

MAYFIELD EX-SERVICES CLUB LIMITED



FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ABN 82 000 995 602

(A COMPANY LIMITED BY A GUARANTEE NOT HAVING SHARE CAPITAL)

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given of the Annual General Meeting of MAYFIELD EX SERVICES CLUB LIMITED to be held on Monday, 7th February 2022 commencing at the hour of 4:00pm at the premises of the Club, 58 Hanbury Street, Mayfield, New South Wales.

BUSINESS

The business of the meeting will be as follows:

1. To confirm the minutes of the previous Annual General Meeting and the minutes of any other general meeting that require confirmation.
2. To receive and consider the directors' report, financial report, auditor's report and any other report of the Board. These reports are available on the Club's website www.mexclub.com.au.
3. To conduct the election of directors as required by the Club's Constitution.
4. To appoint a Returning Officer.
5. To consider the Ordinary Resolutions set out below (which relate to director expenses and honorariums).
6. To consider the Special Resolutions set out below (which relate to the Club's Constitution).
7. To deal with any other business that may be dealt with at the Annual General Meeting.

CLUB PROPERTY REPORT

Pursuant to Section 41J(2) of the *Registered Clubs Act*, for the financial year ended 30 June 2020, the Club's property at:

- (a) 58 Hanbury Street Mayfield NSW is core property of the Club

1 ORDINARY RESOLUTION

That:

- (a) The members hereby approve expenditure by the Club not exceeding \$60,000.00 until the next Annual General Meeting of the Club for the following:
 - (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
 - (ii) The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.
 - (iii) The reasonable cost of directors attending any other registered club or gaming venue for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
 - (iv) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
 - (v) The reasonable out of pocket expenses incurred by directors in relation to carrying out their duties directly relating to club affairs approved by the Board on production of documentary evidence of such expenditure.
- (a) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors of the Club.

Notes to Members on First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.

Procedural Matters

1. To be passed, the First Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the First Ordinary Resolution at the meeting.
 2. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.
-

1 ORDINARY RESOLUTION

That the members hereby approve:

- (a) the payment of the following honorariums:

(i) President	-	\$4,000.00 per annum
(ii) Senior Vice President	-	\$2,500.00 per annum
(iii) Junior Vice President	-	\$2,000.00 per annum
(iv) Ordinary Board Members	-	\$1,500.00 per annum
- (b) the honorariums to be paid on a pro rata basis by such instalments as may be agreed from time to time.

Notes to Members on Second Ordinary Resolution

1. The Second Ordinary Resolution is to have members approve honorariums for the President, Senior Vice President, Junior Vice President and Ordinary Board members.
2. The Honorariums will be paid on a pro rata basis which means that if a director only holds office for part of the year, the director will only receive part of the honorarium.

Procedural Matters

3. To be passed, the Second Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the Second Ordinary Resolution at the meeting.
 4. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.
-

Special Resolution

That the following proposed amendments to the Constitution of the Company all be considered and approved as one Special Resolution, to the effect if one or more of the proposed amendments are not agreed, then no amendments will be agreed or treated as passed by Special Resolution, for consideration by the Members in attendance and voting at the AGM:-

1. That clause 12(c) of the Constitution be removed.

2. That clause 36(b) of the Constitution be amended to read as follows: -

Only Ex-Service members and or Honorary Life members shall be eligible to be elected to the office of President, Vice President and Treasurer.

All financial Ordinary Members, Ex-Service Members and Honorary Life Members shall otherwise be eligible to stand for the position of Board Member (other than the positions of President, Vice President and/or Treasurer).

3. That the first paragraph of clause 38 of the Constitution be amended to read as follows: -

Nominations for the election of each position on the Board of the Club shall be made in writing and signed by any two Ex-Service members or life members of the Club and by the nominee who shall also signify his consent for nomination.

And the remaining paragraphs in this clause be left unaltered.

4. That clause 51D of the Constitution be amended to read as follows: -

The Board shall be entitled to pass the resolution for the purposes of Section 195(2) of the Act exempting a director from the provisions of Rule 51C.

5. That clause 65 of the Constitution be amended to read as follows: -

At any general meeting of the Club in the case of a Special Resolution (including but not limited to the Annual General Meeting), not less than a combined total of ten (10) Life Members and Ex Service Members (and in any composition) who are present in person shall be a quorum. At any other general meeting of the club (including but not limited to the Annual General Meeting), not less than a combined total of ten (10) Ordinary members who are present in person shall be a quorum. If a quorum is not present within 15 minutes after the time for the commencement of the meeting the same shall be adjourned to the same day in the next week at the same time and place provided that if the meeting has been convened at the request of members pursuant to Rule 56 the same shall be dissolved. If at any adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, the members present shall form a quorum.

6. That any and all reference in all Clauses of the Constitution to the 'Treasurer' be removed and replaced with the wording 'Senior Vice President'.

Notes to Members on Special Resolution

1. The Special Resolution is to have members approve changes to the Club's Constitution.

Procedural Matters

1. To be passed, the Special Resolution must receive votes from not less than 75% of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

2. The Registered Clubs Act provides that:

(a) members who are employees of the Club are not entitled to vote; and

(b) proxy voting is prohibited.

GENERAL MANAGER'S REPORT 2021

I started writing this in July 2021 in a very confident mood. Since then, I have had to delete and start again. The world has changed - and our circumstances have changed - but all I can report on are the results of year ending 30th of June 2021.

Though Covid provided a lot of uncertainty and trepidation during the year the club was able to achieve a very strong financial position at the end of June. The club traded at 80% of pre covid figures with a downturn in all departments. A snapshot of the year's finances is set out below:

	2021	2020	Change
	\$	\$	
Revenue from Bar, Paper Gaming and Poker Machine Operations	4,904,355	4,758,958	145,397
Other Revenue excluding fair value increase	959,264	973,963	(14,699)
Total Trading Revenue	5,863,619	5,732,921	130,699
Expenses excluding Interest, Depreciation and Amortisation	(4,090,572)	(5,002,409)	911,837
EBITDA	1,773,047	730,511	1,042,536
Depreciation, Amortisation, Profit and Loss on Disposal	(940,500)	(1,086,293)	145,793
Interest Expenses and Finance Costs	(228,395)	(276,480)	48,085
Net Profit / (Loss) for the year	604,152	(632,262)	1,236,414
Operating Cashflow	1,382,575	539,028	843,547

The positive points to look at moving forward are as follows:

EBITDA	\$1,773,047.00 or 30%
ANZ loan	Reduced by \$505,000.00
Creditors	Reduced by \$220,000.00
Expenses	Reduced by \$911,837.00 or 18%

On another positive note, Mavid Constructions have purchased our land next to the club for \$2,025,000.00 with the intention of building units. The club has put a deposit on 8 of these units with the total purchase price being \$2,225,000.00. At the time of writing these 8 units are already valued at \$4,300,000.00. This is already a greater than two-million-dollar profit on our investment.

This result had put the club in a very positive position to move forward and redevelop the buffet eating area. Tenders were called and a builder selected to start building with the goal of a grand opening before the long weekend in October.

The new precinct is likely to be called Hanbury 58 and will feature four different food outlets: Wood Fired Pizza & Italian, Fish and Chips, Noodles & Yum Cha and a Chicken Schnitzel offering.

Unfortunately, the second lock-down happened and everything had to be put on hold until we knew what we were facing. Hanbury 58 will go ahead - but at the time of writing I'm unable to give you an exact date.

A section of the new area is earmarked to be a Sports Bar and Gaming area with Pool tables, pinball and arcade machines, dart boards etc. The concept is to create an adult "Timezone" arcade.

It has been a very difficult 18 months and doesn't look to be getting any easier - many businesses will struggle to come out the other side. The board and management have put policies and procedures in place to try to keep Mayfield Ex-Services Club a profitable business for years to come. Barring any more lockdowns we will be able to get through these troubling times as we are still in a good financial position.

Covid has reminded us who our real members are - we are very grateful for your support and attendance. Hopefully in the months to come we will be able to reward you with a new eatery and games room that will be unique in Newcastle.

Mayfield Ex-Services Club has been hit with sadness this year with the loss of our President and life member Rex Jones - our condolences go out to Bronwyn and the Family. Our club would not be in the positive position we are if it wasn't for Rex. To any member that has lost a loved one this past year, please accept our condolences from the Board, Management, and staff.

Everyone has done it tough in these Covid times but our staff have gone above and beyond what is expected, they have come in and helped clean the club and they have supported each other like family. We would not be in such a good financial position with-out these amazing people - the board and management cannot thank them enough for their support.

To all our Ex-Service people - we need your support at the upcoming AGM on the 7th of February 2022. There are proposed changes to our constitution and we need your support to pass all of them. The quorum needed to make this happen is 25 Ex-Service people.

To the board and the management team thank you for your support and dedication.

Meet You at The Mex!

Greg Luck
Chief Executive Officer
Mayfield Ex-Services Club

Annual financial report for the year ended 30 June 2021

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These financial statements are the financial statements of Mayfield Ex Services Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 23 November 2021. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Mayfield Ex Services Club Limited (the Company) for the year ended 30 June 2021.

Directors details

The following persons were Directors of Mayfield Ex Services Club Limited during the financial year, and up to the date of this report:

Mr Damien Horan

Senior Vice President
Director since 2013

Currently working as an aircraft maintenance engineer. Previously worked as a police officer. Qualification obtained includes Diploma of Policing and Certificate IV in Aeroskills.

Mr Wes Ting

Junior Vice President
Director since 2002

Previously worked as a switchboard operator.

Mr Mervyn Nichols

Director
Director since 2011

Previously worked as a store supervisor. Also a Director of Mayfield West Bowling Club.

Mr Lyle Chapman

Director
Director since 1999

Worked as a carpenter and joiner.

Mr Richard Clarke

Director
Director since 2018

Worked in hospitality.

Mr Robert Simpson

Director
Director since 2012

Worked as both a bar manager and a photojournalist.

Mr Brett Hyham

Director
Director since 2019

Worked as a hospitality trainer.

Mr Terence Ting

Director
Director since 2018

Worked as a salesman.

Company secretary

Mr Greg Luck has been the General Manager and Company Secretary of Mayfield Ex Services Club Limited since October of 2012. Mr Luck has been managing clubs since 2000 with an additional 10 years of experience in the pub industry.

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings	
	A	B
Mr Rex Jones (passed away October 2021)	12	12
Mr Wes Ting	12	7
Mr Damien Horan	12	11
Mr Lyle Chapman	12	11
Mr Mervyn Nichols	12	12
Mr Robert Simpson	12	12
Mr Richard Clarke	12	12
Mr Terence Ting	12	12
Mr Brett Hyham	12	12

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

Director's report

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2021, the following land and buildings are considered to be core and non-core property:

Core Property

- 50-58 Hanbury Street, Mayfield NSW 2305

Non-Core Property

- Nil

Principal activities

During the year, the principal activities of the Company was the running of a licensed Club for the benefit of its members and to meet the Company's objectives under its constitution.

There have been no significant changes in the nature of these activities during the year.

Significant changes in state of affairs

No significant changes in the Club's state of affairs occurred during the financial year other than the easing of restrictions first imposed in March 2020 as a result of the COVID-19 pandemic.

Events since the end of the financial year

From 5 August 2021 the Club was required to close again due to lockdowns imposed as a result of the COVID-19 pandemic. The Club controlled costs throughout this period of closure and reopened when these restrictions were lifted from 11 October 2021.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in future financial years.

Short-term and long-term objectives

The Company's short and long-term objectives are to:

- Provide the best facilities available to members and their guests with a special interest in the welfare of the returned service league.

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

- Maintain or increase existing revenue levels and control costs to return to profitability which will allow the Company's premises to be continually improved.

Performance measurement

The Company measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as bar and gaming. The Company also uses EBITDA to measure the financial performance of the Company overall.

Review of operations and financial results

A review of the operations of the Company during the financial year and the results of those operations noted a decrease in expenses of 18% with revenue remaining comparable. The operating result of the Company for the financial year after providing for income tax is set out below:

	2021	2020	Change
	\$	\$	
Revenue from Bar, Paper Gaming and Poker Machine Operations	4,904,355	4,758,958	145,397
Other Revenue excluding fair value increase	959,264	973,963	(14,699)
Total Trading Revenue	5,863,619	5,732,921	130,699
Expenses excluding Interest, Depreciation and Amortisation	(4,090,572)	(5,002,409)	911,837
EBITDA	1,773,047	730,511	1,042,536
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Interest Expenses and Finance Costs	(228,395)	(276,480)	48,085
Net Profit / (Loss) for the year	604,152	(632,262)	1,236,414
Operating Cashflow	1,382,575	539,028	843,547

The Company has returned a strong EBITDA result. Despite a challenging year for the Company with the significant disruption to operations and trading restrictions as a result of COVID-19, the increase in reported net profit reflects the increased poker machine revenue and receipt of government stimulus payments as well as a reduction in operating expenses. After consideration of depreciation and interest costs, the net result shows a profit for the year of \$604,154.

Director's report

Contribution in winding up

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 each towards meeting any outstanding obligations of the Company. At the total amount that members of the Company are liable to contribute if the Company wound up is \$11,998 (2020: \$18,852).

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is set out on page 6 and forms part of this Directors' report.

This report is made in accordance with a resolution of the Directors.



Wes Ting - Junior Vice President



Mervyn Nichols - Director

Dated: 23 November 2021
Mayfield, NSW

Auditor's independence declaration

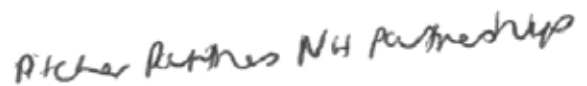
To the Directors of Mayfield Ex Services Club Limited

In accordance with the requirements of section 307C of the the Corporations Act 2001, as lead auditor for the audit of Mayfield Ex Services Club Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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



Kirsty Porteous - Partner



Pitcher Partners NH Partnership
Chartered Accountants

Dated: 23 November 2021
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue from continuing operations	2	5,564,793	5,373,060
Other Income	3	298,827	359,860
Bar cost of goods sold		(280,920)	(367,298)
Bar direct expenses		(199,600)	(281,352)
Gaming direct expenses		(1,089,729)	(1,215,807)
Paper gaming expenses		(69,497)	(65,478)
Rental expenses		(28,352)	(27,633)
Member amenities		(520,482)	(755,536)
Clubhouse expenses		(480,076)	(685,630)
Administration expenses		(2,362,416)	(2,689,968)
Borrowing expenses		(228,395)	(276,480)
		<u>(5,259,467)</u>	<u>(6,365,182)</u>
Profit / (loss) before income tax		604,153	(632,262)
Income tax expense	4	-	-
Profit / (loss) for the year		604,153	(632,262)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		604,153	(632,262)

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Statement of financial position

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	3,033,592	629,705
Trade receivables	6	7,746	12,252
Inventories	7	35,107	30,835
Financial assets at amortised cost	8	-	95,750
Other assets	9	138,874	139,319
Assets held for sale	10	-	2,020,000
Total current assets		3,215,319	2,927,861
Non-current assets			
Property, plant and equipment	11	14,086,557	14,798,425
Intangible assets	12	125,000	125,000
Right-of-use assets	13	84,170	120,937
Total non-current assets		14,295,727	15,044,362
Total assets		17,511,046	17,972,223
LIABILITIES			
Current liabilities			
Trade and other payables	14	320,340	549,048
Financial liabilities	15	762,840	6,457,089
Provisions	16	356,567	386,434
Other liabilities	17	104,725	90,608
Lease liabilities	13	38,395	36,887
Total current liabilities		1,582,867	7,520,066
Non-current liabilities			
Financial liabilities	15	5,294,524	368,063
Provisions	16	24,256	30,909
Other liabilities	17	15,309	22,704
Lease liabilities	13	46,759	87,303
Total non-current liabilities		5,380,848	508,979
Total liabilities		6,963,715	8,029,045
Net assets		10,547,331	9,943,178
MEMBERS FUNDS			
Retained profits		10,547,331	9,943,179
Total members funds		10,547,331	9,943,179

The above *statement of financial position* should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2021

	Retained Profits \$	Total \$
Balance at 1 July 2019	10,575,440	10,575,440
Profit / (Loss) for the year	(632,262)	(632,262)
Total comprehensive income for the year	(632,262)	(632,262)
Balance at 30 June 2020	9,943,179	9,943,179
Profit / (Loss) for the year	604,153	604,153
Total comprehensive income for the year	604,153	604,153
Balance at 30 June 2021	10,547,331	10,547,331

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2021

	2021	2020
Notes	\$	\$
Cash flows from operating activities		
Receipts from members and customers	6,179,101	5,938,053
Payments to suppliers and employees	(4,904,632)	(5,372,099)
Interest received	1	1,770
Interest paid	(228,395)	(204,696)
Government stimulus received	336,500	176,000
Net cash inflow (outflow) from operating activities	1,382,575	539,028
Cash flows from investing activities		
Payments for property, plant and equipment	(191,868)	(418,416)
Proceeds for assets held for sale	2,020,000	-
Net cash inflow (outflow) from investing activities	1,828,132	(418,416)
Cash flows from financing activities		
Proceeds from other loans	138,824	402,394
Repayment of borrowings	(505,000)	-
Repayment of other loans	(401,612)	(490,706)
Repayment of lease liabilities	(39,036)	(18,956)
Net cash inflow (outflow) from financing activities	(806,824)	(107,268)
Net increase in cash and cash equivalents	2,403,883	13,344
Cash and cash equivalents at the beginning of the financial year	629,705	616,361
Cash and cash equivalents at the end of the financial year	5 3,033,588	629,705

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2021

1 Summary of significant accounting policies

(a) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Mayfield Ex Services Club Limited (the Company) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

(b) Statement of compliance

This financial report complies with Australian Accounting Standards - *Reduced Disclosure Requirements* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs, except for assets held for sale which have been measured at fair value. The financial report is presented in Australian Dollars.

(c) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2020:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The principal accounting policies adopted are consistent with those of the previous financial year except for the policies stated below:

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The Company has adopted AASB 2020-1 'Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current' from 1 July 2020. AASB 2020-1 removes the requirement to classify a liability as current where there is not an unconditional right to defer settlement for a period of greater than 12 months, and requires any liability where the entity has the right to defer settlement at the end of the reporting period (e.g. by virtue of meeting any specified conditions such as loan covenants) to now be classified as non-current.

As a result of the adoption of AASB 2020-1, the Company has classified a portion of its bank loan under non-current liabilities in the statement of financial position.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

(e) Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Notes to the financial statements

For the year ended 30 June 2021

2 Revenue**(a) Disaggregation of revenue from contracts with customers**

The Company derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Raffle and Bingo Revenue	Rental Revenue	Gaming Revenue	Membership Revenue	Beverage Revenue	Other Revenue	Total
2021	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	290,945	-	4,229,084	33,339	658,091	50,084	5,261,543
Other revenue (not covered by AASB15)	-	286,070	17,180	-	-	-	303,250
	<u>290,945</u>	<u>286,070</u>	<u>4,246,264</u>	<u>33,339</u>	<u>658,091</u>	<u>50,084</u>	<u>5,564,793</u>

Timing of revenue recognition

At a point in time	290,945	-	4,229,084	-	658,091	47,819	5,225,939
Over time	-	286,070	17,180	33,339	-	2,265	338,854
	<u>290,945</u>	<u>286,070</u>	<u>4,246,264</u>	<u>33,339</u>	<u>658,091</u>	<u>50,084</u>	<u>5,564,793</u>

	Raffle and Bingo Revenue	Rental Revenue	Gaming Revenue	Membership Revenue	Beverage Revenue	Other Revenue	Total
2020	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	277,885	-	3,894,925	50,768	846,854	55,614	5,126,046
Other revenue (not covered by AASB15)	-	229,834	17,180	-	-	-	247,014
	<u>277,885</u>	<u>229,834</u>	<u>3,912,105</u>	<u>50,768</u>	<u>846,854</u>	<u>55,614</u>	<u>5,373,060</u>

Timing of revenue recognition

At a point in time	277,885	-	3,894,925	-	846,854	38,885	5,058,549
Over time	-	229,834	17,180	50,768	-	16,729	314,511
	<u>277,885</u>	<u>229,834</u>	<u>3,912,105</u>	<u>50,768</u>	<u>846,854</u>	<u>55,614</u>	<u>5,373,060</u>

(b) Accounting policies and significant judgements

The Company recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Company is or expects to be entitled in exchange for those goods or services.

The Company considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. loyalty points program). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Provision of services - raffle and bingo revenue

Raffle and bingo income is recognised at a point in time when the customer takes possession of the ticket and the raffle or bingo game has been conducted as at this point the performance obligations have been satisfied.

(ii) Provision of services - rental revenue

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The company recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

(iii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out.

Notes to the financial statements

For the year ended 30 June 2021

2 Revenue (continued)

(b) Accounting policies and significant judgements (continued)

(iv) *Provision of services - membership revenue*

Membership subscriptions are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

(v) *Sale of goods - beverage revenue*

Revenue from the sale of food and beverages is recognised at a point in time when the physical control of the goods passes to the customer.

(vi) *Other revenue*

The balance of other revenue is recognised at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2021	2020
	\$	\$
(a) Other income		
Insurance recovery	-	1,748
Rental income - investment property	58,076	84,592
Interest income	1	1,770
Government stimulus payments - Jobkeeper	203,250	209,250
Government stimulus payments - cashflow boost	37,500	62,500
	298,827	359,860

(i) *Insurance recovery*

The Company recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

(ii) *Rental income - investment property*

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Company recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

(iii) *Interest income*

Interest income is recognised on an accruals basis.

(iv) *Other income*

The Company recognises stimulus funding from the Australian Taxation Office when this is received as there is no specific performance obligation in relation to this funding. The Company recognises income from JobKeeper stimulus payments when these accrue. The Company is eligible for payment when eligible employees have been paid.

(b) Other expenses

Employee benefits expense	1,334,528	1,427,036
Loss on disposal of property, plant and equipment	10,157	91,391
Depreciation expense	930,343	994,902
Interest costs	228,395	276,480

Notes to the financial statements

For the year ended 30 June 2021

4 Income tax expense

	2021	2020
	\$	\$

(a) Numerical reconciliation of income tax expense to prima facie tax payable

The Income Tax Assessment Act 1936 (amended) provides that under the concept of mutuality, a Company is only liable for income tax on income derived from non-members and from outside entities. The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been provided on a taxable income calculated as follows:

Operating profit/(loss) before income tax	604,153	(632,262)
Tax at the Australian tax rate at 26% (2020: 27.5%)	157,080	(173,872)
Non deductible expenses	13,761	14,594
Non assessable income	(9,750)	(17,188)
Apportionment adjustment members income and expenses	(94,673)	152,398
Timing Differences	117,968	(10,059)
Carried forward losses not recognised / (recouped)	(184,386)	34,127
Income tax expense	-	-

(b) The Directors estimate that the potential deferred tax asset as at 30 June 2020 not brought to account is as follows:

Tax losses at 25% (2020: 27.5%)	35,988	234,610
	35,988	234,610

Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

5 Cash and cash equivalents**Current**

Cash and cash equivalents	3,033,592	629,705
	3,033,592	629,705

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

6 Trade receivables**Current**

Trade receivables	7,746	12,252
	7,746	12,252

Accounting policy

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

Notes to the financial statements

For the year ended 30 June 2021

7 Inventories

	2021	2020
	\$	\$
Current		
Stock on hand	35,107	30,835
	<u>35,107</u>	<u>30,835</u>

Accounting policy

Inventories are measured at the lower of cost and current replacement cost.

8 Financial assets at amortised cost

Current		
Other receivables	-	95,750
	<u>-</u>	<u>95,750</u>

Accounting policy

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

9 Other assets

Current		
Prepayments	138,874	139,319
	<u>138,874</u>	<u>139,319</u>

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

10 Assets held for sale

In March 2018 management and the Board committed to a plan to sell their investment properties. A Deed of Call Option was entered into on 13 March 2018 with Hanbury Street Diggers Investments Pty Ltd as trustee for the Hanbury Street Diggers Unit Trust to undertake a residential development project. During the financial year, the investment properties were sold to the developer under the terms of the deed. Once the development is complete, the Company has an option to acquire 8 of the 42 residential units for \$2,020,000.

The following assets have been identified as part of the proposed sale:

Investment properties	-	2,020,000
Total assets held for sale	<u>-</u>	<u>2,020,000</u>

Accounting policy

When the Company intends to sell a non-current asset or a group of assets (a disposal group), and if sale within twelve (12) months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the statement of financial position.

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some 'held for sale' assets such as financial assets, continue to be measured in accordance with the Company's accounting policy for those assets. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of assets held for sale is presented as part of a single line item, profit or loss from assets held for sale.

Notes to the financial statements

For the year ended 30 June 2021

11 Property, plant and equipment

	Capital work in progress	Land	Buildings and improvement	Poker machines	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
Non-current assets						
At 1 July 2020						
Cost	19,519	1,050,000	18,584,836	3,185,345	2,351,000	25,190,700
Accumulated depreciation	-	-	7,379,289	2,073,336	939,650	10,392,275
Net book amount	19,519	1,050,000	11,205,547	1,112,009	1,411,350	14,798,425
Year ended 30 June 2021						
Opening net book amount	19,519	1,050,000	11,205,547	1,112,009	1,411,350	14,798,425
Additions	13,930	-	-	137,807	40,128	191,865
Disposals	-	-	-	10,157	-	10,157
Depreciation charge	-	-	431,951	252,615	209,010	893,576
Closing net book amount	33,449	1,050,000	10,773,596	987,044	1,242,468	14,086,557
Year ended 30 June 2021						
Cost	33,449	1,050,000	18,584,836	3,176,936	2,388,346	25,233,567
Accumulated depreciation	-	-	7,811,240	2,189,892	1,145,878	11,147,010
Net book amount	33,449	1,050,000	10,773,596	987,044	1,242,468	14,086,557

Accounting policy**(a) Land, buildings and improvement**

Land, buildings and improvement are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines

Each class of plant and equipment is carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings and improvement	10 - 50 years
Plant and equipment	4 - 10 years
Poker machines	2.5 - 7 years

(d) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Company would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of comprehensive income as a separate line item.

Notes to the financial statements

For the year ended 30 June 2021

12 Intangible assets

	Poker machine entitlements	Total
	\$	\$
Non-current assets		
As at 30 June 2020		
Cost	125,000	125,000
Net book amount	<u>125,000</u>	<u>125,000</u>
As at 30 June 2021		
Cost	125,000	125,000
Net book amount	<u>125,000</u>	<u>125,000</u>

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

The value shown for the poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

13 Leases

	2021	2020
	\$	\$

The Company leases several assets including the photocopier, POS system and multiscreen system.

a) Right-of-use asset

Non-current

Right-of-use assets	<u>84,170</u>	<u>120,937</u>
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Reconciliation of right-of-use assets

	Photocopier	Multiscreen system	POS system	Total	Total
	\$	\$	\$	\$	\$
At 1 July 2020	18,684	20,734	81,519	120,937	28,026
Additions	-	-	-	-	115,120
Depreciation	8,837	6,303	21,627	36,767	22,209
30 June 2021	<u>9,847</u>	<u>14,431</u>	<u>59,892</u>	<u>84,170</u>	<u>120,937</u>

b) Lease liabilities

Current

Lease liabilities	9,699	6,624	22,072	38,395	36,887
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Non-current

Lease liabilities	-	8,056	38,703	46,759	87,303
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Total

	<u>9,699</u>	<u>14,680</u>	<u>60,775</u>	<u>85,154</u>	<u>124,190</u>
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Reconciliation of lease liabilities

	Photocopier	Multiscreen system	POS system	Total	Total
	\$	\$	\$	\$	\$
At 1 July 2020	19,037	23,129	82,024	124,190	28,026
Additions	-	-	-	-	115,120
Interest expense	562	690	2,751	4,003	2,478
Lease payments	9,900	9,139	24,000	43,039	21,434
Net movement during year	<u>9,699</u>	<u>14,680</u>	<u>60,775</u>	<u>85,154</u>	<u>124,190</u>
30 June 2021					

Notes to the financial statements

For the year ended 30 June 2021

13 Leases (continued)

Accounting policy

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- an estimate of costs to be incurred in dismantling and removing the underlying asset;
- any initial direct costs incurred;

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The weighted average incremental borrowing rate is 3.8%

The lease payment used in the calculation of the lease liabilities includes variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the Company has only included the known CPI increases to date and not estimated future CPI-related increases.

The Company does not recognise leases that have a lease term of 12 months or less or are of low value as a right of use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Company recognises lease payments as income. The underlying asset is depreciated on a straight line basis over its expected useful life.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

14 Trade and other payables

	2021	2020
	\$	\$
Current		
Trade payables	214,725	545,824
GST payable	105,615	3,224
	320,340	549,048

Accounting policy

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

Notes to the financial statements

For the year ended 30 June 2021

15 Financial liabilities

	2021	2020
	\$	\$

Current*Secured*

Bank loans (i)	420,000	6,025,000
Other loans (ii)	342,840	432,089
Total secured financial liabilities	762,840	6,457,089

Non-current*Secured*

Bank loans (i)	5,100,000	-
Other loans (ii)	194,524	368,063
Total secured financial liabilities	5,294,524	368,063

(i) Secured liabilities

The bank loans and undrawn facilities are secured by the following:

- First Registered Mortgage over 50-58 Hanbury Street, Mayfield, NSW
- General security agreement over all present and after acquired property
- Specific security agreement over term deposit of \$2,020,000

The total of the bank loan facility is \$5,520,000. At 30 June 2021 the Company has undrawn finance facilities of \$1,100,000, with \$1,000,000 relating to an asset finance facility and \$100,000 relating to the business card facility.

(ii) Other secured liabilities

The other loans are secured by a fixed charge over the specific assets that are financed.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as non-current liabilities if the Company has right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

16 Provisions**Current**

Employee entitlements (i) & (ii)	319,871	350,642
Other provisions	36,696	35,792
	356,567	386,434

Non-current

Employee entitlements (ii)	24,256	30,909
	24,256	30,909

Accounting policy*(i) Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) Long service leave

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

Notes to the financial statements

For the year ended 30 June 2021

17 Other liabilities

	2021	2020
	\$	\$
Current		
Contract liabilities - membership revenue	16,687	25,443
Contract liabilities - rent revenue	25,138	-
Contract liabilities - deposits held	62,900	62,900
Other liabilities	-	2,265
	<u>104,725</u>	<u>90,608</u>
Non-current		
Contract liabilities - membership revenue	15,309	22,704
	<u>15,309</u>	<u>22,704</u>

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

18 Commitments

(i) <i>Capital Commitments</i>		
Poker machines	123,000	-
Rental property	2,220,000	-
	<u>2,343,000</u>	<u>-</u>

19 Contingent liabilities

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
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Mortality Fund

The Company conducts a mortality fund whereby each eligible member is entitled to have \$150 paid by the Company to his/her estate upon his/her death. No liability for this has been recognised in the financial statements, however at 30 June 2021 the Company's contingent commitment was \$16,350 (109 members) (2020: 110 members \$16,500). Payments to members are taken up as an expense in the year in which the payments are made.

20 Related parties

Transactions between related parties are on normal commercial terms and conditions, and are no more favourable than those available to other parties unless otherwise stated.

(a) *Key management personnel compensation*

Total key management personnel benefits	<u>284,799</u>	<u>370,738</u>
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(b) *Transactions with other related parties*

Directors, Mr Rex Jones (deceased) and Mr Robert Simpson each leased an investment property from the Company under normal commercial terms and conditions.

Notes to the financial statements

For the year ended 30 June 2021

21 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next period are disclosed where applicable, in the relevant notes to the financial statements:

- Estimation of useful lives of non-current assets (notes 11, 12 and 13) - The useful life of property, plant and equipment and right-of-use assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

22 Subsequent events

From 5 August 2021 the Club was required to close again due to lockdowns imposed as a result of the COVID-19 pandemic. The Club controlled costs throughout this period of closure and reopened and resumed trading from 11 October 2021 following the easing of restrictions.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 21 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and
- (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.

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



Wes Ting - Junior Vice President



Mervyn Nichols - Director

Dated: 23 November 2021
Mayfield, NSW

Independent auditor's report to the members of Mayfield Ex Services Club Limited

Opinion

We have audited the financial report of Mayfield Ex Services Club Limited (the Company) which comprises the statement of financial position as at 30 June 2021, 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, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

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.

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

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 have no realistic alternative but to do so.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Company for the year ended 30 June 2021 included on the Company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.



Kirsty Porteous - Partner



Pitcher Partners NH Partnership
Chartered Accountants

23 November 2021
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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