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Ashfield Catholic and Community Club Limited

ABN 73 000 425 294

Annual Financial Report  
30 June 2020

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# Ashfield Catholic and Community Club Limited

## Directors' Report

### Directors

The directors present their report together with the financial statements of Ashfield Catholic and Community Club Limited (the company) for the year ended 30 June 2020.

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

Name and Qualifications	Experience and Special Responsibilities
BORMANS, Alexander	President since October 2019 Finance Director 2018 to 2019 Board Member since 2015 Club Member since 2012 Master of Science Graduate Diploma in Business Distinguished Toastmaster RSA & RCG Certified ICT Account Manager
CHANNELLS, John Richard	Vice President. Board Member since 2004. Club Foundation Member. Part-Time D.E.T. Previously 30 years as a teacher at De La Salle College, Ashfield. Dip Ed Industrial Arts.
HUDSON, Brian Joseph	Board Member since 1995. Club Member since 1967. Life Member. Retired Public Servant. Committee Member of the ACC Cricket Club since its inception 1974-1975.
FARRY, Michael Anthony	Vice President President 2018 to October 2019. Board Member since 2004. Club Member since 1966. Life Member. Finance director from 2004 to 2009. Retired Bank Manager. Justice of the Peace.
YANIV, Christina	Finance Director since 2019 Board Member since 2018 Club Member since 2014. Bachelor of Arts - Society & Culture (2018). Facilities and Project Manager. Industry Diploma in Operations and Facilities Management. Certificate IV in Occupational Health & Safety.
FREEMAN, Lorraine	Board Member since 2016 Club Member since 2008. Registered Nurse/Midwife. Bachelor of Arts. Solicitor. Toastmaster - DTM award. Volunteer with St Vincent de Paul Society assisting children with literacy and numeracy skills.

# Ashfield Catholic and Community Club Limited

## Directors' Report (continued)

Name and Qualifications	Experience and Special Responsibilities
DIXON, Peter	Board Member since 2018 Club Member since 1997. Lighting Engineer/Consultant and small business owner. Certificate in Wine studies and Viticulture. Holder of RSA and RCG certifications. Distinguished Toastmaster. Long Service Medal; State Emergency Service, St John Ambulance and Duke of Edinburgh Award Scheme.

### Directors' meetings

The number of meetings of the company's Board of Directors (the Board) attended by each of the directors of the company during the financial year is:

Name	Number of Meetings Attended	Number of Meetings Held *
FARRY, Michael Anthony	17	18
CHANNELLS, John Richard	18	18
HUDSON, Brian Joseph	18	18
BORMANS, Alexander	18	18
FREEMAN, Lorraine	18	18
DIXON, Peter	17	18
YANIV, Christina	17	18

\* Number of meetings held during the time the director held office during the year.

### Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 30 June 2020 and the comparison with last year is as follows:

2020	2019
3,828	3,936
<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

### Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that they are a member or within one year thereafter. The total amount that the members of the company are liable to contribute if the company is wound up is \$7,656 (2019: \$7,872).

### Operating result

The net loss after tax for the year amounted to \$120,630 compared with profit \$73,713 for the prior year. This resulted after charging \$996,985 (2019: \$1,015,642) for depreciation, \$49,547 (2019: loss on disposal 214,699) for gain on disposal of non-current asset and after \$890 income tax expense (2019: \$74,901 Income tax benefit).

# Ashfield Catholic and Community Club Limited

## Directors' Report (continued)

### Objectives

#### Short Term

- Return to trade profitably
- Continuing to improve excellence in our customer service program
- Improving revenue streams, new and old
- Improve conference room - attract more room hire
- Community groups-mutual benefits
- Consolidate the Club's financial position after completing stage 2 of the Clubs Master Plan.

#### Long Term

- Implementing Stage 3 of the Club's Master Plan
- Implementing gym
- Finishing capital works
- Time frame depends on trade and other factors.

### Strategy for achieving the objectives

- Performing a SWOT analysis
- Look at areas to increase income streams
- Reviewing expenses and suppliers
- Management of investment properties (increasing ROI).

### Principal activities

- The principal activities of the company during the course of the financial year consisted of the conduct and promotion of a licensed social club for members of the company.
- There have been no significant changes in the nature of these activities during the year.
- The company's principal activities assist in achieving the entity's objectives by raising revenues for the expansion and long term viability of the Club.

### Performance measurement and key performance indicators

The Entity measures its performance by using the following KPIs:

- Monthly P&L Statements
- EBITDA Percentages
- Profit Trends
- Benchmarking against other Clubs - Gaming revenues
- Customer satisfaction

# Ashfield Catholic and Community Club Limited

## Directors' Report (continued)

### Key Performance Indicators

	2020	2019
<b>Bar</b>		
Gross profit percentage	60.32%	59.8%
Wages to sales percentage	23.65%	21.0%
<b>Gaming</b>		
Gross Revenue	\$3,826,279	\$5,053,060
Gross Revenue per machine	\$37,884	\$50,030
Wages to sales percentage	11.6%	8.9%
<b>EBITDA*</b>	<b>\$1,009,521</b>	<b>\$1,400,056</b>
EBITDA %	19.3%	21.5%

\* Net gain/loss on disposal of non-current assets have been added back to Profit for the calculation of the EBITDA for the current and prior period.

### Auditor's independence declaration

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

Signed in accordance with a resolution of the directors.

Dated at Ashfield this 22<sup>nd</sup> day of September 2020.



**Alexander Bormans**  
President



**Chrstitina Yaniv**  
Finance Director

DECLARATION OF INDEPENDENCE BY ELYSIA ROTHWELL TO THE DIRECTORS OF ASHFIELD CATHOLIC AND COMMUNITY CLUB

As lead auditor of Ashfield Catholic and Community Club Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Rothwell'. The signature is written in a cursive, flowing style.

Elysia Rothwell  
Director

Sydney, 22 September 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of Ashfield Catholic and Community Club Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Ashfield Catholic and Community Club Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Ashfield Catholic and Community Club Limited, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

#### Basis for opinion

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

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

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

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.



## Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

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

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

## Auditor's responsibilities for the audit of the Financial Report

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

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

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A stylized, handwritten-style signature of the letters 'BDO' in black ink.

A handwritten signature in black ink that reads 'Elysia Rothwell'.

Elysia Rothwell  
Director

Sydney, 22 September 2020

# Ashfield Catholic and Community Club Limited

## Directors' Declaration

The directors of Ashfield Catholic and Community Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 9 to 35, are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the company's financial position as at 30 June 2020 and of their performance, for the financial year ended on that date; and
  - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at Ashfield this 22<sup>nd</sup> day of September 2020.



**Alexander Bormans**  
President



**Chrstitina Yaniv**  
Finance Director

Ashfield Catholic and Community Club Limited  
Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue			
Sale of goods		1,004,451	1,388,275
Rendering of services		3,688,331	4,890,467
Other revenue		227,281	232,068
		<hr/>	<hr/>
Total revenue	2	4,920,063	6,510,810
		<hr/>	<hr/>
Other income	2	369,895	-
		<hr/>	<hr/>
Expenses			
Raw materials consumed		(411,569)	(563,486)
Depreciation expense	3	(996,985)	(1,015,642)
Employee benefits expense		(1,631,137)	(1,760,973)
Finance costs	3	(134,363)	(175,137)
Entertainment, marketing and promotional costs		(354,289)	(478,270)
Poker machine licences and taxes		(634,713)	(890,731)
Property expenses		(715,872)	(780,022)
Other expenses		(530,770)	(633,038)
Net loss on disposal of non-current assets		-	(214,699)
		<hr/>	<hr/>
Total expenses		(5,409,698)	(6,511,998)
		<hr/>	<hr/>
Loss before income tax benefit		(119,740)	(1,188)
Income tax (expense)/benefit	4(a)	(890)	74,901
		<hr/>	<hr/>
Net (loss)/ profit after income tax expense attributable to members		(120,630)	73,713
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive (loss)/income for the year attributable to members		(120,630)	73,713
		<hr/>	<hr/>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 13 to 35.

Ashfield Catholic and Community Club Limited  
Statement of Financial Position  
As at 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents		1,565,795	1,297,047
Trade and other receivables	8	163,738	30,705
Other financial assets		79,990	-
Inventories		39,991	42,947
Prepayments		55,021	180,605
		<hr/>	<hr/>
Total Current Assets		1,904,535	1,551,304
Non-Current Assets			
Property, plant and equipment	5	10,966,737	11,300,296
Investment properties	6	161,101	164,043
Deferred tax assets	4(c)	360,572	361,462
Intangible assets	7	667,324	667,324
		<hr/>	<hr/>
Total Non-Current Assets		12,155,734	12,493,125
		<hr/>	<hr/>
Total Assets		14,060,269	14,044,429
<b>LIABILITIES</b>			
Current Liabilities			
Trade and other payables	9	692,417	498,494
Employee benefits	10	364,448	424,073
Financial liabilities	11	3,200,000	-
Contract liabilities		4,835	5,322
		<hr/>	<hr/>
Total Current Liabilities		4,261,700	927,889
Non-Current Liabilities			
Employee benefits	10	23,667	19,129
Financial liabilities	11	-	3,200,000
Contract liabilities		7,070	8,949
		<hr/>	<hr/>
Total Non-Current Liabilities		30,737	3,228,078
		<hr/>	<hr/>
Total Liabilities		4,292,437	4,155,967
		<hr/>	<hr/>
Net Assets		9,767,832	9,888,462
<b>Members' Funds</b>			
Retained profits		9,767,832	9,888,462
		<hr/>	<hr/>
Total Members' Funds		9,767,832	9,888,462
		<hr/>	<hr/>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 13 to 35.

Ashfield Catholic and Community Club Limited  
Statement of Changes in Members' Funds  
For the Year Ended 30 June 2020

	Retained Profits \$	Total Members' Funds \$
Balance at 1 July 2018	9,814,749	9,814,749
Net profit after income tax benefit for the year	73,713	73,713
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	73,713	73,713
Balance at 30 June 2019	9,888,462	9,888,462
Net loss after income tax benefit for the year	(120,630)	(120,630)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(120,630)	(120,630)
Balance at 30 June 2020	9,767,832	9,767,832

The Statement of Changes in Member's Funds is to be read in conjunction with the notes to the financial statements set out on pages 13 to 35.

Ashfield Catholic and Community Club Limited  
Statement of Cash Flows  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
Cash Flows From Operating Activities		
Receipts from customers (incl. GST)	5,051,546	6,926,691
Receipts from government grants	320,348	-
Payments to suppliers and employees (incl. GST)	(4,505,137)	(5,811,945)
Interest received	2,086	4,234
Rent received	225,195	227,834
Finance costs paid	(134,363)	(175,137)
	<hr/>	<hr/>
Net cash inflow from operating activities	959,675	1,171,677
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payment for property, plant and equipment	(689,056)	(806,092)
Transfer to term deposit	(79,990)	-
Proceeds from sale of property, plant and equipment	78,119	5,499
	<hr/>	<hr/>
Net cash used in investing activities	(690,927)	(800,593)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Repayment of borrowings	-	(500,000)
	<hr/>	<hr/>
Net cash used in financing activities	-	(500,000)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	268,748	(128,916)
Cash and cash equivalents at the beginning of the financial year	1,297,047	1,425,963
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	1,565,795	1,297,047
	<hr/>	<hr/>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 13 to 35.

# Ashfield Catholic and Community Club Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

## About This Report

Ashfield Catholic and Community Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Ashfield Catholic and Community Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 22 September 2020.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001 and Australia Accounting Standards - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars; and
- Where necessary comparative information has been restated to conform with changes in presentation in the current year.

### New or amended Accounting Standards and Interpretations adopted

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following new Accounting Standards and Interpretations are most relevant to the Company:

#### AASB 15 Revenue from Contracts with Customers

The Company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers, i.e. performance obligations, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

#### AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

#### Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. The adoption did not have a material impact on the financial performance or position of the Company as at 30 June 2020 or on opening retained earnings as at 1 July 2019.

# Ashfield Catholic and Community Club Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

New or amended Accounting Standards and Interpretations adopted (continued)

#### AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

#### Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. There was no impact from the adoption of AASB 16 on the Company.

#### Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Allowance of expected credit loss	Note 8
Estimation of useful lives of assets	Note 5 & 6
Long service leave provision	Note 10
Recoverability of intangible assets	Note 7

# Ashfield Catholic and Community Club Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1. Going Concern

During the financial year, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus outbreak (COVID-19) and the risks to the international community as the virus spread globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The COVID-19 pandemic has caused large scale disruption and adverse economic conditions, the impact of which continues to evolve as at the date of authorisation of the Company's financial statements. Whilst the pandemic has impacted most sectors of the economy in different ways (both positive and negative), the Company's operations have most notably been effected by the closure of the Club in April and May 2020 as a result of social distancing requirements as directed by the NSW Government.

Furthermore, at 30 June 2020, the Company had current liabilities exceeding current assets by \$2,357,165 (2019: net current assets of \$623,415) as a result of the Company's finance facility being due and repayable in February 2021.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, and therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Notwithstanding the above, the Directors believe that there are reasonable grounds to conclude that the Company will continue as a going concern, after consideration of all of the following factors:

As at 30 June 2020, the Company held cash and cash equivalents of \$1,565,795 (2019: \$1,297,047);

Management expect to be able to rollover the existing loan facilities with the Commonwealth Bank, currently due for renewal in February 2021.

Management have prepared forecasts for the year ending 30 June 2021 which indicate that the Company can continue to pay its debts as and when they become due and payable for at least the twelve months from the date of authorisation of this report;

In the event of continuing business challenges associated with the COVID-19 pandemic, management are confident in being able to manage working capital through the pursuit of operating efficiencies, re-negotiating financing facilities and accessing JobKeeper extensions where eligible.

The report does not include any adjustments relating to the amounts or classification or recorded assets or liabilities that might be necessary if the Company does not continue as a going concern. The directors consider that it is reasonably foreseeable that the company will continue as a going concern and therefore it will realise its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>2 Revenue and Other Income</b>		
Sale of Goods Revenue		
Bar sales	714,928	998,985
Catering sales	289,523	389,290
	<hr/>	<hr/>
	1,004,451	1,388,275
	<hr/>	<hr/>
Rendering of Services Revenue		
Poker machines - net clearances	3,495,616	4,610,871
Commissions received	65,652	85,572
Members' subscriptions	9,323	9,542
Entertainment and promotions	71,662	109,069
Sundry income	46,078	75,413
	<hr/>	<hr/>
	3,688,331	4,890,467
	<hr/>	<hr/>
Other Revenue		
Interest received	2,086	4,234
Rent received - Investment Properties	225,195	209,817
Rent received - Catering	-	18,017
	<hr/>	<hr/>
	227,281	232,068
	<hr/>	<hr/>
Total Revenue	4,920,063	6,510,810
	<hr/>	<hr/>
Other Income		
Financial assistance government grants	320,348	-
Net gain on disposal of non-current assets	49,547	-
	<hr/>	<hr/>
Total Other Income	369,895	-
	<hr/>	<hr/>
Total Revenue and Other Income	5,289,958	6,510,810
	<hr/> <hr/>	<hr/> <hr/>

# Ashfield Catholic and Community Club Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

## 2 Revenue and Other Income (continued)

### Revenue Recognition

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

### Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

### Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

### Rent Revenue

Rent revenue is recognised on a straight line basis over the period of lease term so as to reflect constant periodic rate of return.

### Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

### Grants

Grants are recognised in profit or loss when the company satisfies the performance obligations stated within the related agreement. Where performance obligations are not sufficiently specific, or there are no performance obligations, the grant is recognised as income when the right to receive payment is established.

### Other income

#### Sale of Property, Plant and Equipment

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as revenue at the date control of the asset passes to the buyer.

### Customer Loyalty Program

The company operates a loyalty program where customers accumulated points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>3 Expenses</b>		
Profit before income tax includes the following specific expenses:		
Depreciation		
Buildings and improvements	329,662	360,611
Plant and equipment	188,006	171,652
Poker machines	464,984	463,794
Motor vehicle	11,391	17,079
Investment properties - Building and improvements	815	812
Investment properties - Plant and equipment	2,127	1,694
	<hr/>	<hr/>
Total depreciation	996,985	1,015,642
	<hr/>	<hr/>
Finance costs		
Interest charges	134,363	175,137
	<hr/>	<hr/>

#### Finance Costs

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

4 Income Tax

(a) Income Tax Expense

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2020 \$	2019 \$
The amount set aside for income tax in the Statement of Profit or Loss and Other Comprehensive Income has been calculated as follows:		
Proportion of income attributable to non-members	687,874	718,995
Less: Proportion of expenses attributable to non-members	(673,594)	(632,982)
	<hr/> 14,180	<hr/> 86,013
Add: Other taxable income	875,722	664,309
	<hr/> 890,002	<hr/> 750,322
Less: Other deductible expenses	(859,132)	(1,014,596)
Transfer to tax losses carried forward	(30,870)	264,274
	<hr/> -	<hr/> -
Net income subject to tax	<hr/> <hr/> -	<hr/> <hr/> -
Income tax applicable to above at tax rate of 27.5% (2019: 27.5%)		-
Movement in deferred tax asset	6,633	(74,447)
Movement in deferred tax liability	(5,743)	(454)
	<hr/> 890	<hr/> (74,901)
Income tax expense/(benefit)	<hr/> <hr/> 890	<hr/> <hr/> (74,901)

(b) Deferred Tax Liabilities

Provision for deferred income tax comprises the estimated expense at the applicable rate of 27.5% (2019: 27.5%) on the following items:

Difference in depreciation of buildings for accounting and income tax purposes

	-	-
	<hr/> <hr/> -	<hr/> <hr/> -
Movements during the year:		
Balance at the beginning of the year	-	454
Benefit / (expense) to the Statement of Profit or Loss and Other Comprehensive Income	-	454
	<hr/> -	<hr/> -
Closing balance	<hr/> <hr/> -	<hr/> <hr/> -

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
4 Income Tax (continued)		
(c) Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
Employee benefits	16,667	15,591
Tax losses	335,454	343,163
Property, plant and equipment	8,451	2,708
	<hr/>	<hr/>
Net deferred tax assets	360,572	361,462
	<hr/> <hr/>	<hr/> <hr/>
Movements during the year:		
Opening Balance	361,462	287,015
(Expense)/ benefit to the Statement of Profit or Loss and Other Comprehensive Income	(890)	74,447
	<hr/>	<hr/>
Closing balance	360,572	361,462
	<hr/> <hr/>	<hr/> <hr/>

These benefits will only be obtained if:

- i) the company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- ii) the company continues to comply with the conditions for deductibility imposed by law; and
- iii) no changes in tax legislation adversely affect the company in realising the benefit.

#### Recognition and Measurement

The charge for current income tax benefit is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the Statement of Financial Position date.

The income tax benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

4 Income Tax (continued)

Recognition and Measurement (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

### Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, eg. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>5 Property, Plant and Equipment</b>		
Freehold land At cost	3,020,299	3,020,299
Buildings and improvements At cost	8,909,228	8,909,228
Accumulated depreciation and impairment loss	(3,183,945)	(2,854,283)
	5,725,283	6,054,945
Total Land and Buildings	8,745,582	9,075,244
Plant and equipment At cost	3,203,771	2,888,116
Accumulated depreciation	(2,238,778)	(2,081,609)
	964,993	806,507
Poker machines At cost	3,442,776	3,434,472
Accumulated depreciation	(2,491,184)	(2,286,450)
	951,592	1,148,022
Motor vehicles At cost	101,436	101,436
Accumulated depreciation	(66,647)	(55,256)
	34,789	46,180
Leased plant and equipment At capitalised cost	46,526	46,526
Accumulated amortisation	(46,526)	(46,526)
	-	-
Capital works in progress At cost	269,781	224,343
Total property, plant and equipment net book value	10,966,737	11,300,296

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

5 Property, Plant and Equipment (continued)

Valuation

The independent valuation by Chaloner Valuations of the company's freehold land and buildings was carried out on 1 February 2017 on the basis of open market value for existing use resulted in a valuation of \$12,685,000. Since the date of the valuation there have been additions of 1,273,136. As freehold land and buildings are recorded at cost the valuation has not been brought to account. The directors do not believe that there has been a material movement in the fair value since the valuation date. Despite the recent impact of COVID 19, the directors believe that the fair value of property, plant and equipment is in excess of its carrying value at 30 June 2020.

	2020 \$	2019 \$
<b>Reconciliations</b>		
<b>Movements in Carrying Amounts</b>		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
<b>Buildings and Improvements</b>		
Carrying amount at beginning of year	6,054,945	6,621,459
Additions	-	77,230
Depreciation	(329,662)	(360,611)
Disposals	-	(283,133)
	<hr/>	<hr/>
Carrying amount at end of year	5,725,283	6,054,945
	<hr/> <hr/>	<hr/> <hr/>
<b>Plant and Equipment</b>		
Carrying amount at beginning of year	806,507	846,939
Additions	303,930	134,595
Transfer from work in progress	44,623	-
Depreciation	(188,006)	(171,652)
Disposals	(2,061)	(3,375)
	<hr/>	<hr/>
Carrying amount at end of year	964,993	806,507
	<hr/> <hr/>	<hr/> <hr/>

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

5 Property, Plant and Equipment (continued)

	2020 \$	2019 \$
Reconciliations (continued)		
Poker Machines		
Carrying amount at beginning of year	1,148,022	1,163,098
Additions	295,065	462,964
Depreciation	(464,984)	(463,794)
Disposals	(26,511)	(14,246)
	<hr/>	<hr/>
Carrying amount at end of year	951,592	1,148,022
	<hr/>	<hr/>
Motor Vehicles		
Carrying amount at beginning of year	46,180	22,609
Additions	-	57,108
Depreciation	(11,391)	(17,079)
Disposals	-	(16,458)
	<hr/>	<hr/>
Carrying amount at end of year	34,789	46,180
	<hr/>	<hr/>
Capital Works in Progress		
Carrying amount at beginning of year	224,343	181,358
Additions	90,061	44,625
Transfer to plant and equipment	(44,623)	(1,640)
	<hr/>	<hr/>
Carrying amount at end of year	269,781	224,343
	<hr/>	<hr/>

Recognition and Measurement

Freehold land and buildings (including investment properties per Note 6) are shown at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Capital works in progress are capitalised as the expenditure is incurred and is transferred to the relevant class of asset on the date the asset is available for use. The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

5 Property, Plant and Equipment (continued)

Recognition and Measurement (continued)

	2020	2019
Buildings and improvements	2.5% - 12.5%	2.5% - 12.5%
Plant and equipment	5% - 33%	5% - 33%
Furniture and fittings	5% - 33%	5% - 33%
Motor vehicles	12.5% - 20%	12.5% - 20%
Poker machines	14% - 20%	14% - 20%
Leased plant and equipment	20%	20%

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

Key Estimate and Judgement: Estimated Useful Lives of Assets

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

Core and Non-Core Properties

The following are core properties:

1-11 Charlotte Street, Ashfield, NSW

The following are non-core properties:

13-15 Charlotte Street, Ashfield, NSW

22 Dening Street, The Entrance, NSW (held as investment property)

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>6 Investment Properties</b>		
Freehold Land At cost	97,500	97,500
Buildings At cost Accumulated depreciation	32,500 (9,752)	32,500 (8,937)
	22,748	23,563
Furniture and Fittings At cost Accumulated depreciation	75,018 (34,165)	75,018 (32,038)
	40,853	42,980
Total investment properties at net book value	161,101	164,043

Reconciliations

Movements in Carrying Amounts

Movements in the carrying amounts between the beginning and the end of the current financial year are set out below:

Buildings Carrying amount at beginning of year Depreciation	23,563 (815)	24,375 (812)
Carrying amount at end of year	22,748	23,563
Furniture and Fittings Carrying amount at beginning of year Additions Depreciation	42,980 - (2,127)	15,062 29,612 (1,694)
Carrying amount at end of year	40,853	42,980

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

6 Investment Properties (continued)

Valuation

The independent valuation of the company's land and buildings was carried out as at 30 June 2017 on the basis of open market value for existing use resulted in a valuation of land and buildings of \$1,325,000. As investment properties are recorded at cost the valuation has not been brought to account.

The directors do not believe that there has been a material movement in the fair value since the valuation date. Despite the recent impact of COVID 19, the directors believe that the fair value of Investment Properties is in excess of its carrying value as at 30 June 2020.

Key Estimate and Judgement: Estimated Useful Lives of Assets

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

Recognition and Measurement

Investment properties, principally comprising holiday units, are primarily held for long-term rental yields and are not occupied by the company. Investment properties are stated at historical cost less depreciation and accumulated impairment losses.

	2020 \$	2019 \$
<b>7 Intangible Assets</b>		
Non-Current		
Poker machine entitlements - at cost	667,324	667,324
	<hr/>	<hr/>
Net book value	667,324	667,324
	<hr/> <hr/>	<hr/> <hr/>

Entitlement

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the poker machine entitlements

- a. 2.53% (2019: 7.78%) pre-tax discount rate;
- b. 1.00% (2019: 2.00% - 2.50%) per annum projected revenue growth rate;
- c. 1.50% (2019: 2.00% - 2.50%) per annum increase in operating costs and overheads.

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

7 Intangible Assets (continued)

Sensitivity

The directors have made judgements and estimates with respect to impairment testing of poker machines entitlements. If there are significant negative changes in the key assumptions on which the recoverable amount of poker entitlements is based, this may result in impairment of gaming divisions' poker entitlements.

Management believes that reasonable changes in the key assumptions on which the recoverable amount of gaming division's poker entitlements is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

Recognition and Measurement

Poker Machine Entitlements

Poker machine entitlements are not amortised as they are deemed to have an indefinite useful life. They have an indefinite useful life as they do not expire and under current government legislation there is no plan to remove such entitlements. As a result, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

Key Estimate and Judgement: Recoverability of intangible Assets

Impairment of poker machine entitlements is assessed based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows, growth rates and appropriate discount factors have been considered.

	2020 \$	2019 \$
8 Trade and Other Receivables		
Trade and other debtors	25,390	30,705
Financial assistance government grants receivable	138,348	-
	<u>163,738</u>	<u>30,705</u>

Recognition and Measurement

Trade and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and impairment allowance.

Under AASB 9 there are new impairment requirements which use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial asset has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The expected credit loss estimated by the management using simplified approach is Nil (2019: Nil).

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>9 Trade and Other Payables</b>		
Trade creditors	137,544	76,143
Goods and services tax (GST) payable	121,674	105,839
Other creditors and accruals	433,199	316,512
	<u>692,417</u>	<u>498,494</u>

Recognition and Measurement

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

Payables in the Statement of Financial Position are shown inclusive of GST.

	2020 \$	2019 \$
<b>10 Employee Benefits</b>		
Aggregate liability for employee benefits including on-costs:		
Current	364,448	424,073
Non-current	23,667	19,129
	<u>388,115</u>	<u>443,202</u>
	%	%

The present values of employee benefits not expected to be settled within 12 months of reporting date have been calculated using the following weighted averages:

Assumed rate of increase in wage and salary rates	2.2%	1.30%
Discount rate	2.53%	1.32%

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

## 10 Employee Benefits (continued)

### Recognition and Measurement

#### Wages, Salaries, Annual Leave, Sick Leave and Non-Monetary Benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs.

#### Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

#### Superannuation Plan

The company contributes to defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit.

#### Key Estimate and Judgement: Long Service Leave Provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>11 Financial Liabilities</b>		
Current		
Bank loan-secured	3,200,000	-
Non-Current		
Bank loan- secured	-	3,200,000
<b>Financing Arrangements</b>		
The company has access to the following lines of credit:		
	3,200,000	3,200,000

As at 30 June 2020, \$3,200,000 of this facility has been used (2019: \$3,200,000).

#### Bank Loans

All bank loans are denominated in Australian dollars. The bank loans' current balance represents the portion of the company's bank loans due within one year. The above balances are loan principal payments only.

#### Security

The bank loans are secured by registered first mortgages over the assets of the company. The current bank loans are payable on or before 15 February 2021, and are subject to annual review.

Details of security for all the bank facilities:

- First Registered Mortgage by Ashfield Catholic and Community Club Limited ACN 000 425 294 over Non Residential Real Property located at 1-11 Charlotte Street, Ashfield NSW 2131.
- First Registered Company Charge by Ashfield Catholic and Community Club Limited ACN 000 425 294 over whole of its assets and undertakings including uncalled capital.

#### Recognition and Measurement

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>12 Commitments</b>		
<b>Non Cancellable Commitments</b>		
Future license commitments not provided for in the financial statements and payable:		
Within one year	81,000	39,000
One year or later and no later than five years	126,072	-
	<hr/>	<hr/>
	207,072	39,000
	<hr/>	<hr/>
Future capital expenditure commitments not provided for in the financial statements and payable:		
Within one year	227,668	49,087
One year or later and no later than five years	-	-
	<hr/>	<hr/>
	227,668	49,087
	<hr/>	<hr/>
	434,740	88,087
	<hr/>	<hr/>

The company renewed its carpark license effective 1 January 2020 for a period of three years. The license of property generally provides the company with a right of renewal at which time all terms are renegotiated. License payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or operating criteria. The Club does not have an exclusive right and hence it does not fall under the definition of lease per AASB 16 Leases.

	2020 \$	2019 \$
<b>13 Contingent Liabilities</b>		
<b>Bank Guarantees</b>		
The company has given the following bank guarantees:		
TAB Limited	5,000	5,000
	<hr/>	<hr/>
	5,000	5,000
	<hr/>	<hr/>

Ashfield Catholic and Community Club Limited  
Notes to the Financial Statements  
For the Year Ended 30 June 2020

14 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

FARRY, Michael Anthony  
CHANNELLS, John Richard  
BORMANS, Alexander  
HUDSON, Brian Joseph  
FREEMAN, Lorraine  
DIXON, Peter  
YANIV, Christina

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	Position
Robert Cassano	Chief Executive Officer
Vincent Di Maio	Chief Operating Officer
Irene Giorgianni	Chief Financial Officer

(c) Key Management Personnel Compensation

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

	2020	2019
	\$	\$
Benefits and payments made to Directors and Other Key Management Personnel	441,148	459,946

Directors' Transactions with the Company

From time to time directors of the company may purchase goods from the company or participate in other Club activities. These purchases and participations are on the same terms and conditions as those entered into by any other member of the Club.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at the year end.

# Ashfield Catholic and Community Club Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 15 Related Parties

Disclosures relating to key management personnel are set out in Note 14.

##### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

#### 16 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that they are a member or within one year thereafter. The total amount that the members of the company are liable to contribute if the company is wound up is \$7,656 (2019: \$7,872).

At 30 June 2020 there were 3,828 members (2019: 3,936).

The registered office of the company is 1-11 Charlotte Street, Ashfield NSW 2131.

#### 17 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have 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 future financial year.

# Ashfield Catholic and Community Club Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 18 Summary of Other Significant Accounting Policies

The other significant accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

##### (b) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### (c) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

##### (d) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.