



TAREE AQUATIC CLUB LTD

**ABN 68 001 050 586
ACN 001 050 586**



**ANNUAL REPORT
&
BALANCE SHEET**

2020 - 2021

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586 ACN 001 050 586

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Taree Aquatic Club Limited will be held in the Clubhouse, Macquarie Street, Taree, at **10.00am on SUNDAY 14th November 2021.**

BUSINESS:

1. To confirm the Minutes of the previous Annual General Meeting held on 8th November 2020.
2. To receive and consider the reports of the Board of Directors.
3. To receive and consider the financial and audit reports.
4. To elect the Board for the ensuing year.
5. To consider and if thought fit pass the ordinary resolutions contained in the Notice of Meeting as recommended by the Board and to comply with the Registered Club's Act.
6. To consider and deal with any business approved by the meeting of which due notice has not been given.

Any member requiring clarification of matters included in this report please give your questions in writing to the Secretary Manager no later than Friday 5th November 2021 so a response may be given at the Annual General Meeting.

OFFICE BEARERS as at 30/06/2021

President:	G. Gates	Commodore:	D. Hardaker
Vice President:	W. Nelson	Director:	T. Vittali
Treasurer:	N. Ryan	Director:	A. Cause
		Director:	L. Dege

Secretary Manager & Chief Executive Officer: B. Murray

Patrons: D. Polak

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586

FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2021

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
DIRECTORS' REPORT

The directors present their report together with the financial report of Taree Aquatic Club Limited ("the Company") for the financial year ended 30 June 2021 and the auditor's report thereon.

Directors

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

Mr Gary Gates	President Director for 31 years Motor dealer and company director
Mr William Nelson	Vice President Director for 26 years Owner of Carpet Court
Mr Neil Ryan	Treasurer Appointed 20 November 2011 Design Draughtsman
Mr David Hardaker	Club Commodore Appointed 21 November 2010 Wine Sales Representative
Mr Adam Cause	Director for 23 years Manning Mowers & Chainsaws
Mr. Terry Vittali	Director for 20 years Builder
Mr Lawrence Dege	Appointed 10 February 2021 Retired

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

Company Secretary

Mr Barry Murray was appointed Company Secretary on 20 May 2019. He is the Secretary Manager for the Club and has management experience from positions within the Club industry.

TAREE AQUATIC CLUB LIMITED
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DIRECTORS' REPORT

Meetings of Directors

During the financial year, 8 meetings of directors were held. Attendances were:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Mr Gary Gates	8	5
Mr Adam Cause	8	8
Mr Lawrence Dege	2	2
Mr David Hardaker	8	8
Mr William Nelson	8	8
Mr Neil Ryan	8	8
Mr Terry Vittali	8	7

Principal Activities

The principal activity of the Company during the year to 30 June 2021 was a registered club.

There were no significant changes in the nature of the activities of the Company during the year.

Review & Results of Operations

The Company continued to operate the Taree Aquatic Club during the year ended 30 June 2021.

The operating profit of the Company after providing for income tax amounted to \$41,334 (2020: loss of \$49,361). The operating result was affected by the March 2021 flood and COVID-19 social distancing requirements.

Dividends

As the Company is a company limited by guarantee it is prohibited by its constitution from paying dividends.

State of Affairs

Due to the impact of the March flood the Club did not trade between 19 March and 5 May 2021. This has had a significant impact on the Club's results for the year.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
DIRECTORS' REPORT

After Balance Date Events

Since 5pm on 14 August 2021 the Club has been unable to trade due to the mandatory COVID-19 lockdown laws in NSW. At the date of this report directors do not know how long this trading ban and subsequent restrictions will be in effect and are unable at this time to determine the effect this will have on the Club in 2022. No other matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent years.

Future Developments

The Directors continue to strive to improve the facilities available to members and to improve the operating result.

Indemnifying and Insurance of Officers and Auditor

During or since the end of the financial year the Company has not given an indemnity or entered into an agreement to indemnify any person who is or has been an officer or auditor of the Company.

The company has paid premiums to insure officers of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company other than conduct involving a willful breach of duty in relation to the Company. Provisions of the policy prohibit disclosure of details of the policy.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set on page 5.

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

..... Gary Gates

President

..... Neil Ryan

Treasurer

Dated this 14th September 2021

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

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rhonda Futterleib

14th September 2021

22 Pulteney Street, Taree 2430

Liability limited by a scheme approved under Professional Standards Legislation

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue and other income	2	1,821,408	1,861,617
Net finance income	3	4,320	18,325
Employee expenses		(702,868)	(673,053)
Depreciation & amortisation expense	11	(230,960)	(231,472)
Other expenses	4	(864,184)	(1,023,434)
Profit/(loss) before income tax expense/(benefit)		<u>27,716</u>	<u>(48,017)</u>
Income tax (expense)/benefit	5(a)	13,618	(1,344)
Profit/(loss) after income tax expense/(benefit)		<u>41,334</u>	<u>(49,361)</u>
Total comprehensive income		<u>41,334</u>	<u>(49,361)</u>

The accompanying notes form part of these financial statements.

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Balance at beginning of period	3,300,246	3,349,607
Profit/(loss) for the period	<u>41,334</u>	<u>(49,361)</u>
Total comprehensive income for the period	<u>41,334</u>	<u>(49,361)</u>
Balance at end of period	<u>3,341,580</u>	<u>3,300,246</u>

The accompanying notes form part of these financial statements.

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash & cash equivalents	7	317,344	202,587
Trade & other receivables	8	58,228	88,684
Inventories	9	28,476	45,953
Financial assets	10	755,745	925,014
TOTAL CURRENT ASSETS		1,159,793	1,262,238
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,027,628	2,076,257
Intangible assets	12	354,256	354,256
Deferred tax assets	5(d)	18,852	3,447
TOTAL NON-CURRENT ASSETS		2,400,736	2,433,960
TOTAL ASSETS		3,560,529	3,696,198
CURRENT LIABILITIES			
Trade & other payables	13	35,122	227,031
Current tax liabilities	5(b)	(8,459)	(9,019)
Financial liabilities	14	10,124	37,849
Employee benefits	15	68,161	71,368
Deferred income	16	23,977	24,077
TOTAL CURRENT LIABILITIES		128,925	351,306
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5(c)	5,249	3,463
Financial liabilities	14	33,560	5,049
Employee benefits	15	51,215	36,134
TOTAL NON-CURRENT LIABILITIES		90,024	44,646
TOTAL LIABILITIES		218,949	395,952
NET ASSETS		3,341,580	3,300,246
EQUITY			
Contributed equity	17	-	-
Retained profits		3,341,580	3,300,246
TOTAL EQUITY		3,341,580	3,300,246

The accompanying notes form part of these financial statements.

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers/members		1,971,920	2,008,325
Payments to suppliers and employees		(1,755,463)	(1,677,727)
Interest received		5,372	19,774
Interest paid		(28)	-
Income taxes paid		559	(10,837)
Net GST Paid to ATO		(38,773)	(103,628)
Net cash provided by (used in) operating activities	21	183,587	235,907
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale plant & equipment		-	8,000
Purchase of property, plant and equipment		(238,885)	(304,212)
Redemption/(purchase) of financial assets		169,269	177,554
Net cash provided by (used in) investing activities		(69,616)	(118,658)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) from/of borrowing		786	(125,430)
Net cash provided by (used in) investing activities		786	(125,430)
Net increase in cash held		114,757	(8,181)
Cash & cash equivalents at 1 July 2020		202,587	210,768
Cash & cash equivalents at 30 June 2021	7	317,344	202,587

The accompanying notes form part of these financial statements.

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Taree Aquatic Club Limited as an individual entity. The Company is domiciled in Australia.

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 and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of preparation

The financial report is presented in Australian dollars and has been prepared on an accrual's basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

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

The financial report was approved by the Directors on 14th September 2021.

Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Financial Instruments

Non derivative financial instruments

Non derivative financial instruments comprise investments in debt securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition non derivative financial instruments are measured at fair value.

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Cash & cash equivalents

Cash and cash equivalents comprise cash on hand and at call deposits with banks or financial institutions. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade & other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Investments

If the Company has the positive intent to hold debt securities to maturity, then they are classified as amortised cost investments. Amortised cost investments are measured at amortised cost using the effective interest rate method less any impairment losses.

Trade & other payables

Trade and other payables are stated at their cost.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset. The costs of day to day servicing of property, plant and equipment are recognised in the profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income or other expenses in the profit or loss.

Depreciation

The depreciable amount of all plant & equipment is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Land is not depreciated. Rates and methods are reviewed annually for appropriateness.

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

<i>Class of depreciable asset</i>	<i>Depreciation Rate</i>
General furniture and floorcoverings	5 – 40%
Buildings & roadworks	2.5%
Bar plant, fittings & equipment	10 – 25%
Poker machines	30 – 40%
Catering plant & equipment	13.5 – 25%
Sailing Club plant & equipment	20 – 25%
Keno equipment	10 – 25%
Motor Vehicles	30%
Slipway & jetty	5%

TAREE AQUATIC CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Impairment

At each reporting date the Company reviews the carrying values of its financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the difference between the assets carrying amount and the estimated future cash flows discounted at the original effective interest rate is recognised through the profit and loss as an impairment loss.

The carrying value of the Company's non financial assets are also reviewed at each reporting date to determine if there is an indication of impairment. If an indication exists then the assets recoverable amount, being the higher of its value in use and its fair value less costs to sell, is estimated. An impairment loss is recognised in the profit and loss if the carrying amount exceeds the recoverable amount.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs for completion and selling expenses.

Leases

Leases are capitalised, recognising a right to use asset and a lease liability.

The right to use asset is initially recognised at the present value of the lease payments that are unpaid at the date of recognition. Lease payments are discounted at the interest rate implicit in the lease.

The lease liability is initially recognised at the carrying amount of the right to use asset increased by the interest on the lease liability.

Right of use assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period

Employee benefits

Short-term benefits

Liabilities for employee benefits for wages, annual leave and sick leave arising from services rendered by employees to balance date represent present obligations.

Employee benefits expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs, such as workers' compensation insurance and payroll tax.

Long-term benefits

Other 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. The discount rate is the yield at reporting date on AA credit rated or government bonds that have maturity dates approximating the Company's obligations.

Superannuation

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

TAREE AQUATIC CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Intangible assets

Intangible assets acquired by the Company which have an infinite life are measured at cost, are not amortised and are shown net of any impairment losses.

Poker machine entitlements are considered to have an infinite life as they are expected to continue unless cancelled by the gaming authority.

Income Tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Comparative Figures

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

Revenue

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Finance income

Finance income comprises interest revenue on funds invested. It is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

TAREE AQUATIC CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (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 the acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cashflows are included in the Statement of Cashflows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cashflows.

Segment reporting

A segment is a distinguishable component of the Company that is engaged in either providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

New standards and interpretations not yet adopted

The Directors consider that new standards and interpretations currently issued but not yet applicable will not have a significant impact on the Company's financial report.

NOTE 2: REVENUE AND OTHER INCOME	2021 \$	2020 \$
Revenue		
— Bar operations	523,382	587,809
— Entertainment	-	4,873
— Catering	29,500	32,617
— Gaming & competitions	970,346	1,015,306
	<u>1,523,228</u>	<u>1,640,605</u>
Other income		
— COVID 19 cashflow boost, jobkeeper, flood grants	248,457	154,210
— Profit on sale of plant & equipment	-	7,987
— Subscriptions	26,180	30,473
— Sailing Club	7,189	3,506
— Other income	16,354	24,836
	<u>298,180</u>	<u>221,012</u>
TOTAL REVENUE	<u>1,821,408</u>	<u>1,861,617</u>

TAREE AQUATIC CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: NET FINANCE INCOME

	2021	2020
	\$	\$
Interest revenue from other persons	4,348	18,325
Interest expense right to use assets	(28)	-
Net interest revenue / (expense)	<u>4,320</u>	<u>18,325</u>

NOTE 4: OTHER EXPENSES

Cost of Goods Sold	222,382	243,645
Net loss on disposal of non-current assets:		
— property, plant and equipment	56,554	-
Competition and gaming expenses	39,370	251,811
Repairs & maintenance	190,690	123,742

NOTE 5: INCOME TAX

Recognised in the Statement of Comprehensive Income:

a. Income tax expense

Profit/(loss) before tax	27,716	(48,017)
Income tax using corporate tax rate 26% (2020: 27.5%)	7,206	(13,205)
Increase in income tax expense due to:		
— non-deductible depreciation	(186)	201
	<u>7,020</u>	<u>(13,406)</u>
Decrease in income tax expense due to:		
— Non assessable government grants	(34,569)	-
— Income attributable to members	13,931	(14,750)
Income tax expense/(benefit) on pre tax net profit	<u>(13,618)</u>	<u>1,344</u>

Income tax expense

— Current income tax expense/ (benefit)	(8,447)	929
— Deferred income tax expense/ (benefit)	(5,171)	415
Total income tax expense/ (benefit) in Statement of Comprehensive Income	<u>(13,618)</u>	<u>1,344</u>

TAREE AQUATIC CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 5: INCOME TAX Con't		
b. Current tax payable		
Movements during the year		
— Balance at beginning of year	(9,019)	890
— Income tax (paid)/refunded	9,007	(10,838)
— Current year income tax expense/ (benefit)	(8,447)	929
	(8,459)	(9,019)
c. Deferred tax liabilities		
Deferred tax liabilities are attributable to the following:		
Trade & other receivables	240	310
Property, plant & equipment	5,009	3,153
	5,249	3,463
d. Deferred tax assets		
Deferred tax assets are attributable to the following:		
Employee benefits	4,056	3,353
Superannuation payable	94	94
Carried forward tax losses	14,702	-
	18,852	3,447

NOTE 6: RELATED PARTY TRANSACTIONS

a. Key management personnel remuneration		
Short term salary benefits paid to all key management personnel of the Company by the Company and any related parties	110,623	87,259
Post employment superannuation benefits paid to all key management personnel of the Company by the Company and any related parties	8,703	8,204
	119,326	95,463

The names of key management personnel during the financial year are:

Mr Gary Gates – Director
Mr Adam Cause – Director
Mr Lawrence Dege – Director – Appointed 10 February 2021
Mr David Hardaker – Director
Mr William Nelson – Director
Mr Neil Ryan – Director
Mr Terry Vittali – Director
Mr Barry Murray – Secretary Manager

TAREE AQUATIC CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6: RELATED PARTY TRANSACTIONS con't

b. Key Management Personnel Transactions

All key management personnel are provided use of the Club and its facilities on the same terms and conditions as other members.

During the year the following key management personnel provided services to the Club:

Mr William Nelson has a financial interest in Carpet Craft Taree. Carpet Craft Taree provided new carpet to the Club during 2021: \$51,830 (2020: \$4,074).

Mr Neil Ryan provided drafting services to the Club during 2021: \$2,425 (2020: \$2,525).

NOTE 7: CASH & CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash on hand	60,066	8,408
Cash at bank		
General Account	211,647	125,121
Keno Account	31,193	55,196
Visa Account	1,159	1,243
Sailing Club Accounts	13,279	12,619
	317,344	202,587

Amounts are at call. The effective interest rate at 30 June 2021 on all accounts was between 0% and 0.1% (2020: 0-0.1%)

Reconciliation of Cash

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

Cash	317,344	202,587
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TAREE AQUATIC CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 8: TRADE & OTHER RECEIVABLES	2021	2020
	\$	\$
CURRENT		
Eftpos/ATM Clearing	3,755	-
Sundry debtors	4,174	52,476
Prepayments	41,195	26,080
Accrued interest	104	1,128
Security deposits	9,000	9,000
	<u>58,228</u>	<u>88,684</u>

Amounts are non-interest bearing. None of the Company's receivables are past due (2020: NIL). The Company's receivables are aged 0 – 60 days.

NOTE 9: INVENTORIES

Inventory held for resale - at cost	28,476	45,953
At net realisable value	<u>28,476</u>	<u>45,953</u>

NOTE 10: FINANCIAL ASSETS

Amortised cost investments		
Greater Building Society term deposits	755,745	925,014
	<u>755,745</u>	<u>925,014</u>

Effective interest rate 30 June 2021 was 0.2 % (2020: 1.2%)

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Land – Macquarie Street Taree - at cost	<u>16,566</u>	<u>16,566</u>
Buildings – Macquarie Street Taree - at cost	2,308,685	2,253,443
Accumulated depreciation	(880,734)	(793,523)
	<u>1,427,951</u>	<u>1,459,920</u>
Roadwork's - at cost	15,243	15,243
Accumulated depreciation	(8,498)	(8,117)
	<u>6,745</u>	<u>7,126</u>

TAREE AQUATIC CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT con't		
Land & Buildings – 2 Macquarie Street Taree	136,489	136,489
Accumulated depreciation	(16,263)	(15,308)
	<u>120,226</u>	<u>121,181</u>
Bar plant, fittings & equipment - at cost	89,268	113,523
Accumulated depreciation	(64,732)	(84,916)
	<u>24,536</u>	<u>28,607</u>
Catering plant and equipment - at cost	146,924	149,048
Accumulated depreciation	(73,590)	(87,856)
	<u>73,334</u>	<u>61,192</u>
Poker machines - at cost	1,307,696	1,312,512
Accumulated depreciation	(1,158,096)	(1,097,100)
	<u>149,600</u>	<u>215,412</u>
General plant, furniture & floor coverings - at cost	448,071	586,871
Accumulated depreciation	(323,680)	(465,103)
	<u>124,391</u>	<u>121,768</u>
Glassware, cutlery & crockery - at cost	<u>7,524</u>	<u>7,524</u>
Sailing Club plant & equipment - at cost	31,045	31,918
Accumulated depreciation	(26,789)	(26,557)
	<u>4,256</u>	<u>5,361</u>
Keno equipment – at cost	2,047	2,047
Accumulated depreciation	(1,996)	(1,987)
	<u>51</u>	<u>60</u>
Motor Vehicle – at cost	34,136	34,136
Accumulated Depreciation	(25,744)	(24,040)
	<u>8,392</u>	<u>10,096</u>

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
NOTE 11: PROPERTY PLANT & EQUIPMENT con't	\$	\$
Slipway & jetty – at cost	40,602	40,602
Accumulated Depreciation	(20,231)	(19,158)
	20,371	21,444
Right of use assets	45,191	-
Accumulated amortisation	(1,506)	-
	43,685	-
Total Property, Plant and Equipment	2,027,628	2,076,257

b. Movements in Carrying Amounts

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

	Balance at beginning of year	Addition s	Disposals/ Transfers	Depreciatio n expense	Carrying amount at end of year
	\$	\$	\$	\$	\$
Land	16,566	-	-	-	16,566
Buildings	1,459,920	80,835	(14,886)	(97,918)	1,427,951
Road-works	7,126	-	-	(381)	6,745
Land & Buildings 2 Macq St	121,181	-	-	(955)	120,226
Bar plant, fittings & equip	28,607	13,210	(13,270)	(4,011)	24,536
Catering plant and equipment	61,192	33,012	(7,188)	(13,682)	73,334
General plant, furniture & flooring	121,768	51,876	(24,597)	(24,656)	124,391
Poker machines	215,412	19,193	(1,011)	(83,994)	149,600
Glass, cutlery & crocery	7,524	-	-	-	7,524
Sailing Club plant & equipment	5,361	-	(34)	(1,071)	4,256
Motor Vehicle	10,096	-	-	(1,704)	8,392
Keno	60	-	-	(9)	51
Slipway & jetty	21,444	-	-	(1,073)	20,371
Right of use assets	-	45,191	-	(1,506)	43,685
Total	2,076,257	243,317	(60,986)	(230,960)	2,027,628

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
NOTE 11: PROPERTY PLANT & EQUIPMENT con't	\$	\$

Core Property

For the purposes of the Registered Clubs Act land and buildings at 1 Macquarie Street Taree are core property. Property at 2 Macquarie Street Taree is non-core property.

NOTE 12: INTANGIBLE ASSETS

Poker machine license entitlements	354,256	354,256
Balance at beginning of period	354,256	354,256
Acquisitions	-	-
Balance at end of period	354,256	354,256

Poker machine license entitlements represent purchased entitlements. Existing entitlements created at nil cost have not been brought to account.

Poker machine entitlements have been determined to have indefinite useful lives on the basis that there is no set expiry or cancellation date. The carrying amount of the entitlements was tested at 30 June 2021 against a fair market value to check whether they were disclosed in excess of their recoverable amount. The result was the value of entitlements was equivalent to the cost of the entitlements and therefore no provision for impairment is considered necessary at 30 June 2021.

NOTE 13: TRADE & OTHER PAYABLES

CURRENT

Trade creditors	9,005	152,599
Other Creditors	61,514	129,724
GST Liabilities	(35,397)	(55,292)
	35,122	227,031

Amounts are non-interest bearing. Creditors are expected to be paid within 60 days.

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: FINANCIAL LIABILITIES	2021	2020
	\$	\$
CURRENT		
Lease Liabilities	10,124	37,849
	<u>10,124</u>	<u>37,849</u>
NON-CURRENT		
Lease Liabilities	33,560	5,049
	<u>33,560</u>	<u>5,049</u>

a) Lease liabilities

Lease liability comprises:

- Hire purchase agreements for poker machines expiring within 12 months to 5 years. At the end of the hire purchase term the company owns the equipment.
- Operating lease commitments expiring within 5 years. At the end of the lease period the company does not own the equipment.

NOTE 15: EMPLOYEE BENEFITS

CURRENT		
Annual leave/RDO's	59,082	64,302
Long service leave	9,079	7,066
	<u>68,161</u>	<u>71,368</u>
NON-CURRENT		
Long service leave	51,215	36,184
	<u>51,215</u>	<u>36,184</u>

NOTE 16: DEFERRED INCOME

Income in advance - subscriptions	<u>23,977</u>	<u>24,077</u>
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NOTE 17: CONTRIBUTED EQUITY

The Company is a company limited by guarantee.

If the Company is wound up, the articles of association state that each member is required to contribute to a maximum of \$2.00 towards meeting any outstanding obligations of the Company.

As at 30 June 2021, there were 5,670 (2020: 6,321) members of the Company.

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18: CAPITAL AND LEASING COMMITMENTS

Lease Commitments

During the year the company paid \$1,920 (2020: \$1,855) in rent for occupancy of Crown Land. This amount is based on an annual charge by the Crown Lands Department.

Capital Expenditure Commitments

The Club has no capital commitments at the date of this report.

NOTE 19: STATEMENT OF OPERATIONS BY SEGMENTS

The Company operates in the registered club industry in Australia.

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

At the date of this report, the Club are operating in a post Covid-19 shutdown period that started 14 August 2021 and ended on 11 September 2021. At the date of this report directors do not know what impact COVID restrictions will have on the Club's ability to trade in the future.

No other matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent years.

NOTE 21: CASH FLOW INFORMATION	2021	2020
	\$	\$
a. Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax		
Profit/(loss) after income tax	41,334	(49,361)
Non-cash flows in profit		
(Profit)/Loss on sale of non-current assets	56,554	(7,987)
Income taxes payable	(13,059)	(9,493)
Depreciation	230,960	231,472
Changes in assets and liabilities		
Decrease/(increase) inventories	17,477	(7,664)
Decrease/(increase) trade & other receivables	30,456	(21,495)
Increase/(decrease) in trade creditors and accruals	(191,909)	94,467
Increase/(decrease) in employee benefits	11,874	9,280
Increase/(decrease) in deferred income	(100)	(3,312)
Cash flows from operations	<u>183,587</u>	<u>235,907</u>

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 22: FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its obligations and arises principally from the Company's receivables from customers. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and the Notes to the Financial Statements.

Trade and other receivables

The Company's exposure is influenced mainly by the individual characteristics of each customer. The majority of receivables are from daily trading activities and are received within 5 business days.

Investments

The Company limits its exposure to credit risk by investing in higher interest rate deposits with reputable finance companies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. To ensure it can meet its obligations it invests excess funds in higher interest rate deposits, it only undertakes capital works when funds are available from monies invested and maintains a positive cash balance in its bank accounts at all times.

Market risk

Market risk is the risk that changes in market conditions will affect the Company's income. The Company has significant exposure to market risk as it is reliant on the continued use by patrons of its gaming facilities. Government initiatives such as the banning of smoking indoors has had an impact on this risk area and will continue to do so in future years.

Interest rate risk

Investments in held to maturity investments are not exposed to interest rate risk and they are invested at a fixed interest rate and short term receivables and payables are not exposed to interest rate risk as they are non interest bearing.

Fair value

Unless otherwise stated carrying amounts disclosed on the Statement of Financial Position are the fair value of the financial assets and liabilities.

NOTE 23: COMPANY DETAILS

The registered office and principal place of business of the company is:

1 Macquarie Street
Taree NSW 2430

TAREE AQUATIC CLUB LIMITED
ABN 68 001 050 586
DIRECTORS' DECLARATION

In the opinion of the directors of Taree Aquatic Club Limited

1. the financial statements and notes, as set out on pages 6 to 23 are in accordance with the Corporations Act 2001, including:
 - a. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position of the Company as at 30 June 2021 and its performance for the financial year ended on that date; and
2. 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

.....
Gary Gates

Director

.....
Neil Ryan

Dated this 14th September 2021

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF TAREE AQUATIC CLUB LIMITED**

Report on the Financial Report

Opinion

I have audited the financial report of Taree Aquatic Club Limited (the Company), 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, and Notes to the Financial Statements, including a summary of significant accounting policies, and the Directors' Declaration. In my opinion, the accompanying financial report of Taree Aquatic 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 financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

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 my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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.

Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TAREE AQUATIC CLUB LIMITED

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

My 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 my 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 my 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 my auditor's report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion.

My conclusions are based on the audit evidence obtained up to the date of my 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. I 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 I identify during my audit.

Liability limited by a scheme approved under Professional Standards Legislation

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF TAREE AQUATIC CLUB LIMITED**

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rhonda Futterleib

Address: 22 Pulteny Street, Taree, NSW, 2430

Dated this 15th day of September 2021

IMPORTANT INFORMATION FOR CLUB MEMBERS FOR THE YEAR ENDED 30th JUNE 2021 RELATING TO TAREE AQUATIC CLUB LTD – SERIAL NUMBER 239144.

1 IMPORTANT NOTES

1.1 The Registered Clubs Act 1976 defines a TOP EXECUTIVE as being one of the five highest paid employees of the club at each separate premises of the club.

2 DISCLOSURE OF INTERESTS OF DIRECTORS IN CONTRACTS WITH THE CLUB - SECTION 41C

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

2.2 The Registered Clubs Act 1976 requires DIRECTORS who have a material or personal interest in matters that relate to the affairs of the club to declare the interest at a board meeting AND the club to display the declaration on the club's notice board.

2.3 A contract is any commercial arrangement whether written or not.

2.4 In the reporting period there was two **(2)** occasion when DIRECTORS reported a material personal interest in a matter relating to the club's affairs.

3 FINANCIAL INTERESTS IN HOTELS - SECTION 41D

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

3.2 In the reporting period there were **nil (0)** occasions when DIRECTORS reported a financial interest in a hotel in NSW.

3.3 In the reporting period there were **nil (0)** occasions when TOP EXECUTIVES reported a financial interest in a hotel in NSW.

4 GIFTS TO DIRECTORS AND STAFF - SECTION 41E AND SECTION 41F

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

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

4.3 A gift includes money, hospitality, or discounts.

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

4.5 Directors

4.5.1 In the reporting period there were **nil (0)** occasions when DIRECTORS of the club reported receiving gifts from AFFILIATED BODIES.

4.5.2 In the reporting period there were **nil (0)** occasions when DIRECTORS of the club reported receiving gifts from CONTRACTORS.

4.6 Top Executives and Employees

4.6.1 In the reporting period there were **nil (0)** occasions when TOP EXECUTIVES of the club reported receiving gifts from AFFILIATED BODIES.

4.6.2 In the reporting period there were **nil (0)** occasions when EMPLOYEES of the club reported receiving gifts from CONTRACTORS.

4.7 Value of Gifts

4.7.1 The total value of all gifts that DIRECTORS and TOP EXECUTIVES received from AFFILIATED BODIES in the reporting period is **\$0.00**.

4.7.2 The total value of all gifts that DIRECTORS and EMPLOYEES received from CONTRACTORS in the reporting period is **\$0.00**.

5 TOP EXECUTIVES - S.41H (1)(b)

5.1 The number of club TOP EXECUTIVES whose total remuneration for the reporting period falls within each successive \$10,000 band commencing at \$100,000 is **one (1)**.

6 OVERSEAS TRAVEL - S.41H (1)(c)

6.1 In the reporting period the club incurred the following costs for the overseas travel of DIRECTORS and EMPLOYEES: **\$0.00**.

7 LOANS TO STAFF - S.41H (1)(d)

7.1 The Registered Clubs Act 1976 requires the club to report loans to EMPLOYEES of \$1,000 or more.

7.2 In the reporting period, the club made the following loans to EMPLOYEES: **\$0.00**.

8 CONTRACTS APPROVED BY BOARD - S.41H (1)(e)

8.1 During the reporting period the Board approved **one (1)** contracts relating to the remuneration of the club's TOP EXECUTIVES.

8.2 The Registered Clubs Act 1976 defines a Controlled Contract as being a club contract:

8.2.1 In which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest, or

8.2.2 For the provision of professional advice relating to the following,

a.) a significant change to the management structure or governance of the club.

b.) a significant change to the financial management of the club.

c.) disposal of land.

d.) the amalgamation of the club.

8.3 During the reporting period **nil (0)** controlled contracts were approved by the Board and forwarded to the Director of Liquor and Gaming of which:

8.3.1 **Nil (0)** such contracts related to contracts in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest.

8.3.2 **Nil (0)** such contracts related to the provision of professional advice. These contracts fall into the following advice categories:

8.3.3 **Nil (0)** for significant change to the management structure or governance of the club.

8.3.4 **Nil (0)** for significant changes to the financial management of the club.

8.3.5 **Nil (0)** for disposal of club land.

8.3.6 **Nil (0)** for amalgamation of the club.

9 EMPLOYEES RELATED TO DIRECTORS AND TOP EXECUTIVES - S.41H (1) (f)

9.1 A CLOSE RELATIVE is defined in section 41B of the Registered Clubs Act 1976 and includes the immediate family.

9.2 In the reporting period, the club employed the following persons who were a close relative of a DIRECTOR or TOP EXECUTIVE of the club: **Nil (0)**

10 PAYMENTS TO CONSULTANTS - S.41H (1) (g) and (h)

10.1 During the reporting period there was one **(1)** instances where the club engaged a consultant.

10.2 The total costs paid by the club to consultants in the reporting period were **\$250.00**.

10.3 Which included the following instances when consultants were paid \$30,000 or more: **nil (0)**.

11 DETAILS OF SETTLEMENTS PAID BY THE CLUB - S.41H (1)(i)

11.1 In the reporting period the club made **nil (0)** legal settlements with either a director or club employee. Being

11.1.1 **Nil (0)** with a director of the club.

11.1.2 **Nil (0)** with a club employee.

11.2 The total value of all legal settlements was **nil (0)**.

11.3 The total legal costs paid by the club for such settlements were **nil (0)**.

LEGAL FEES PAID BY THE CLUB - S.41H (1) (j)

12.1 In the reporting period, there were **nil (0)** instances when the club paid legal fees for DIRECTORS and EMPLOYEES. These included:

12.1.1 **Nil (0)** instances for DIRECTORS and

12.1.2 **Nil (0)** instances for EMPLOYEES

12.2 In the reporting period the club paid a total of **\$0.00** being for legal fees paid for DIRECTORS and EMPLOYEES.

13 GAMING MACHINE PROFIT - S.41H (1)(k)

13.1 Gaming machine profit and the gaming machine tax period are defined in the Gaming Machine Tax Act 2001.

13.2 In the most recent gaming machine tax period (1st September 2020 to 31st August 2021), the total profit from gaming machines was **\$867,012**.

14 AMOUNT PAID TO COMMUNITY DEVELOPMENT - S.41H (1)(l)

14.1 Clubs earning in excess of \$1,000,000 p.a. in gaming machine profit can apply part of such profit to community development and support.

14.2 In the reporting period the club applied **\$0** to community development and support.