently measured at:

- amortised cost;
- fair value through profit and loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at fair value, 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 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.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

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.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

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

IMPAIRMENT OF ASSETS

At each reporting date, 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 expensed to the income statement, unless the asset is carried at a revalued amount in accordance with another standard. 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

TRADE AND OTHER PAYABLES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

INCOME TAX

The company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

EMPLOYEE BENEFITS

Short term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current liabilities in the statement of financial position.

Other long-term employee benefits

The company classifies employee's long service leave and annual leave entitlements as other long-term employee benefits as they are not

expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in the statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

LEASES

The company initially applied AASB 16 Leases

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

from using the modified retrospective approach under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2020. Accordingly the comparative information presented for the prior year is not restated. Due to the nature of the changes, no adjustment was required to retained earnings. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;

- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the company has adopted the temporary relief under AASB 2018-814 and measures the right-of-use assets at cost on initial recognition.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production that necessarily take a substantial period of time to

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 the income statement in the period in which they are incurred.

COMPARATIVE FIGURES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial report 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.

2 REVENUE

	2021	2020
	\$	\$
Revenue		
Sales Revenue:		
Anciliary Clubs	(17,768)	(416)
Gaming Net Clearances	9,994,975	10,626,093
Golf Course Income	690,003	707,781
Greens Income	10,413	11,419
Interest Received	439	1,778
Keno and TAB Commissions	259,303	310,809
Member Subscriptions	73,316	95,431
Points Income	78,786	136,141
Pro Am Income	545	12,279
Raffle Income	97,199	355,495
Rent Received	119,672	188,059
Sundry Income	143,574	339,535
Trading Revenue	4,353,957	3,845,346
	15,804,414	16,629,750
Other Income		
Investment Properties Revaluation	27,194	-
JobKeeper	1,332,000	-
Cash Flow Booster	100,000	-
	1,459,194	-
Total revenue and other income	17,263,608	16,629,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

3 PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax expense has been determined after:

	2021 \$	2020 \$
Expenses:		
Cost of sales	1,796,844	1,770,502
Borrowing costs	127,515	152,121
Depreciation of non-current assets	1,740,259	1,797,483

4 CASH AND CASH EQUIVALENTS

Current		
Cash on Hand	532,364	323
Bank Accounts - Ancilliary Clubs	81,229	98,167
Bank - Trading Account	1,205,884	1,035,848
Bank - GST Account	114,396	119,221
Bank - Tab Account	49,036	37,492
Bank - Keno Account	69,229	50,084
Bank - Provision Account	1,164,713	309,155
	<u>3,216,851</u>	<u>1,650,290</u>

The Club has an overdraft in place of \$250,000 which is secured over the Club's assets.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	3,216,851	1,650,290
	<u>3,216,851</u>	<u>1,650,290</u>

5 TRADE AND OTHER RECEIVABLES

Current		
Trade Debtors	294,655	147,335
Less: Provision for Doubtful Debts	(2,720)	(2,720)
	<u>291,935</u>	<u>144,615</u>
	<u>291,935</u>	<u>144,615</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 \$	2020 \$
6 INVENTORIES		
Current		
Stock on Hand - Other	263,643	203,315
Stock on Hand - Bar	119,631	103,559
	<u>383,274</u>	<u>306,874</u>
7 OTHER CURRENT ASSETS		
Current		
Prepayments	<u>111,011</u>	<u>148,882</u>
8 PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Land and Buildings - Junction Street at Valuation, 2021	15,000,000	15,082,386
Land and Buildings - Junction Street Improvements	-	11,160
Less: Provision for Depreciation	-	(557,086)
	<u>15,000,000</u>	<u>14,536,460</u>
Land and Buildings - Sports Club at Valuation, 2021	17,500,000	12,500,000
Land and Buildings - Sports Club Improvements at Cost	-	2,985,689
Golf Course, at Valuation 2021	3,500,000	3,000,000
Less: Accumulated Depreciation		(663,662)
	<u>21,000,000</u>	<u>17,822,027</u>
Total Land and Buildings	<u>36,000,000</u>	<u>32,358,487</u>
Plant and Equipment		
Plant and Equipment, Junction Street - at cost	7,972,833	7,916,712
Less: Accumulated Depreciation	(6,739,735)	(6,338,182)
	<u>1,233,098</u>	<u>1,578,530</u>
Plant and Equipment, Sports Club - at Cost	6,605,908	6,284,684
Less: Accumulated Depreciation	(5,436,049)	(4,985,030)
	<u>1,169,859</u>	<u>1,299,654</u>
Total Plant and Equipment	<u>2,402,957</u>	<u>2,878,184</u>
Total Property, Plant and Equipment	<u>38,402,957</u>	<u>35,236,671</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The following property is considered 'Non-Core Property' as defined in the Registered Clubs Act, 1973;

- 95 Greenwell Point Road, Worrigeer NSW 2540
- 113 Greenwell Point Road, Worrigeer NSW 2540

All of the Club's other property is considered 'Core Property' as defined in the Registered Clubs Act, 1973.

Asset Revaluations

The Company, in accordance with the Directors undertaking, commissioned a valuation of freehold land and buildings on 18 May 2021. The assets were valued by independent valuer, Walsh and Monaghan Pty Limited and the valuation has been adopted by the Directors as at 31 March 2021. The basis of the valuation was the market value of the assets on a going concern basis. The Company's land and buildings is recorded in the Clubs Statement of Financial Position based upon this valuation.

Movements in Carrying Amounts

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

	Carrying Value 1 Apr 2020	Revaluations	Additions	Disposals	Depreciation	Carrying Value 31 Mar 2021
Land, Buildings and Improvements	32,358,487	(304,877)	4,645,318	-	(698,928)	36,000,000
Poker Machines	1,624,485	-	211,000	(2,521)	(698,747)	1,134,217
Plant and Equipment	1,253,699	-	357,625	-	(342,584)	1,268,740
	35,236,671	(304,877)	5,213,943	(2,521)	(1,740,259)	38,402,957

9 RIGHT OF USE ASSETS

Right of Use Asset - Cart and GPS Hire
Less: Accumulated Depreciation

Total Right of Use Assets

2021 \$	2020 \$
215,348	-
(22,272)	-
193,076	-
193,076	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The Groups lease portfolio includes golf cart hire and GPS equipment hire. The leases both have 4 year lease terms.

OPTIONS TO EXTEND OR TERMINATE

There were no termination or extensions options for any of the leases. If the extension options or termination options were probable to be exercised we would have included them in the calculation of the right-of-use asset.

RIGHT OF USE ASSETS

Movements in carrying amount for each class of right of use assets between the beginning and the end of the financial year:

	Carrying Value 1 Apr 2020	Additions	Disposals	Depreciation	Carrying Value 31 Mar 2021
Right of use asset - Cart and GPS Hire		215,348		(22,272)	193,076
		215,348		(22,272)	193,076

	2021 \$	2020 \$
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10 INVESTMENT PROPERTY

Land and Buildings - Investment Properties
Land and Buildings - Investment Properties

840,000 812,806

MOVEMENTS IN CARRYING AMOUNTS

Movements in carrying amount of investment properties between the beginning and the end of the current financial year:

	Carrying Value 1 Apr 2020	Additions	Disposals	Amortisation	Carrying Value 31 Mar 2021
Land and Buildings - Investment Property	812,806	27,194	-	-	840,000
	812,806	27,194	-	-	840,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 \$	2020 \$
11 INTANGIBLE ASSETS		
Poker Machine Entitlements - at Cost	762,730	762,730
Total	762,730	762,730

MOVEMENTS IN CARRYING AMOUNTS

Movements in carrying amount of each class of intangibles between the beginning and the end of the current financial year:

	Carrying Value 1 Apr 2020	Additions	Disposals	Amortisation	Carrying Value 31 Mar 2021
Poker machines Entitlements - at Cost	762,730	-	-	-	762,730
	762,730	-	-	-	762,730

	2021 \$	2020 \$
12 TRADE AND OTHER PAYABLES		
Current		
Trade Creditors and Accrued Expenses	1,163,253	944,650
IQumulate Premium Funding	-	4,359
	1,163,253	949,009

13 Borrowings		
Current		
Hire Purchase Liability	115,166	75,188
Commonwealth Bank Loan	361,095	449,890
Macquarie Insurance Funding	-	18,030
Lease Liability	51,886	-
	528,147	543,108
Non-Current		
Hire Purchase Liability	154,200	103,009
Lease Liability	142,350	-
Commonwealth Bank Loan	5,532,789	2,927,468
	5,829,339	3,030,477

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The following security is held by the Commonwealth Bank of Australia on the overdraft facility, loans and guarantees:

- i) Registered mortgage over the Club's land and buildings situated at Junction Street, Nowra
- ii) Registered mortgage over the Club's land and buildings situated at Greenwell Point Road, Worrigeer
- iii) Registered equitable mortgage debenture over the whole of the Club's assets.

The lease between Shoalhaven Ex-Servicemen's Club Ltd and Capital Finance for the golf carts is a 4 year lease, expiring October 2024. There is no option to extend and as such we took up the value of the remaining lease payments at present value on 1 November 2020 to determine the lease liability and right of use asset values.

The lease between Shoalhaven Ex-Servicemen's Club Ltd and Capital Finance for the GPS equipment is a 4 year lease, expiring October 2024. There is no option to extend and as such we took up the value of the remaining lease payments at present value on 1 November 2020 to determine the lease liability and right of use asset values.

	2021 \$	2020 \$
14 PROVISIONS		
Current		
Provision for Holiday and Sick Pay	305,625	291,147
Provision for Long Service Leave	327,697	257,088
	<u>633,322</u>	<u>548,235</u>
Non-Current		
Provision for Long Service Leave	<u>67,226</u>	<u>88,325</u>
Aggregate Employee Benefit Liability	<u>700,548</u>	<u>636,560</u>
15 OTHER LIABILITIES		
Current		
Income in Advance	<u>323,490</u>	<u>267,941</u>
16 RESERVES		
Asset Revaluation Reserve	13,628,400	13,933,277
Capital Redemption Reserve	54,472	54,472
	<u>13,682,872</u>	<u>13,987,749</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 \$	2020 \$
17 CAPITAL AND LEASING COMMITMENTS		
Finance Lease Commitments		
Payable - minimum lease payments		
Not later than 12 months	115,166	75,188
Between 12 months and five years	154,200	103,009
Minimum lease payments	269,366	178,197
Present value of minimum lease payments	269,366	178,197
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than 12 months		20,052
		20,052
Capital Expenditure Commitments		
Capital expenditure commitments contracted for:		
Capital expenditure projects		250,000
		250,000
Payable:		
Not later than 12 months		250,000
		250,000
18 KEY MANAGEMENT PERSONNEL COMPENSATION		
Total Compensation	269,403	270,131
19 DIRECTORS REMUNERATION		
Honoraria and Expenses	1,500	1,500
Training and Conferences	17,224	37,078
Meals and Refreshments	4,980	19,381
	23,704	57,959

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 \$	2020 \$
20 RELATED PARTY TRANSACTIONS		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
Sturgiss Newsagency - Total amounts paid for contract services - Related party of director G.Sturgiss	165	805
Brendan & Lauren Sturgiss - Total remuneration paid for wages and superannuation - Related party of director G.Sturgiss	98,947	103,223
Phillip Viret - Southern Tinting Solutions	3,150	

21 FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.

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:

Financial Assets

Financial assets at amortised cost:

- Cash and cash equivalents	3,216,851	1,650,290
- Trade and other receivables	291,935	144,615
Total Financial Assets	3,508,786	1,794,905

Financial Liabilities

Financial Liabilities at amortised cost

- Trade and other payables	1,163,253	949,009
- Borrowings	6,357,486	3,573,585
Total Financial Liabilities	7,520,739	4,522,594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$

22 FAIR VALUE MEASUREMENTS

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements

Property, plant and equipment

Freehold Land

15,000,000

14,536,460

Freehold Buildings

21,000,000

17,822,027

36,000,000

32,358,487



DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards.
 - (b) give a true and fair view of the financial position of the company as at 31 March 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.

This declaration is made in accordance with a resolution of the board of directors.

Director: *A Bird*
Mr Alan Maxwell Bird

Dated 26 May 2021



DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional information on the following pages is in accordance with the books and records of Shoalhaven Ex-Servicemen's Club Limited which have been subjected to the auditing procedures applied in the audit of the company for the year ended 31 March 2021. It will be appreciated that the audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

BOOTH PARTNERS

R. Schroeder

Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 26 May 2021