

DURAL COUNTRY CLUB LIMITED
(A Company Limited by Guarantee)
A.B.N. 37 773 073 193

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

DURAL COUNTRY CLUB LIMITED
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DIRECTORS' REPORT

The directors submit their report together with the annual financial report of Dural Country Club Limited (“the company”) for the year ended 30 June 2022.

Directors

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

Name	Appointed	Qualification
J. Puleo	23 January 2012	Solicitor
G. Truelove	28 January 2014	Mechanical Engineer
G. Scoble	30 November 2016	Retired School Principal
J. Lennon	17 December 2019	Retired Accounts Payable and Expenditure Transformation Manager
L. Barbera	30 November 2020	Carpet Layer
S. Binskin	24 March 2020	Training Specialist

S Binskin resigned on 28 September 2021.

Meetings of Directors

	Meetings Held whilst Director	Meetings Attended
J. Puleo	10	10
G. Truelove	10	9
G. Scoble	10	10
L. Barbera	10	10
J. Lennon	10	10
S. Binskin	3	3

Company Secretary

J. Puleo was appointed Company Secretary on 18 April 2016.

Results and Dividends

The total comprehensive loss after tax for the year amounted to \$61,640 (2021: total comprehensive income \$117,420). The net loss after tax for the year amounted to \$391,207 (2021: net profit \$117,420). The earnings before interest, depreciation, tax and amortization (“EBITDA”) for the year amounted to a loss of \$141,454 (2021: profit of \$275,642).

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DIRECTORS' REPORT (Continued)

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors believe support will continue in its present form from the company's bankers and unsecured creditors.

However, there were conditions as at 30 June 2022 which give rise to business risks that cast doubt about the going concern assumption. They are as follows:

- The board continues to monitor the company's liquidity, and on 31 August 2022, the Australia and New Zealand Banking Group Limited ("ANZ") advanced \$300,000 to the company by increasing the tailored business facility to a principal amount of \$3,242,000;
- At 30 June 2022, the company's cash position available for trading was \$64,005; and
- Current liabilities exceeded current assets by \$317,245.

The ability of the company to meet its obligations as and when they fall due is dependent on:

- the continuing financial support of the company's bankers and unsecured creditors;
- trading sufficient to service loan commitments; and
- complying with the current terms of the ANZ loan agreement.

Objectives

Short Term

The short term organisational objective is to ensure profitability through the provision of high quality facilities within a secure, friendly and professional environment for members & guests and compliance with the secured creditor's loan agreement. This will allow the company to continue supporting the needs of the community.

Long Term

The long term organisational objective is to provide enhanced facilities to members and guests. The board and management will continue to review progress and amend objectives where necessary.

Strategy for Achieving the Objectives

The primary strategies for achieving these objectives are sound financial management through the use of relevant budgets and cash flows and compliance with the loan agreement that are continually monitored and measured with key performance indicators ("KPIs") and ratio analysis.

DIRECTORS' REPORT (Continued)

Principal Activities

The principal activity of the company during the financial year remained unchanged and was the operation of a registered club.

How these Activities Assist in Achieving the Objectives

The activities assist in generating revenue to fund first class facilities to members.

Performance Measurement and Key Performance Indicators

A number of KPIs are analysed in order to measure the performance of the business. These include earnings before interest and depreciation, gross profits percentages, expenses to sales percentages, current ratio, debt and other ratios. These results are incorporated into a financial report that is reviewed by the board and management monthly.

Insurance of Officers and Directors

During the financial year, the company paid a premium to insure the directors and officers against a liability for costs or expenses to defend legal proceedings arising in their capacity as officers of the company. Disclosure of the amount of the premium and nature of the cover is prohibited under the policy.

Except for the above, the company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Matters Subsequent to Reporting Period

The board continues to monitor the company's liquidity, and on 31 August 2022, the ANZ advanced \$300,000 to the company by increasing the tailored business facility to a principal amount of \$3,242,000.

In view of the company's ongoing liquidity position, the board has decided to find another licensed club to amalgamate with to help enhance the club's facilities and provide certainty for the future. The company received "in principle" agreement for the board to pursue amalgamation at an extraordinary meeting of its members on 10 August 2022.

Except as disclosed above, no other specific matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect in subsequent financial years:

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the company.

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DIRECTORS' REPORT (Continued)

Changes in State of Affairs

During the financial year, there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

Capital Commitments

There were no capital commitments outstanding as at 30 June 2022.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Lead Auditor's Independence Declaration is set out on the following page and forms part of the directors' report for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the directors:



Director J Puleo



Director J Lennon

Dated at Dural: 11/10/2022

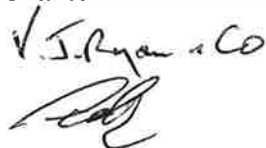
The Board of Directors
Dural Country Club Limited
662A Old Northern Road
DURAL NSW 2158

Dear Board Members

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

In relation to our audit of the financial report of Dural Country Club Limited for the year ended 30 June 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

V J RYAN & CO
Chartered Accountants



Peter Wyer
Partner

Level 5
255 George Street
Sydney NSW 2000

Dated at Dural: 11 OCTOBER 2022

DURAL COUNTRY CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue	4	652,279	1,341,836
Cost of Goods Sold		(122,514)	(232,476)
Direct Costs Attributable to Trading Revenue		(329,094)	(439,893)
Administrative, Member & Facility Expenses		<u>(342,125)</u>	<u>(393,825)</u>
(LOSS)/PROFIT BEFORE DEPRECIATION, FINANCE COSTS AND INCOME TAX EXPENSE		(141,454)	275,642
Depreciation		<u>(172,287)</u>	<u>(87,880)</u>
(LOSS)/PROFIT BEFORE FINANCE COSTS AND INCOME TAX EXPENSE		(313,741)	187,762
Finance Costs		<u>(77,466)</u>	<u>(70,342)</u>
(LOSS)/PROFIT BEFORE INCOME TAX EXPENSE		(391,207)	117,420
Income Tax Expense	5	<u>-</u>	<u>-</u>
NET (LOSS)/PROFIT FOR THE YEAR		(391,207)	117,420
OTHER COMPREHENSIVE INCOME			
<i>Items that may be Reclassified Subsequently to Profit or Loss</i>		-	-
<i>Items that will not be Reclassified to Profit or Loss</i>			
Gain on Revaluation of Land and Buildings		<u>329,567</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		<u>(61,640)</u>	<u>117,420</u>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

DURAL COUNTRY CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7	69,005	59,585
Trade and Other Receivables	8	662	-
Inventories	9	22,572	29,721
Other Assets	10	25,018	61,228
TOTAL CURRENT ASSETS		<u>117,257</u>	<u>150,534</u>
NON-CURRENT ASSETS			
Intangible Assets	11	580,000	580,000
Property, Plant and Equipment	12	8,101,762	7,923,395
TOTAL NON-CURRENT ASSETS		<u>8,681,762</u>	<u>8,503,395</u>
TOTAL ASSETS		<u>8,799,019</u>	<u>8,653,929</u>
CURRENT LIABILITIES			
Trade and Other Payables	13	136,213	141,921
Interest Bearing Loans and Borrowings	14	285,984	266,139
Provisions	15	9,805	17,460
Other Liabilities	16	2,500	3,600
TOTAL CURRENT LIABILITIES		<u>434,502</u>	<u>429,120</u>
NON-CURRENT LIABILITIES			
Trade and Other Payables	13	-	18,065
Interest Bearing Loans and Borrowings	14	2,941,300	2,722,300
Provisions	15	17,622	17,209
TOTAL NON-CURRENT LIABILITIES		<u>2,958,922</u>	<u>2,757,574</u>
TOTAL LIABILITIES		<u>3,393,424</u>	<u>3,186,694</u>
NET ASSETS		<u>5,405,595</u>	<u>5,467,235</u>
EQUITY			
Reserves	17	2,840,793	2,511,226
Retained Earnings		2,564,802	2,956,009
TOTAL EQUITY		<u>5,405,595</u>	<u>5,467,235</u>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash Flows from Operating Activities:			
Receipts from Members & Visitors		648,017	1,344,930
Payments to Suppliers and Employees		(778,889)	(1,172,131)
Interest Paid		(77,465)	(70,342)
Income Tax Paid		-	(9,335)
Interest Received		-	56
Net Cash Provided by Operating Activities	18 (a)	<u>(208,337)</u>	<u>93,178</u>
Cash Flows from Investing Activities:			
Purchase of Property, Plant and Equipment		<u>(21,088)</u>	<u>(182,015)</u>
Net Cash (Used In) Investing Activities		<u>(21,088)</u>	<u>(182,015)</u>
Cash Flows from Financing Activities:			
Net Increase in / (Repayment) in Borrowings		<u>219,000</u>	<u>52,400</u>
Net Cash (Used In) Financing Activities		<u>219,000</u>	<u>52,400</u>
Net (Decrease) in Cash Held		(10,425)	(36,437)
Cash and Cash Equivalents at Beginning of the Year		<u>(12,154)</u>	<u>24,283</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18 (b)	<u>(22,579)</u>	<u>(12,154)</u>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings	Reserves	Total Equity
	\$	\$	\$
At 30 June 2020	2,838,589	2,511,226	5,349,815
Total Comprehensive Income for the Year			
Profit for the Year	117,420	-	117,420
Other Comprehensive Income			
Movement in Reserve	-	-	-
At 30 June 2021	2,956,009	2,511,226	5,467,235
Total Comprehensive Income for the Year			
Loss for the Year	(391,207)	-	(391,207)
Other Comprehensive Income			
Movement in Reserve	-	329,567	329,567
At 30 June 2022	<u>2,564,802</u>	<u>2,840,793</u>	<u>5,405,595</u>

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1 CORPORATE INFORMATION

The financial report of Dural Country Club Limited (“the company”) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on the date of authorisation of the directors’ declaration.

The company is limited by guarantee and incorporated in Australia. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The nature of the operations and principal activity of the company is a registered club.

2 BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures (including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except the cash flow information, have been prepared on an accrual basis and are based on historical costs, except for certain assets which are at valuation.

Unless otherwise stated, the accounting policies have been consistently applied with those of the previous year. The financial report is presented in Australian dollars.

3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors believe support will continue in its present form from the company’s bankers and unsecured creditors.

However, there were conditions as at 30 June 2022 which give rise to business risks that cast doubt about the going concern assumption. They are as follows:

- The board continues to monitor the company’s liquidity, and on 31 August 2022, the Australia and New Zealand Banking Group Limited (“ANZ”) advanced \$300,000 to the company by increasing the tailored business facility to a principal amount of \$3,242,000;
- At 30 June 2022, the company’s cash position available for trading was \$64,005; and
- Current liabilities exceeded current assets by \$317,245.

The ability of the company to meet its obligations as and when they fall due is dependent on:

- the continuing financial support of the company’s bankers and unsecured creditors;
- trading sufficient to service loan commitments; and
- complying with the current terms of the ANZ loan agreement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue Recognition

The company applies AASB 15: Contracts with Customers. AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. 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.
5. Recognise revenue.

The following specific recognition criteria also apply before revenue is recognised:

Poker machine and other gaming revenue

Poker machine and other gaming revenue is the net difference between gaming wins and losses and is recognised at a point in time upon the outcome of the play or game.

Beverage sales

Beverage sales are recognised at the point in time the goods are provided to the customer.

Membership revenue

Membership income is recognised as it is received.

Interest income

Interest revenue is recognised as it accrues.

Other income

Other income is recognised on an accrual basis when the company is entitled to that income.

(c) Income Tax

The company is subject to income tax on its investment income and on the income derived from non-members, less all allowable deductions applicable to this assessable income.

Income derived from members is not subject to income tax in accordance with the principle of mutuality.

It is therefore inappropriate to compare income tax payable with net income disclosed in the statement of profit or loss and other comprehensive income. There are no material temporary differences.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at bank together with short term deposits with a maturity of twelve months or less.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables

The collectability of debts is assessed at the reporting date and a specific provision is made for any doubtful debts.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to inventories on an average cost basis.

(g) Intangible Assets

Poker machine entitlements (“PMEs”) are recognised at directors’ valuation, which is equivalent to their fair value, based on the company being classified by the Australian Bureau of Statistics, Statistical Area 2, Band 1 category. PMEs are not amortised as they have an infinite life.

(h) Property, Plant and Equipment

Property, plant and equipment are stated at cost, independent or directors’ valuation, less accumulated depreciation and any impairment in value.

Freehold Land and Buildings

Freehold land and buildings are shown at fair value which is based on periodic valuations by external independent valuers. Additions since the valuation are recognised at cost. In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct their own valuation and assessment to ensure the carrying amount of land and buildings is not materially different to the fair value.

Plant, Equipment and Poker Machines

These assets are measured on the cost model and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The expected useful lives are as follows:

- Buildings – 40 years
- Plant and Equipment – 5 to 15 years
- Poker Machines – 5 to 6 years

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Buildings were not depreciated on the prior year. Building depreciation commenced on 1 July 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of Assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(j) Trade and Other Payables

Trade creditors and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(k) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Employee Entitlements

Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave and other benefits where the company has a present obligation to pay resulting from employees' services provided up to reporting date.

- Wages, salaries, annual leave and sick leave – liabilities for employee benefits for wages, salaries and annual leave which are expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- Long Service Leave – the liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is disclosed as a non-current liability.
- Superannuation – superannuation contributions by the company on a defined basis to an employee superannuation fund are charged as expenses when incurred. The company has no legal obligation to provide benefits to employees on retirement.

(m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST payable to the ATO is included as a current liability in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and underlying assumptions are reviewed on an ongoing basis.

(o) New Standards and Interpretations

The company has adopted AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time in this reporting period. The standard sets out a new separate disclosure standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*, replacing the previous Reduced Disclosure Requirements (RDR) framework.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
4 REVENUE		
Revenue from contracts with customers		
- Sale of goods	262,521	472,051
- Rendering of services & sundry revenues	<u>389,758</u>	<u>869,785</u>
	<u>652,279</u>	<u>1,341,836</u>
Disaggregation of revenue from contracts with customers		
Revenue from contracts with customers has been disaggregated based on type of good or service and the following summary discloses this breakdown:		
- Gaming revenues	271,087	611,764
- Beverage revenues	24,141	423,199
- Coffee shop revenues	231,826	48,852
- Membership subscriptions	6,312	11,889
- Other club services	54,480	124,794
- Government subsidies	<u>64,433</u>	<u>121,338</u>
Revenue from contracts with customers	<u>652,279</u>	<u>1,341,836</u>
5 INCOME TAX EXPENSE		
A reconciliation of income tax applicable to net profit before income tax at the statutory income tax rate to the effective income tax rate is as follows:		
Net (Loss) / Profit	<u>(391,207)</u>	117,420
At the Statutory Rate of 25% (2021: 26.0%)	(97,802)	30,529
Mutuality Adjustments	<u>97,802</u>	<u>(30,529)</u>
As reported in Statement of Profit or Loss and Other Comprehensive Income	<u>-</u>	<u>-</u>
6 AUDITOR'S REMUNERATION		
Amounts received or due and receivable by:		
V J Ryan & Co for:		
Audit of the Financial Statements	16,400	14,000
Other Services	<u>1,500</u>	<u>150</u>
	<u>17,900</u>	<u>14,150</u>
7 CASH AND CASH EQUIVALENTS		
Current		
Cash on Hand	60,000	50,000
Bank Guarantee – Tab Limited	5,000	5,000
Undeposited Funds Account	3,540	-
Cash at Bank – ANZ	<u>465</u>	<u>4,585</u>
	<u>69,005</u>	<u>59,585</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
8 TRADE AND OTHER RECEIVABLES		
Current		
Trade and Other Receivables	3,859	-
Provision for Impairment	<u>(3,197)</u>	<u>-</u>
	<u>622</u>	<u>-</u>
9 INVENTORIES		
Current		
Beverage Stock	<u>22,572</u>	<u>29,721</u>
10 OTHER ASSETS		
Current		
Prepayments and Other Assets	<u>25,018</u>	<u>61,228</u>
11 INTANGIBLE ASSETS		
Non-Current		
Poker Machine Entitlements (“PMEs”) – At Directors’ Valuation at 30 June 2020	<u>580,000</u>	<u>580,000</u>

The company has 58 PMEs. The company is classified by the Australian Bureau of Statistics, Statistical Area 2, Band 1 category. The assets have been recognised at directors’ valuation as at 30 June 2020 which, in their opinion, is equivalent to their fair value. The directors do not believe there is any impairment of this asset.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
12 PROPERTY, PLANT & EQUIPMENT		
Non-Current		
Freehold Land & Buildings - At Directors' Valuation – 28 February 2022	7,800,000	7,520,600
Accumulated Depreciation	<u>(21,833)</u>	<u>-</u>
	<u>7,778,167</u>	<u>7,520,600</u>
Plant, Equipment and Poker Machines - At Cost	1,643,596	1,623,497
Accumulated Depreciation	<u>(1,320,001)</u>	<u>(1,220,702)</u>
	<u>323,595</u>	<u>402,795</u>
Total Property, Plant and Equipment	<u>8,101,762</u>	<u>7,923,395</u>

2022 Directors' Assessment

On 11 February 2022, the ANZ Bank commissioned Civic MJO to value the property situated at 662A Old Northern Road, Dural for the purposes of mortgage security. The valuation assessed the market value based on the "Alternative Highest and Best Use" basis at \$7,800,000. The directors agree with the valuation and have reflected this in the 2022 financial statements. The accumulated depreciation on buildings represents the depreciation following the revaluation.

Subsequent to the valuation date, the directors do not believe there is any impairment of this asset.

MOVEMENTS

Freehold Land & Buildings

Carrying Amount at Beginning of the Year	7,520,600	7,520,600
Revaluation	329,567	-
Depreciation	<u>(72,000)</u>	<u>-</u>
Carrying Amount at End of the Year	<u>7,778,167</u>	<u>7,520,600</u>

Plant, Equipment and Poker Machines

Carrying Amount at Beginning of the Year	402,795	308,660
Additions & Disposals	21,088	182,015
Depreciation	<u>(100,288)</u>	<u>(87,880)</u>
Carrying Amount at End of the Year	<u>323,595</u>	<u>402,795</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
13 TRADE AND OTHER PAYABLES		
Current		
Trade Creditors	111,608	114,067
Accruals	24,605	27,854
	<u>136,213</u>	<u>141,921</u>
Non-Current		
Trade Creditors	<u>-</u>	<u>18,065</u>
14 INTEREST BEARING LOANS AND BORROWINGS		
Current		
Bank Overdrafts – Australia & New Zealand Banking Group Limited	91,584	71,739
Secured Loan – Australia & New Zealand Banking Group Limited	36,000	36,000
Loan - Related Party	158,400	158,400
	<u>285,984</u>	<u>266,139</u>
Non-Current		
Debentures	29,300	29,300
Secured Loan – Australia & New Zealand Banking Group Limited	2,912,000	2,693,000
	<u>2,941,300</u>	<u>2,722,300</u>

Terms of Borrowings – Australia & New Zealand Banking Group Limited (“ANZ”)

- The company’s lending facilities from the ANZ include a tailored business facility and overdraft facilities of \$2,960,000 and \$150,000 respectively. The facilities are repayable on demand.
- At 30 June 2022, the tailored business facility was drawn to \$2,948,000 and the overdraft was \$91,584.
- The tailored business facility expires on 3 March 2025 and is repayable as to principal and interest. At 30 June 2022 this facility had a principal amount due of \$2,948,000 of which \$36,000 has been classified as a current liability. The balance of \$2,912,000 has been classified as a non-current liability.
- The facilities are secured by a first registered mortgage over the property at 662A Old Northern Rd, Dural and a general security agreement over all assets and acquired property.

DURAL COUNTRY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
15 PROVISIONS		
Current		
Provision for Annual Leave	<u>9,805</u>	<u>17,460</u>
Non-Current		
Provision for Long Service Leave	<u>17,622</u>	<u>17,209</u>
16 OTHER LIABILITIES		
Current		
Function Income in Advance	<u>2,500</u>	<u>3,600</u>
17 RESERVES		
Land and Buildings – Independent Valuation	2,260,793	1,931,226
Poker Machine Entitlements – Directors’ Valuation at Fair Value	<u>580,000</u>	<u>580,000</u>
	<u>2,840,793</u>	<u>2,511,226</u>
MOVEMENTS		
Land and Building Reserve		
Balance at Beginning of the Year	1,931,226	1,931,226
Increase in Fair Value	<u>329,567</u>	<u>-</u>
Balance at End of the Year	<u>2,260,793</u>	<u>1,931,226</u>

- The land and buildings reserve was recognised in the 2012 financial year as a result of an independent valuation of land and buildings dated 12 March 2012. It was increased in the latest revaluation on 28 February 2022.
- The poker machine entitlements reserve was recognised in the 2014 financial year as a result of a directors’ valuation which, in their opinion, was below the then fair value. As a result of a reduction in market value of PME’s in the 2020 financial year, the directors decreased the reserve to reflect the current fair value. No change to the fair market value was required in 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
18 CASH FLOW INFORMATION		
(a) Reconciliation of Net Cash Provided by Operating Activities to Net Profit after Income Tax		
Net (Loss) / Profit for the Year	(391,207)	117,420
<i>Non-Cash Flows and Non-Operating Items in Operating Net Profit:</i>		
Depreciation	172,287	87,880
<i>Changes in Assets & Liabilities:</i>		
(Increase) / Decrease in Receivables	(662)	750
Decrease / (Increase) in Inventory	7,149	(19,310)
Decrease / (Increase) in Other Assets	36,210	(38,652)
(Decrease) / Increase in Payables	(23,772)	(57,181)
(Decrease) in Tax Payable	-	(9,335)
Increase / (Decrease) in Provisions	(7,242)	9,206
Increase / (Decrease) in Income in Advance	(1,100)	2,400
Net Cash (Used In) / Provided by Operating Activities	<u>(208,337)</u>	<u>93,178</u>
(b) Reconciliation of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and at bank, net of bank overdrafts. Cash at the end of financial year as shown in the statement of cash flows is reconciled to the related item in the statement of financial position as follows:		
Cash on Hand (Note 7)	63,540	50,000
Cash at Bank (Note 7)	5,465	9,585
Bank Overdraft (Note 14)	(91,584)	(71,739)
	<u>(22,579)</u>	<u>(12,154)</u>

19 MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the company. At 30 June 2022 the number of financial members was 2,369 (2021: 2,200).

20 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel

The key management personnel are the directors as disclosed in the directors' report. No income was paid, or is payable, to any directors of the company.

Transactions with Key Management Personnel

A Director, John Puleo, has a financial interest in a company, Tresky Pty Limited, which provided a loan to the company of \$158,400. The loan is repayable in April 2023 with interest payable of 3% pa at the repayment date of the loan.

DURAL COUNTRY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

21 EVENTS AFTER THE REPORTING PERIOD

The Board continues to monitor the company's liquidity, and on 31 August 2022, the ANZ advanced \$300,000 to the company by increasing the tailored business facility to a principal amount of \$3,242,000.

In view of the company's ongoing liquidity position, the Board has decided to find another licensed club to amalgamate with to help enhance the club's facilities and provide certainty for the future. The Board received "in principle" agreement to pursue amalgamation at an extraordinary meeting of its members on 10 August 2022.

Apart from the above, no other matters or circumstances have arisen since 30 June 2022 that have significantly affected or may significantly affect in subsequent financial years:

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the company.

22 FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, trade receivables and creditors, short and long term loans and debentures.

Financial Assets

Financial assets at amortised cost:

Cash and Cash Equivalents	69,005	59,585
Trade and Other Receivables	622	-
	<u>69,627</u>	<u>59,585</u>

Financial Liabilities

Financial Liabilities at amortised cost:

Debentures	29,300	29,300
Bank Overdrafts – ANZ	91,584	71,739
Loan - Related Party	158,400	158,400
Trade and Other Payables	136,213	159,986
Secured Loan – ANZ	<u>2,948,000</u>	<u>2,729,000</u>
	<u>3,363,497</u>	<u>3,148,425</u>

DURAL COUNTRY CLUB LIMITED
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DIRECTORS' DECLARATION

In the opinion of the directors of the Dural Country Club Limited ("the company"):

- (a) the financial statements and notes set out on pages 6 to 21 are in accordance with the *Corporations Act 2001*; including
 - (i) giving a true and fair view the company's financial position as at 30 June 2022 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date, and
 - (ii) complying with Australian Accounting Standards - AASB 1060: *General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.
- (b) subject to the disclosures relating to going concern in **note 3 (a)** to the financial statements and with the support referred to therein, there are reasonable grounds to believe that the company can meet its debts as and when they become due and payable.

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

Director J Puleo



Director J Lennon



Dated at Dural:

11/10/2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DURAL COUNTRY CLUB LIMITED
(A Company Limited by Guarantee)
A.B.N. 37 773 073 193**

Opinion

We have audited the financial report of Dural Country Club Limited ("the company") which comprise the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, Statement of Cash Flows, Statement of Changes in Equity, Notes to the Financial Statements for the year then ended, other explanatory information, and the Directors' Declaration.

In our opinion, the accompanying financial report of Dural Country 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 2022 and its performance for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards - AASB 1060: *General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* ("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.

Material Uncertainty Relating to Going Concern

We draw your attention to **note 3 (a)** to the financial statements which highlights the existence of uncertainty that may cast doubt concerning the company's ability to continue as a going concern and therefore whether the company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DURAL COUNTRY CLUB LIMITED (Continued)
(A Company Limited by Guarantee)
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We confirm that our 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 qualified opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the directors' report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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- AASB 1060: *General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DURAL COUNTRY CLUB LIMITED (Continued)
(A Company Limited by Guarantee)
A.B.N. 37 773 073 193**


Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

V J RYAN & CO
Chartered Accountants

V.J. Ryan - Co


Peter Wyer
Partner

Dated at Dural: *11 OCTOBER 2022*

Level 5
255 George Street
SYDNEY NSW 2000