

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Financial Statements

For the Year Ended 31 December, 2019

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Contents

For the year ended 31 December, 2019

	Page
Financial Statements	
Directors Report	1
Auditor Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors Declaration	23
Independent Audit Report	24

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Directors' Report

31 December, 2019

The directors present their report on Heathcote Services & Citizens Club Ltd for the financial year ended 31 December, 2019.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Simone Pettit

Position President

Colin Ballard

Position Vice President

Cindy Wann

Position Deputy President

Brian Cox

Position Treasurer (resigned 25 June, 2019)

Kerry Sawtell

Position Treasurer (appointed 29 October, 2019)

Tim Brown

Position Director (resigned 24 September, 2019)

Wayne Dunlop

Position Director

Lynne Sliwiak

Position Director

Melinda Hill

Position Director

Daniel Marsi

Position Director

Trevor Trounson

Position Director (appointed 14 October, 2019)

Directors have been in office from 1 January, 2019 to the date of this report unless otherwise stated.

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Directors' Report

31 December, 2019

1. General information

Principal activities

The principal activity of Heathcote Services & Citizens Club Ltd during the financial year was the operation of a licensed club providing social and sporting activities for members and their guests.

The following significant changes in the nature of the principal activities occurred during the financial year:

- The Company entered into Voluntary Administration on 1 March, 2018 and ceased trading on 15 March, 2018. The Company entered into a Deed of Company Arrangement ("DOCA") on 8 October, 2018 and traded under the DOCA until 10 May, 2019. Financial reports relating to the Voluntary Administration and DOCA period have been lodged by the Administrators, BDO Australia, with the Australian Securities & Investments Commission.

Short term objectives

The Company's short term objectives are to:

- Provide amenities to members through entertainment, beverage service and a dining facility;
- Assist local sporting groups, inter-club sporting bodies and local schools by providing charitable gifts, donations and a venue for meetings;
- Continue to offer these services by implementing strategies to increase patronage and membership.

Long term objectives

The Company's long term objectives are to:

- Maintain short-term objectives;
- Reduce running costs;
- Increase membership;
- Improve club facilities;
- Increase revenue.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Increase and broaden entertainment and product offerings to widen membership demographics;
- Increase patronage through marketing and advertising on social media and regular member communications;
- Improve ambiance of the premises;
- Develop business and strategic plans to secure the Club's future.

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Directors' Report

31 December, 2019

1. General information

Members' guarantee

Heathcote Services & Citizens Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the company's constitution.

At 31 December, 2019 the collective liability of members under the guarantee was \$13,810.

2. Other items

Meetings of directors


During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Director Meetings	
	Number eligible to attend	Number attended
Simone Pettit	8	8
Colin Ballard	8	8
Cindy Wann	8	6
Brian Cox	1	1
Kerry Sawtell	2	2
Tim Brown	4	1
Wayne Dunlop	8	8
Lynne Sliwiak	8	5
Melinda Hill	8	7
Daniel Marsi	8	6
Trevor Trounson	3	3

Auditor independence declaration

The lead auditor independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December, 2019 has been received and can be found on page 4 of this financial report.

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

Director: 
Simone Pettit

Director: 
Colin Ballard

Dated this 24th day of September 2021

BUSINESS PARTNER ACCOUNTANTS

ABN 31 254 110 993

Chartered Accountants and Business Advisors

PO Box 634
Miranda NSW 1490

Tel: (02) 9524 2966
Fax: (02) 9524 2933

Suite 6, First Floor
525 Kingsway
(Cnr. Clubb Cr.)
Miranda NSW 2228

www.bpaccountants.com.au

E-mail: info@bpaccountants.com.au

AUDITOR INDEPENDENCE DECLARATION

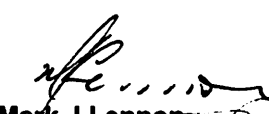
To the Directors of Heathcote Services & Citizens Club Limited:-

In relation to our audit of the annual report of Heathcote Services & Citizens Club Limited for the year ended 31 December 2019, we declare that, to the best of our knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of 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.


Business Partner Accountants
Chartered Accountants


Mark J Lennon

Signed at Miranda, NSW, this 24th day, September, 2021

Liability limited by a scheme approved
under Professional Standards Legislation

Heathcote Services & Citizens Club Ltd

ABN 32 000 982 167

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December, 2019

	Note	2019 \$	2018 \$ (refer Note 1)
INCOME			
Revenue	4	2,220,816	
Finance income	5	1	
Other income	4	194,053	
		<u>2,414,870</u>	
EXPENSES			
Employee benefits expense		451,335	
Depreciation and amortisation expense		72,131	
Points, tokens & promotions		25,397	
Club entertainment		164,333	
TAB, pokies & Keno		1,085,318	
Bar expenses		257,120	
Other expenses		305,782	
Finance expenses	5	79,575	
		<u>2,440,991</u>	
Profit (loss) before income tax		(26,121)	
Income tax expense	6	-	
		<u>(26,121)</u>	
Profit (loss) for the year		(26,121)	
Other comprehensive income, net of Income tax		-	
Items that will not be reclassified subsequently to profit or loss		-	
Items that will be reclassified to profit or loss when specific conditions are met		-	
		<u>-</u>	
Total comprehensive income for the year		(26,121)	

The accompanying notes form part of these financial statements.

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Statement of Financial Position

As at 31 December, 2019

	Note	2019 \$	2018 \$ (refer Note 1)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	185,332	
Trade and other receivables	8	3,071	
Inventories	9	32,460	
TOTAL CURRENT ASSETS		220,863	
NON-CURRENT ASSETS			
Trade and other receivables	8	-	
Property, plant and equipment	10	3,973,582	
TOTAL NON-CURRENT ASSETS		3,973,582	
TOTAL ASSETS		4,194,445	
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	93,595	
Current tax liabilities	17	122,379	
Employee benefits	14	5,848	
Other financial liabilities	13	880	
TOTAL CURRENT LIABILITIES		222,702	
NON-CURRENT LIABILITIES			
Borrowings	12	1,000,000	
Other financial liabilities	13	2,639	
TOTAL NON-CURRENT LIABILITIES		1,002,639	
TOTAL LIABILITIES		1,225,341	
NET ASSETS		2,969,104	
EQUITY			
Reserves	15	2,450,000	
Retained earnings		519,104	
TOTAL EQUITY		2,969,104	

The accompanying notes form part of these financial statements.

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Statement of Changes in Equity
For the year ended 31 December, 2019

	Retained Earnings	Asset Realisation Reserve	Total
Note	\$	\$	\$
Balance at 1 January 2019	545,225	2,450,000	2,995,225
Profit (loss) attributable to members of the entity	(26,121)	-	(26,121)
Balance at 31 December 2019	519,104	2,450,000	2,969,104

The accompanying notes form part of these financial statements.

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Statement of Cash Flows

For the year ended 31 December, 2019

	2019	2018
Note	\$	\$ (refer Note 1)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,620,653	
Payments to suppliers and employees	(2,358,041)	
Interest received	1	
Interest paid	<u>(79,575)</u>	
Net cash provided by/(used in) operating activities	<u>183,038</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	183,038	
Cash and cash equivalents at beginning of year	<u>2,294</u>	
Cash and cash equivalents at end of financial year	6 <u><u>185,332</u></u>	

The accompanying notes form part of these financial statements.

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Notes to the Financial Statements

For the year ended 31 December, 2019

The financial report covers Heathcote Services & Citizens Club Ltd as an individual entity. Heathcote Services & Citizens Club Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Heathcote Services & Citizens Club Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 24 September, 2021.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*, with the following exception:-

The Company, as a Tier 3 entity, cannot comply with Australian Accounting Standard AASB 101 by recording comparative figures for the 2018 financial year as the Directors do not have access to the full financial records for the year ended 31 December, 2018. Financial records relating to this year were prepared and lodged by the Company's administrators at the time, BDO Australia, under a Deed of Company Arrangement ("DOCA").

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Gaming services:

Recognition of gaming services revenue occurs when the service is rendered.

Notes to the Financial Statements

For the year ended 31 December, 2019

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

Beverage and food services:

Recognition of beverage and food services revenue occurs when the goods are provided.

Membership Fees:

Recognition of membership fees in Profit and Loss only relates to fees received relating to the current income year. When fees are received for future years, this amount is recognised in the Statement of Financial Position as a current liability (where the fees relate to the following income year) or a non-current liability (where the fees relate to a period more than twelve months from the date of this report).

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(c) Goods and services tax ("GST")

Revenue, 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").

Receivables and payables are stated inclusive of GST.

Cash flows in the Statement of Cash Flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Inventories

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

Notes to the Financial Statements

For the year ended 31 December, 2019

2 Summary of Significant Accounting Policies

(f) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land

Land is measured using the revaluation model.

Buildings, plant and equipment

Buildings, plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

Building and improvements: 2.5%

Catering equipment: 10%

Furniture and fittings: 2.5% to 20%

TAB fixtures: 2.5% to 20%

Plant and equipment: 5% to 30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Notes to the Financial Statements

For the year ended 31 December, 2019

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has no strategic investments in listed and unlisted entities over which they do not have significant influence nor control.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Notes to the Financial Statements

For the year ended 31 December, 2019

2 Summary of Significant Accounting Policies

(g) Financial Instruments

Financial assets

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Notes to the Financial Statements

For the year ended 31 December, 2019

2 Summary of Significant Accounting Policies

(g) Financial Instruments

Financial assets

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(i) Employee benefits

Provision is made for the Company liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Notes to the Financial Statements

For the year ended 31 December, 2019

3 Critical Accounting Estimates and Judgments

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - land held at fair value

An independent valuation of the freehold land owned by the Company was obtained on 20 August 2018. The directors have reviewed this valuation and determined this is the most accurate reflection of the fair value of the land. The valuation is an estimation which would only be realised if the property was sold.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

2019	2018
\$	\$
	(refer Note 1)

4 Revenue and Other Income

Points, tokens & promotions	23,660
Club entertainment	43,981
TAB, poker machines and Keno	1,544,144
Bar sales	604,913
Memberships	4,118
Total Revenue	2,220,816
Other income	194,053
Total other income	194,053
Total Revenue and Other Income	2,414,869

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Notes to the Financial Statements

For the year ended 31 December, 2019

	2019	2018
	\$	\$
		(refer Note 1)
5 Finance Income and Expenses		
Finance income		
Interest income	<u>1</u>	
Total finance income	<u><u>1</u></u>	
Finance expenses		
Interest expenses	<u>79,575</u>	
Total finance expenses	<u><u>79,575</u></u>	

6 Income Tax

The Income Tax Assessment Act 1997 provides that under the concept of mutuality Heathcote Services & Citizens Club Limited is liable for income tax, based upon net assessable income derived from non-members and from investments in outside entities. In view of these special circumstances, it is not appropriate to compare income tax payable with the net profit disclosed in the Statement of Comprehensive Income.

As stated at Note 1, the Directors do not have access to the full financial records of the Company for the year ended 31 December, 2018 as records for that period were prepared, and have been retained by, the former administrators of the Company. Nevertheless, the last income tax return lodged by the Company, being for the year ended 31 December, 2016, recorded accumulated losses carried forward for tax purposes of \$1,717,038. On this basis, the Directors are of the opinion that there is no income tax liability as at 31 December, 2019.

Accordingly, the amount set aside for income tax in the Statement of Comprehensive Income for the year ended 31 December, 2019 is Nil.

7 Cash and Cash Equivalents

Cash at bank and on hand	<u>185,332</u>
	<u><u>185,332</u></u>

Reconciliation of cash

Cash and cash equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:

Cash and cash equivalents	<u>185,332</u>
Balance as per Statement of Cash Flows	<u><u>185,332</u></u>

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Notes to the Financial Statements

For the year ended 31 December, 2019

	2019	2018
	\$	\$
		(refer Note 1)
8 Trade and other receivables		
CURRENT		
Trade receivables	350	
Other receivables	2,721	
Total current trade and other receivables	<u>3,071</u>	
NON-CURRENT		
Trade receivables	-	
Total non-current trade and other receivables	<u>-</u>	
9 Inventories		
CURRENT		
Finished goods, at cost	32,460	
	<u>32,460</u>	

Heathcote Services & Citizens Club Ltd

ABN 32 000 982 167

Notes to the Financial Statements

For the year ended 31 December, 2019

	2019	2018
	\$	\$
		(refer Note 1)
10 Property, plant and equipment		
Land, at independent valuation	<u>2,750,000</u>	
Building at cost	1,900,838	
Accumulated depreciation	<u>(806,810)</u>	
Total land and buildings	<u>1,094,028</u>	
Plant and equipment		
At cost	136,600	
Accumulated depreciation	<u>(76,939)</u>	
Total plant and equipment	<u>59,661</u>	
Furniture, fixtures and fittings		
At cost	103,143	
Accumulated depreciation	<u>(53,606)</u>	
Total furniture, fixtures and fittings	<u>49,537</u>	
Catering equipment		
At cost	13,811	
Accumulated depreciation	<u>(12,272)</u>	
Total Catering equipment	<u>1,539</u>	
Keno & TAB equipment		
At cost	27,033	
Accumulated depreciation	<u>(8,216)</u>	
Total Keno & TAB equipment	<u>18,817</u>	
Total plant and equipment	<u>129,554</u>	
Total property, plant and equipment	<u><u>3,973,582</u></u>	

(a) Valuation of land

The freehold land of the company was previously recorded at cost. The land was independently valued as at 20 August, 2018 by John Virtue Valuers. The valuation of the freehold land is on the basis of market value. Factors considered within the independent valuation include existing zoning of the land, location and shape of the site, and assessment on an "as is" basis disregarding improvements on the site, with vacant possession.

11 Trade and Other Payables

CURRENT		
Trade payables	33,449	
TGS debt	48,748	
Other payables	<u>11,398</u>	
	<u><u>93,595</u></u>	

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Notes to the Financial Statements

For the year ended 31 December, 2019

	2019	2018
	\$	\$
		(refer Note 1)
12 Borrowings		
NON-CURRENT		
Secured liabilities:		
Other interest-bearing liabilities	<u>1,000,000</u>	
Total non-current borrowings	<u><u>1,000,000</u></u>	
13 Other Financial Liabilities		
CURRENT		
Membership fees in advance	<u>880</u>	
Total	<u><u>880</u></u>	
NON-CURRENT		
Membership fees in advance	<u>2,639</u>	
Total	<u><u>2,639</u></u>	
14 Employee Benefits		
Current liabilities		
- Employee leave provisions	<u>5,848</u>	
	<u><u>5,848</u></u>	
15 Reserves		
Asset revaluation reserve		
The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.		
Revaluation of land conducted 20 August, 2018 – refer Note 10(a)	<u>2,450,000</u>	

16 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Constitution of the Company states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Company. At 31 December, 2019 the number of members was 1,381 (2018: 1,381).

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Notes to the Financial Statements

For the year ended 31 December, 2019

	2019	2018
	\$	\$
		(refer Note 1)
17 Tax assets and liabilities		
Goods and Services Tax ("GST")	54,687	
Pay As You Go Withholding Tax	67,692	
Current tax liabilities	<u>122,379</u>	

18 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Land
 - Land was valued on 20 August, 2018, (refer Note 10(a)).

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December, 2019.

20 Events after the end of the Reporting Period

The financial report was authorised for issue on 2021 by the Board of Directors.

The Company was forced to cease operations from 23 March, 2020 to 19 June, 2020 due to the NSW Government response to the ongoing COVID-19 global health pandemic. When the Company did reopen on 19 June, 2020, trading restrictions were imposed by the NSW Government which continued to impact the operations of the Company.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected, or could significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

21 Statutory Information

The registered office and principal place of business of the Company is:
Heathcote Services & Citizens Club Ltd
24 Oliver St
Heathcote NSW 2233

22 Related-party transactions

Transactions with directors involving the purchase of trading stock occurred within the normal club-member relationship on terms and conditions no more favourable than those available on similar transactions to other club members. No remuneration and benefits have been provided to directors during the year, other than as approved by members at the last Annual General Meeting.

There were no amounts paid to relatives of directors, spouses of directors, or any company or entity controlled by a director, or the spouse of relatives of a director, during the year, other than as bona fide employees.

Notes to the Financial Statements

For the year ended 31 December, 2019

23 Key management personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. Key Management Personnel includes the directors of the company.

The only benefits provided to Key Management Personnel during the year comprised salary and compulsory superannuation paid to, and on behalf of, the Secretary/Manager.

24 Going concern

The Board of Directors of Heathcote Services & Citizens Club Limited believes that a Material Uncertainty existed in previous years, and which still exists in the current year, which may cast doubt on the ability of the Club to continue as a going concern due to the administration costs incurred by BDO and Covid-19 operational closures and restrictions which have impacted significantly on the cash flow of the business. Failure to be able to continue as a going concern could result in the Company being unable to realise its assets and discharge its liabilities in the normal course of business.

The major factors influencing this are:

- The financial impact of costs incurred for the administration by BDO
- Closure of the Club due to Government Health Orders
- Restrictions to the Clubs operating capacity due to Government Health Orders

Recognising the existence of a material uncertainty, the directors of the Club are of the belief that the Company can continue as a going concern within the foreseeable future.

Management and the Board of Directors have implemented, and plan to implement, strategies to rectify the going concern material uncertainty.

Strategies implemented to date:

- Introduction of community festivals providing members of our community with opportunities to engage in socialisation, entertainment and the establishment of social networks, which can contribute to the enhancement of community cohesion and the building of social capital within our community
- Relocation of Bistro to first floor to provide members with an ambient dining facility
- Negotiation of better TGS contract rates reducing our financial obligation
- Reduction in administration costs, e.g. Secretary Manager salary, office staff hours replaced by Board members volunteering their time and services.
- Restructure of opening hours to reflect Member demand and reduce general staff wages
- Sale of electronic gaming machines licences which provided cash flow assistance.
- Restructure of entertainment and promotions
- Membership drive which has increased membership by over 50%

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

Notes to the Financial Statements

For the year ended 31 December, 2019

Proposed strategies:

- On-going implementation of strategic plan.
- Promote the Club by way of advertising through newsletters and social media.
- Improve the ambiance and overall appearance of the Club.
- Improve gaming area layout to attract patrons.

Heathcote Services & Citizens Club Ltd

ABN 32 000 962 167

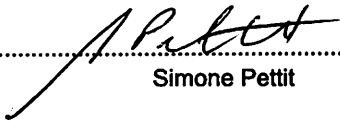
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 22, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements, except as noted at Note 1 in relation to non-compliance with Australian Accounting Standard AASB 101; and
 - b. give a true and fair view of the financial position as at 31 December, 2019 and of the performance for the year ended on that date of the Company.
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



Simone Pettit

Director



Colin Ballard

Date: 24th September 2021

BUSINESS PARTNER ACCOUNTANTS

ABN 31 254 110 993

Chartered Accountants and Business Advisors

PO Box 634
Miranda NSW 1490

Tel: (02) 9524 2966
Fax: (02) 9524 2933

Suite 6, First Floor
525 Kingsway
(Cnr. Clubb Cr.)
Miranda NSW 2228

www.bpaccountants.com.au

E-mail: info@bpaccountants.com.au

Independent audit report

To the members of Heathcote Services & Citizens Club Limited

Report on the Audit of the Financial Report

Disclaimer of Opinion

We were engaged to audit the financial report of Heathcote Services & Citizens Club Limited ("the Entity"), which comprises the Statement of Financial Position as at 31 December, 2019, the Statement of Profit or Loss and Other 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.

We do not express an opinion on the accompanying financial report of the Entity. Because of the significance of the matters described in the following "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Basis for Disclaimer of Opinion

The last external audit of the Entity was conducted in relation to the financial year ended 31 December, 2016.

Following the appointment of Administrators to the Entity on 1 March, 2018, the general ledger of the Entity was not utilised to record the transactions impacting the Entity from that date.

Upon the subsequent resignation of the Administrators, the management of the Entity entered a Trial Balance into the general ledger of the Entity, being estimates of balances as at 31 December, 2018. These balances have not been confirmed or audited, and statutory financial statements for the financial years ended 31 December, 2017 and 2018 have not been prepared.

The financial and other records of the Entity recording the transactions of the Entity during the course of administration have been retained by the Administrators.

As a result of the above:-

- the detailed transactions of the Entity during the course of administration are not in the possession of the Entity;
- the Trial Balance recorded as at 31 December, 2018 recorded estimated asset and liability balances, but did not record profit and loss account balances;
- during the course of the audit work conducted by us in relation to the year ended 31 December, 2019 we found some material balances in the 31 December, 2018 asset and liability Trial Balance to be incorrect or not capable of confirmation;

Liability limited by a scheme approved
under Professional Standards Legislation

Responsibilities of Directors

The Directors of the company are responsible for the preparation and fair presentation of the financial report that give a true and fair value in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the Directors determine is necessary, whether due to fraud or error.


In this regard, we respectfully draw attention to Note 1 in the accompanying Notes to the Financial Statements in relation to inability to comply with Australian Accounting Standard AASB 101.

Auditor Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the Entity's financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.


Business Partner Accountants
Chartered Accountants


Mark J Lennen

Signed at Miranda, NSW, this *14th day* September, 2021.