

Hunters Hill Club Limited

ABN: 80 000 976 590

Financial Statements

For the Year Ended 30 June 2020

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

Hunters Hill Club Limited

14 Madeline Street

Hunters Hill, NSW 2110

Hunters Hill Club Limited

ABN: 80 000 976 590

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Directors' Report

30 June 2020

The Directors present their report on Hunters Hill Club Limited ('the Club') for the financial year ended 30 June 2020.

General Information

The financial year ended 30 June 2020 and the period subsequent to the end of the financial year were significantly impacted by the COVID-19 pandemic. This Annual Report and the Club's performance during this period must be viewed in this unusual light.

Trading activities for this financial year have been in three distinct phases. The first was a period of normal but subdued trading. The second saw trading impacted by the Club's catering and dining facilities being shut down to allow for long overdue repairs and refurbishment. The third saw the whole Club's normal trading activities being shut down due to COVID-19.

The impact of these challenges comes through in the Club's financial performance with bar, bistro and tennis sales and profitability all down year on year. The Board took steps to address the impacts of the closures and reduced revenues by reducing direct and indirect expenses, but there were still trading losses for these periods.

While challenging trading conditions impacted the Club's overall financial performance, some significant positive developments were delivered during this financial period:

- A substantial building program to fix flooring, electrical and plumbing work in the kitchen was undertaken, allowing for the installation of a new kitchen to support the significant improvement in dining services.
- The Club was refurbished with new carpet, updating of some soft furnishings and re-painting both internally and externally.
- New caterers, Bistro Lozzi, were appointed and commenced operations in what has proven to be the most challenging of conditions.

Despite the shut down, the Club continued to provide some services throughout much of the shut down period, offering bowls, tennis and takeaway food and beverage services always in compliance with the frequently changing COVID-19 health and safety requirements. The Directors acknowledge and thank the Club's staff, very ably led by the Secretary Manager, Jim Granger, who was appointed during this unusual pandemic year, for their work and flexibility in keeping the Club safely operational.

The Directors also acknowledge and thank Alex and Carmen Milozzi who, having invested passion, time and money in preparing Bistro Lozzi as a new showpiece dining venue for Hunters Hill, were completely shut down the first week after the opening of the bistro.

With the easing of COVID-19 restrictions in the hospitality industry, subsequent to the end of the financial year all of the Club's profit centres have shown significantly improved operating performances the Club has returned profitability.

The Directors also acknowledge the support of all the members during this difficult year and we look forward to the future with optimism.

Directors' Report**30 June 2020****Information on Directors**

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

Name	Qualifications	No. of years as a member	Special Responsibilities	Period a Director
Steven Blaney	Company Director	4	Chair, finance and administration	18/11/18 and continuing
Nicole Grech	Company Director	2	Human resources	18/11/18 and continuing
Joe Hurley	Company Director	9	Legal	01/12/15 and continuing
Mark Lomax	Company Director	6	Property maintenance	18/11/18 and continuing
Peter Nightingale	Company Director	6	Finance and administration	02/09/17 and continuing
Glen Norris	Sales and Marketing Manager	15	Membership	20/11/16 and continuing
Donna Forbes	Sales and Marketing Manager	8	Chair and marketing	01/12/15 to 17/9/19

Meetings of Directors

During the financial year, 12 meetings of Directors were held. Attendances by each Director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Steven Blaney	12	12
Nicole Grech	12	12
Joe Hurley	12	10
Mark Lomax	12	11
Peter Nightingale	12	9
Glen Norris	12	12
Donna Forbes	2	1

Company Secretary

Jim Granger was appointed as Secretary Manager on 7 February 2020.

During the year, Caleb Budd (1 July 2019 to 7 August 2019) and Owen Madden (8 August 2019 to 6 February 2020) also acted as the Club's Secretary Manager.

Principal Activities

The principal activity of Hunters Hill Club Limited during the financial year was that of a Registered Club and the promotion and provision of bowling, tennis and social amenities to members and their guests.

No significant changes in the nature of the Company's activity occurred during the financial year.

Directors' Report**30 June 2020****Operating Performance**

The Company has five profit centres and an additional cost centre for general and administration costs which are not allocated to any of the profit centres. A summary of the Company's operating performance for the financial year ended 30 June 2020 is summarised as follows:

	2020	2019
	\$	\$
Bar Trading		
Revenue	621,138	804,927
Expenses	(495,861)	(536,033)
Gross profit	<u>125,277</u>	<u>268,894</u>

Bar sales for the year ended 30 June 2020 were materially impacted by the COVID-19 pandemic with on-site alcohol sales prohibited for approximately one quarter of the year. During this period, certain fixed costs could not be eliminated resulting in a lower gross profit percentage of 20.2% (2019 – 33.4%) from bar trading.

Bistro

Revenue	98,689	126,604
Expenses	(12,419)	(29,363)
Gross profit	<u>66,780</u>	<u>97,241</u>

In addition to the complete shut down of Bistro Lozzi in the first week after the opening of the bistro as noted above, the Club's bistro was shut for approximately two months whilst complete renovations to the kitchen, in conjunction with the refurbishment of the Club, were completed.

The principal revenue from the Bistro is a fixed rental charge and it should be noted that salaries paid to Club staff are not apportioned to the Bistro expenses.

Bowls

Revenue	59,641	72,041
Expenses	(64,372)	(98,595)
Gross loss	<u>(4,731)</u>	<u>(26,526)</u>

Despite the restriction on social gatherings imposed by the COVID-19 health and safety requirements, through innovative measures the Club was able to provide members with the opportunity to play lawn bowls, in modified formats during much of the shut down period always in compliance with the frequently changing regulations.

The efforts of the staff, particularly the Club's greenkeeper John Owens, have enabled the loss from bowls, which is more than offset by the interest income from the ABC Fund reserve, to be minimised.

Subsequent to the end of the financial year, the Club also welcomed a number of new bowling members who have joined following the closure of another bowling club in the district.

Directors' Report

30 June 2020

	2020 \$	2019 \$
Tennis		
Revenue	243,009	271,903
Expenses	<u>(129,720)</u>	<u>(163,553)</u>
Gross profit	<u>113,289</u>	<u>108,350</u>

Again, despite the restriction on social gatherings imposed by the COVID-19 health and safety requirements, through innovative measures the Club was able to provide members with the opportunity to play tennis, in modified formats during much of the shut down period always in compliance with the frequently changing regulations.

Gaming

During the year ended 30 June 2020, Gaming returned a total net profit of \$3,907 (2019 – \$47,965) to the Club. With limited gaming turnover, the result from year to year will be subject to fluctuation based on the amount, and timing, of jackpot payouts.

General and Administration

Revenue		
- Interest income	80,138	77,468
- Membership fees	70,732	40,931
- Grants/sponsorships	129,485	21,209
- Other	6,817	16,356
	<u>287,172</u>	<u>155,964</u>
Expenses		
- Unallocated salaries and wages	152,829	174,342
- Repairs and maintenance	37,078	109,492
- Depreciation	189,513	104,959
- Utilities and rates	76,979	99,542
- Cleaning	37,060	42,602
- Merchant fees	17,092	15,432
- General expenses	108,770	15,836
- Administration	70,652	70,088
- Insurance	32,050	35,995
	<u>722,023</u>	<u>668,288</u>

Short Term Objectives

The Company's short term and long term objectives are as follows:

- to promote and provide services of a registered club to members and their guests to promote and provide lawn bowls facilities;
- to promote and provide tennis facilities; and
- to strive to become Sydney's leading boutique sporting and social club that members and guests support, love and value for its history, location, facilities, service and role we play in the community.

Directors' Report

30 June 2020

Strategy for Achieving the Objectives

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

- financial sustainability through profitable operations and optimum use of space and resources;
- delivery of outstanding service by building engaged team capabilities; and
- providing a local hub to cement our place in, and support for, our local community.

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 outstandings and obligations of the Company. As at 30 June 2020 the number of members was 1,868 (2019 – 1,524).

Auditor's Independence Declaration

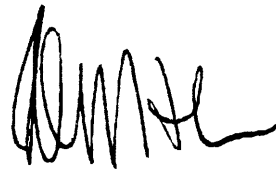
The Lead Auditor's Independence Declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 6 of the financial report.

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



Steven Blaney
Chairman:

6 November 2020



Peter Nightingale
Director

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF HUNTERS HILL CLUB LIMITED

As lead auditor of Hunters Hill Club Limited for the period ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

LNP Audit and Assurance Pty Ltd



Robert Nielson

Director

Sydney 6 November 2020

Hunters Hill Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	5	1,097,116	1,364,372
Other income	5	216,440	115,032
Employee benefits expense		(496,911)	(522,352)
Repair and maintenance		(96,378)	(109,492)
Depreciation and amortisation		(189,513)	(104,959)
Finance costs		(1,636)	(4,528)
Audit, legal and consultancy expense		(74,255)	(70,192)
Administration expenses		(268,377)	(266,860)
Services expenditures		(316,815)	(417,420)
Loss before income tax		(130,329)	(16,399)
Income tax expense		-	-
Loss from continuing operations		(130,329)	(16,399)
Other comprehensive income		-	-
Total comprehensive loss for the year		(130,329)	(16,399)

The accompanying notes form part of these financial statements.

Hunters Hill Club Limited

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Statement of Financial Position As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	321,947	247,727
Trade and other receivables	7	74,356	63,618
Inventories	8	25,960	27,087
Other assets	12	8,137	33,180
TOTAL CURRENT ASSETS		430,400	376,612
NON-CURRENT ASSETS			
Investments	9	550,000	800,000
Property, plant and equipment	10	5,745,901	5,816,096
Intangible assets	11	59,018	59,018
Other assets	12	5,000	5,000
TOTAL NON-CURRENT ASSETS		6,359,919	6,680,114
TOTAL ASSETS		6,790,319	7,051,726
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	80,886	144,425
Financial liabilities	14	12,108	37,558
Employee benefits	15	18,690	40,398
Deferred income		53,211	67,465
TOTAL CURRENT LIABILITIES		164,895	289,846
NON-CURRENT LIABILITIES			
Financial liabilities	14	-	4,794
Employee benefits	15	9,993	8,806
TOTAL NON-CURRENT LIABILITIES		9,993	13,600
TOTAL LIABILITIES		174,888	303,446
NET ASSETS		6,615,431	6,748,280
EQUITY			
Reserves	16	9,686,315	9,688,835
Retained earnings		(3,070,884)	(2,940,555)
TOTAL EQUITY		6,615,431	6,748,280

The accompanying notes form part of these financial statements.

Hunters Hill Club Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Surplus	Capital Profits Reserve	Artarmon Bowling Club Capital Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	(2,940,555)	4,122,253	5,007,155	559,427	6,748,280
Transfer (to)/from reserve	-	-	-	(2,520)	(2,520)
Loss attributable to the entity	(130,329)	-	-	-	(130,329)
Balance at 30 June 2020	(3,070,884)	4,122,253	5,007,155	556,907	6,615,431

2019

	Retained Earnings/(Loss)	Asset Revaluation Surplus	Capital Profits Reserve	Artarmon Bowling Club Capital Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	(2,927,012)	4,122,253	5,007,155	562,283	6,764,679
Transfer (to)/from reserve	2,856	-	-	(2,856)	-
Loss attributable to the entity	(16,399)	-	-	-	(16,399)
Balance at 30 June 2019	(2,940,555)	4,122,253	5,007,155	559,427	6,748,280

The accompanying notes form part of these financial statements.

Hunters Hill Club Limited

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,232,947	1,398,353
Payments to suppliers and employees	(1,281,292)	(1,370,357)
Interest received	80,138	77,468
Interest paid	(1,636)	(4,528)
Net cash provided by operating activities	<u>30,157</u>	<u>100,936</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	256,762
Purchase of property, plant and equipment	(173,173)	(95,838)
Receipts from syndicated investment loan	800,000	-
Investment in syndicated loan	(550,000)	-
Net cash provided by investing activities	<u>76,827</u>	<u>160,924</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Prize monies from capital reserves	(2,520)	-
Payment of hire purchase and leases	(30,244)	(41,725)
Net cash used in financing activities	<u>(32,764)</u>	<u>(41,725)</u>
Net increase in cash and cash equivalents held	74,220	220,135
Cash and cash equivalents at beginning of year	247,727	27,592
Cash and cash equivalents at end of financial year	6 <u>321,947</u>	<u>247,727</u>

The accompanying notes form part of these financial statements.

Hunters Hill Club Limited

ABN: 80 000 976 590

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Hunters Hill Club Limited as an individual entity. Hunters Hill Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Hunters Hill Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 6 November 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

2 Change in Accounting Policy

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-Profits Entities

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current financial year. The impact of applying the new standards on the Company's financial statements did not require any transitional adjustments on the adoption date of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 118, AASB 1004 and related interpretations. There has been no significant change in the timing of revenue recognition due to this adoption.

Details of the accounting policies are set out in Note 3 (c)

3 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (cont.)

(c) Revenue and other income

For comparatives period

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

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

For current period

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows: (i) Identifying the contract with a customer; (ii) Identifying the performance obligations; (iii) Determining the transaction price; (iv) Allocating the transaction price to the performance obligations; and (v) Recognising revenue when/as performance obligation(s) are satisfied.

Principal revenues streams are recognised as follows:

Sale of goods

Revenue is recognised at the point of sale when performance obligations are satisfied.

Rendering of services

Revenue in relation to rendering of services is recognised when performance obligations of providing a service has been satisfied.

Other income

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (cont.)

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

(e) Inventories

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

(f) Property, plant and equipment

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

Land and buildings

Land is recorded at Directors valuation based on a 1992 revaluation.

Buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	5% - 20%

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (cont.)

(g) Financial instruments

Recognition

The company determines the classification of its financial instruments at initial recognition in accordance with the categories outlined below and re-evaluates this designation at each financial year-end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial assets measured at fair value through profit or loss. Financial assets measured at fair value through profit and loss are financial assets that are not classified and measured at amortised cost or as fair value through other comprehensive income. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position. Financial instruments at fair value through profit or loss are carried in Statement of Financial Position at fair value with gains or losses recognised in revenue.

Financial assets measured at amortised cost. Financial assets measured at amortised cost are non-derivative financial assets which are held to collect the contractual cash flows. The contractual terms of the financial assets give rise to payments on specified dates that are solely payments of principal and interest on the principal amount outstanding. They are included in current assets. The Company's financial assets measured at amortised cost comprise 'trade receivables', 'other receivables' and 'cash and cash equivalents'.

Financial liabilities. The Company's financial liabilities include trade payables and borrowings. These are measured subsequently at amortised cost using the effective interest method. The interest expense is calculated each reporting period by applying the effective interest rate, and the resulting charge is reflected in finance costs on the statement of profit and loss and comprehensive income.

Impairment of financial assets

Expected credit losses are recognised if required for trade receivables (excluding amounts due from brokers held at fair value through profit and loss), cash and cash equivalents and other receivables. Expected credit losses are calculated as the difference between the contractual cash flows that are due to the company and the cash flows that the company expects to receive given the probability of default and loss given default, discounted at the original effective interest rate.

(h) Cash and cash equivalents

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (Cont.)

(i) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable transactions.

4 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below:

Land Land has been measured at Directors Valuation based on a 1992 revaluation of land.

Receivables expected credit losses Management have assessed that receivables are not impaired.

Going concern The ability of the Company to continue as a going concern is dependent upon the Company being able to manage its operations through the COVID -19 disruption, the directors do not foresee any significant issues that will not be capable of being adequately managed, and accordingly the Company has presented its financial statements on the basis of going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Company not continue as a going concern.

Hunters Hill Club Limited

ABN: 80 000 976 590

Notes to the Financial Statements For the Year Ended 30 June 2020

	2020	2019
	\$	\$
5 Revenue and Other Income		
Revenue and Other Income		
- sale of goods	621,138	804,927
- rendering of services	405,246	518,514
- memberships	70,732	40,931
	<u>1,097,116</u>	<u>1,364,372</u>
Other Income		
- grants/sponsorships	129,485	21,209
- interest income	80,138	77,468
- unrealised capital gain on investments	-	74
- miscellaneous income	6,817	16,355
	<u>216,440</u>	<u>115,032</u>
	<u>1,313,556</u>	<u>1,479,404</u>
6 Cash and Cash Equivalents		
	2020	2019
	\$	\$
Cash at bank and in hand	<u>321,947</u>	<u>247,727</u>
7 Trade and Other Receivables		
	2020	2019
	\$	\$
Trade receivable	32,838	32,722
Government assistance	37,500	-
Other receivables	4,018	30,896
	<u>74,356</u>	<u>63,618</u>
<p>The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.</p>		
8 Inventories		
	2020	2019
	\$	\$
CURRENT		
Stock – at cost	<u>25,960</u>	<u>27,087</u>

Hunters Hill Club Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2020

9 Investments

	2020	2019
	\$	\$
NON-CURRENT		
Loan secured by first mortgage over real property	<u>550,000</u>	<u>800,000</u>

10 Property, Plant and Equipment

	2020	2019
	\$	\$
Land		
Freehold land - at 1992 independent valuation	<u>4,330,171</u>	<u>4,330,171</u>
Buildings		
Buildings – at cost	1,954,948	1,785,372
Accumulated depreciation	<u>(712,352)</u>	<u>(634,565)</u>
	<u>1,242,596</u>	<u>1,150,807</u>
Plant and Equipment		
Plant and equipment – at cost	1,214,402	1,415,699
Accumulated depreciation	<u>(1,041,268)</u>	<u>(1,080,581)</u>
	<u>173,134</u>	<u>335,118</u>
	<u>5,745,901</u>	<u>5,816,096</u>

(a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2020				
Balance at the beginning of year	4,330,171	1,150,807	335,118	5,816,096
Additions	-	170,030	3,143	173,173
Disposal	-	(367)	(53,488)	(53,855)
Depreciation expense	-	(77,874)	(111,639)	(189,513)
Balance at the end of the year	<u>4,330,171</u>	<u>1,242,596</u>	<u>173,134</u>	<u>5,745,901</u>

Hunters Hill Club Limited

ABN: 80 000 976 590

Notes to the Financial Statements For the Year Ended 30 June 2020

11 Intangible Assets

	2020	2019
	\$	\$
Poker machine entitlements Cost	<u>59,018</u>	<u>59,018</u>

12 Other Assets

	2020	2019
	\$	\$
CURRENT Prepayments	<u>8,137</u>	<u>33,180</u>
NON-CURRENT Deposits	<u>5,000</u>	<u>5,000</u>

13 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	51,027	65,018
GST payable	3,830	7,603
Accrued expense	11,975	35,124
Other payables	14,054	36,680
	<u>80,886</u>	<u>144,425</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Financial Liabilities

	2020	2019
	\$	\$
CURRENT		
Lease liability – secured	<u>12,108</u>	<u>37,558</u>
NON-CURRENT		
Lease liability – secured	<u>-</u>	<u>4,794</u>

Leased liabilities are secured by the underlying leased assets.

Hunters Hill Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2020

15 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Long service leave	3,079	2,920
Provision for employee benefits	15,611	37,478
	<u>18,690</u>	<u>40,398</u>
NON-CURRENT		
Long service leave	<u>9,993</u>	<u>8,806</u>

16 Reserves

The asset realisation reserve records realised gains on sale of non-current assets.

The capital profits reserve records profits on sale of selected property, plant and equipment.

The ABC Fund capital reserve records the funds that have been earmarked for the development and maintenance of bowls at the Hunters Hill Club. The funds are restricted in their usage and at 30 June 2020 have been used to invest in the secured loan held by the Club.

17 Leasing Commitments

(a) Finance leases

	2020	2019
	\$	\$
Minimum lease payments:		
- not later than one year	12,108	37,558
- between one year and five years	-	4,794
	<u>12,108</u>	<u>42,352</u>

18 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 \$2.00 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 1,868 (2019: 1,524).

Hunters Hill Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2020

19 Key Management Personnel Remuneration

The Key Management Personnel are the Secretary Manager and payments to Directors and their related entities. The totals of remuneration paid to the Key Management Personnel of Hunters Hill Club Limited during the year are as follows:

	2020	2019
	\$	\$
Short-term employee benefits	119,745	109,615
Post-employment benefits	5,886	7,810
	<u>125,631</u>	<u>117,425</u>

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (2019 – nil).

21 Related Parties

The Company's main related parties are the Directors and their related entities and Key Management Personnel – refer to Note 19.

22 Events after the end of the Reporting Period

The financial report was authorised for issue on 6 November 2020 by the Board of Directors.

With the easing of COVID-19 restrictions in the hospitality industry, subsequent to the end of the financial year all of the Club's profit centres have shown significantly improved operating performances the Club has returned profitability.

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

Hunters Hill Club Limited

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Directors' Declaration

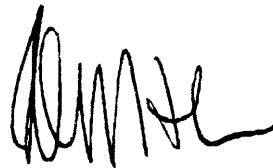
The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 20 , are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Steven Blayney
Chairman



Peter Nightingale
Director

Dated 6 November 2020

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HUNTERS HILL CLUB LIMITED

Opinion

We have audited the financial report of Hunters Hill Club Limited, (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company.

In our opinion:

The financial report of Hunters Hill Club Limited has been prepared in accordance with the *Corporations Act 2001*, including:

1. Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
2. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (including Independence Standards)(the Code) that are relevant to our audit of the financial report in Australia; and we have 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 opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and 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 upon 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.

Directors' Responsibilities

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 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 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 Australian Auditing Standards, we exercise professional judgment 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity 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 consolidated financial statements represent 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 are also required to 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, actions taken to eliminate threats or safeguards applied.

The engagement partner on the audit resulting in this independent auditor's report is Robert Nielson.

LNP Audit and Assurance Pty Ltd

A handwritten signature in black ink, appearing to be 'RN', with a long horizontal line extending to the right.

Robert Nielson

Director

Sydney

6 November 2020