

St George Rowing Club Limited

ABN 15 318 390 356

Annual Report - 30 June 2020

St George Rowing Club Limited
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For the period ended 30 June 2020

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St George Rowing Club Limited
Directors' report
For the period ended 30 June 2020

The directors present their report, together with the financial statements, on the Club for the three months ended 30 June 2020.

Directors

The following persons were directors of the Club during the whole of the financial period and up to the date of this report, unless otherwise stated:

Glenn Chuter - Chair
Steven Harrison - Captain
John O'Brien - Director
Mark Featherstone - Director
Kevin Mansfield - Director
Anna McGlynn (appointed 5 August 2020)

Principal activities

The principal continuing activities of the Club during the period consisted of the promotion of and participation in the sport of amateur rowing and the operations of a registered club. No changes in these operations occurred during the period.

How these activities assist in achieving the objectives

The Principal activities of the club are aligned with the short and long term objectives.

Objectives

The Club's objectives are to continue to promote and participate in amateur rowing and provide a comfortable atmosphere and facilities for members and visitors to enjoy through the sustainable management of a Registered Club business.

Short term

- To manage the Club's revenue to ensure the ongoing financial viability of the Club for the benefit of all members and community stakeholders;
- To maintain modern facilities, services and amenities for the benefit of the local community;
- To ensure ongoing legislated compliance and best practice principles; and
- To support the competitive and social endeavours of amateur rowers and local sports.

Long term

- Continual improvement of the Club's business to provide a sustainable local community resource;
- To maintain the Club as an integral part of the local community; and
- To provide continuing support for the community by ensuring ongoing employment, investment in facilities and direct contributions to not-for-profit community organisations.

Strategy for achieving the objectives

- Forecasting and measuring income and expenditure expectations based on prior results and identified industry and local trends;
- Ongoing investigation to other opportunities to strengthen the Club's financial position;
- Providing members and guests with a range of activities to foster participation;
- Regular training, attendance at industry seminars and on line learning for Board and management; and
- Maintaining relationships with local community organisations.

Key performance indicators

- Monthly review of financial performance to forecast expectations and prior year results;
- Monthly review of departmental results to verified industry and regional results where available;
- Monthly review of membership growth; and
- Regular meetings with local community groups.

St George Rowing Club Limited
Directors' report
For the period ended 30 June 2020

Operating Results

The deficit of the Club for the 3 months ended 30 June 2020 amounted to \$133,322 (12 months ended 31 March 2020: surplus \$332,236).

Information on directors

Name:	Glen Chuter
Title:	Chairman
Experience and expertise:	Director since May 2017 (3 years)
Name:	Steven Harrison
Title:	Director
Qualifications:	Chemical Engineer
Experience and expertise:	Director since June 2009 (11 years)
Name:	John O'Brien
Title:	Director
Experience and expertise:	Director since June 2017 (3 years)
Name:	Mark Featherstone
Title:	Director
Experience and expertise:	Director since November 2017 (3 years)
Name:	Kevin Mansfield
Title:	Director
Experience and expertise:	Director since March 2019 (1 year)
Name:	Anna McGlynn
Title:	Director
Experience and expertise:	Director since August 2020 (4 months)

Meetings of directors

The number of meetings of the Club's Board of Directors ('the Board') held during the period ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board Attended	Held
Glen Chuter	3	3
Steven Harrison	3	3
John O'Brien	3	3
Mark Featherstone	3	3
Kevin Mansfield	2	3

Held: represents the number of meetings held during the time the director held office.

Membership

The Club is a company limited by guarantee and is without share capital. The Club currently has 2,867 members for the 3 months ended 30 June 2020 (12 months ended 31 March 2020: 2,924).

Members' Limited Liability

In accordance with the constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$20 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up for the 3 months ended 30 June 2020 is \$57,340 (12 months ended 31 March 2020: \$58,480).

St George Rowing Club Limited
Directors' report
For the period ended 30 June 2020

Members' Limited Liability

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Significant changes in the year

During the period, the directors applied to the regulator, the Australian Securities and Investments Commission (ASIC), to amend the financial year of the Club from 31 March to 30 June in order to align the Club's year-end to both the financial year end of the ATO and Rowing Season. Accordingly this financial report represents the period 1 April 2020 to 30 June 2020 as required by the Corporations Act to facilitate a change in financial year end.

The Club was forced to cease operations on 23 March 2020. Management registered the Club for stimulus measures available while trade ceased. The Club reopened in June 2020, subsequent to reopening the Club continued receiving stimulus measures available during the COVID-19 pandemic.

Where eligible, the Club continues to apply for eligible stimulus relief measures. In respect of future measures, as these are announced by the Australian Government the Board will assess whether the Club's eligibility and consideration will be given to the potential benefit from accessing these measures with reference to the Club's strategic priorities.

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.

Environmental Issues

The Directors believe the Club has complied with all significant environmental regulation under a law of commonwealth or of a state or territory.

Indemnifying officer or auditor

During the year, the Club effected a Directors and Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors and officers of the Club.

The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.


No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors


Glen Chuter
Chairman

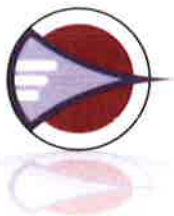

Steven Harrison
Director

30 November 2020

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INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF ST GEORGE ROWING CLUB

We hereby declare that to the best of our knowledge and belief during the period ended 30 June 2020, there have been:

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

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

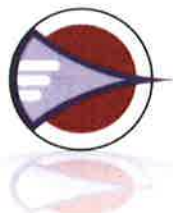
Dated

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST GEORGE ROWING CLUB LIMITED

Audit Opinion

We have audited the accompanying financial report of St George Rowing Club Limited ("the Club") which comprises the statement of financial position as at 30 June 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Club.

In our opinion the accompanying financial report of St George Rowing Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Club's financial position as at 30 June 2020 and of its performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) 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 APES 110 Code of Ethics for Professional Accountants (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.

Emphasis of matter

We draw attention to note 27 in the financial report, which indicates that the financial impact of the global pandemic, COVID-19, cannot be reliably measured at the time of the issue of the financial report. Our opinion is not modified in respect of this matter.



Directors' Responsibilities for the Financial Report

The Directors of the Club 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 Club'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 Club or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.




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

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

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor



Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

30 November 2020

St George Rowing Club Limited
Statement of profit or loss and other comprehensive Income
For the period ended 30 June 2020

	Note	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
Revenue	4	124,635	4,443,825
Other income	5	302,641	10,580
Expenses			
Cost of goods sold		(8,648)	(856,044)
Entertainment, marketing and promotional costs		(4,066)	(179,993)
Professional service expenses		(29,109)	(33,578)
Employee benefits expenses		(303,194)	(1,492,177)
Poker machine licences and taxes expense		(3,984)	(239,008)
Depreciation and amortisation expense	20	(116,240)	(478,239)
Occupancy expenses		(1,111)	(17,376)
Doubtful debts expense		-	(5,625)
Insurance expenses		(16,728)	(60,643)
Motor vehicle expenses		(1,553)	(8,085)
Rowing expenses		-	(13,606)
Clubhouse amenities		(13,470)	(126,976)
Repairs and maintenance expenses		(10,645)	(157,771)
Subscription expenses		(1,519)	(52,564)
Security expenses		(9,549)	(83,196)
Finance costs	21	(11,312)	(60,758)
Cleaning expenses		(3,351)	(75,982)
Loss on disposal of assets		(3,122)	-
Other expenses		(22,997)	(180,548)
Surplus/(deficit) before income tax expense		(133,322)	332,236
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the period	19	(133,322)	332,236
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		<u>(133,322)</u>	<u>332,236</u>

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

St George Rowing Club Limited
Statement of financial position
As at 30 June 2020

	Note	30 June 2020 \$	31 March 2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	956,165	1,250,204
Trade and other receivables	7	172,258	6,951
Inventories	8	21,927	6,442
Other	9	114,484	106,330
Total current assets		<u>1,264,834</u>	<u>1,369,927</u>
Non-current assets			
Property, plant and equipment	10	1,802,799	1,779,216
Right-of-use assets	11	921,210	946,062
Intangibles	12	71,046	71,046
Total non-current assets		<u>2,795,055</u>	<u>2,796,324</u>
Total assets		<u>4,059,889</u>	<u>4,166,251</u>
Liabilities			
Current liabilities			
Trade and other payables	13	187,110	159,414
Lease liabilities	14	77,149	75,886
Employee benefits	15	65,879	39,012
Other	16	126,183	146,205
Total current liabilities		<u>456,321</u>	<u>420,517</u>
Non-current liabilities			
Lease liabilities	17	878,782	898,596
Employee benefits	18	10,970	-
Total non-current liabilities		<u>889,752</u>	<u>898,596</u>
Total liabilities		<u>1,346,073</u>	<u>1,319,113</u>
Net assets		<u>2,713,816</u>	<u>2,847,138</u>
Equity			
Retained surpluses	19	<u>2,713,816</u>	<u>2,847,138</u>
Total equity		<u>2,713,816</u>	<u>2,847,138</u>

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

St George Rowing Club Limited
Statement of changes in equity
For the period ended 30 June 2020

	Retained surpluses \$	Total equity \$
Balance at 1 April 2019	2,514,902	2,514,902
Surplus after income tax expense for the period	332,236	332,236
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	<u>332,236</u>	<u>332,236</u>
Balance at 31 March 2020	<u>2,847,138</u>	<u>2,847,138</u>
	Retained surpluses \$	Total equity \$
Balance at 1 April 2020	2,847,138	2,847,138
Deficit after income tax expense for the period	(133,322)	(133,322)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	<u>(133,322)</u>	<u>(133,322)</u>
Balance at 30 June 2020	<u>2,713,816</u>	<u>2,713,816</u>

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

St George Rowing Club Limited
Statement of cash flows
For the period ended 30 June 2020

	Note	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		107,720	4,908,057
Payments to suppliers and employees (inclusive of GST)		(407,407)	(4,134,609)
Interest received		123	10,580
Interest costs		(11,312)	(60,758)
Government stimulus: COVID-19		164,000	-
Net cash from/(used in) operating activities		(146,876)	723,270
Cash flows from investing activities			
Payments for property, plant and equipment	10	(118,093)	(428,484)
Proceeds from disposal of property, plant and equipment		-	6,415
Net cash used in investing activities		(118,093)	(422,069)
Cash flows from financing activities			
Repayment of borrowings		(29,070)	(115,164)
Net cash used in financing activities		(29,070)	(115,164)
Net increase/(decrease) in cash and cash equivalents		(294,039)	186,037
Cash and cash equivalents at the beginning of the financial period		1,250,204	1,064,167
Cash and cash equivalents at the end of the financial period	6	956,165	1,250,204

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

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 1. General information

The financial statements cover St George Rowing Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is St George Rowing Club Limited's functional and presentation currency.

St George Rowing Club Limited is a not-for-profit unlisted public company limited by guarantee.

During the period, the directors applied to the regulator, the Australian Securities and Investments Commission (ASIC), to amend the financial year of the Club from 31 March to 30 June in order to align the Club's year-end to both the financial year end of the ATO and Rowing Season. Accordingly this financial report represents the period 1 April 2020 to 30 June 2020 as required by the Corporations Act to facilitate a change in financial year end.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 November 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparatives

Certain comparative figures have been reclassified to conform to the current year's presentation.

Revenue recognition

The entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 2. Significant accounting policies (continued)

Sale of goods

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significance risks and rewards of ownership of the goods.

Rendering of services

Rendering of services revenue is measured by reference to the stage of completion of the transaction.

Rent revenue

Rent revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Membership revenue

Membership revenue is recognised on a proportional basis over the period of the membership.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The directors are of the opinion that the Club is exempt from income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Note 2. Significant accounting policies (continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	10-20 years
Plant, furniture and fittings	3-15 years
Motor vehicles	4 years
Boats and rowing equipment	2-10 years
Poker machines	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of Intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Poker machine entitlements are not amortised. Instead poker machines entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment issues.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

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

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

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

Goodwill and other indefinite life intangible assets

The entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of property, plant and equipment

The entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Government Stimulus Measures

In response to the COVID-19 pandemic, the Company assessed its eligibility for and applied to the Federal Government to receive available stimulus measures. These measures were received during and after the financial year. Where eligible, the Company continues to apply for eligible stimulus relief measures. In respect of future measures, as these are announced by the Australian Government management will assess the Company's eligibility and consideration will be given to the potential benefit from accessing these measures. These measures may have a material financial effect on the financial report should the assumptions underpinning the eligibility change or in the unlikely event of an independent review refuting the Company's entitlement to these measures. At the date the financial report is authorised for issue, the Board considers the Company eligible for the stimulus measures and accordingly the assets of the Company recoverable in the ordinary course of business.

Note 4. Revenue

	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
<i>Sales revenue</i>		
Bar sales	16,764	850,730
Catering sales	26,375	1,000,475
Poker machine net clearances	43,542	1,582,922
Function revenue	182	548,576
Boatshed revenue	6,671	30,018
Tobacco and vending machine sales	16	2,372
Commissions received	164	51,699
Membership revenue	5,123	55,439
Raffle revenue	-	2,425
	<u>98,837</u>	<u>4,124,656</u>
<i>Other revenue</i>		
Boatshed rental revenue	16,248	72,560
Gain on disposal of assets	-	21,033
Grant revenue - Boat racking upgrade	-	185,878
Other revenue	9,550	39,698
	<u>25,798</u>	<u>319,169</u>
Revenue	<u>124,635</u>	<u>4,443,825</u>

Note 5. Other income

	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
Government Stimulus: COVID-19	302,518	-
Interest received	123	10,580
Other income	<u>302,641</u>	<u>10,580</u>

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 6. Current assets - cash and cash equivalents

	30 June 2020 \$	31 March 2020 \$
Cash at bank	<u>956,165</u>	<u>1,250,204</u>

Note 7. Current assets - trade and other receivables

	30 June 2020 \$	31 March 2020 \$
Trade receivables	62,130	52,227
Less: Allowance for expected credit losses	<u>(45,276)</u>	<u>(45,276)</u>
	<u>16,854</u>	<u>6,951</u>
Other receivables	138,518	-
BAS receivable	<u>16,886</u>	<u>-</u>
	<u>155,404</u>	<u>-</u>
	<u>172,258</u>	<u>6,951</u>

Note 8. Current assets - inventories

	30 June 2020 \$	31 March 2020 \$
Stock on hand - at cost	<u>21,927</u>	<u>6,442</u>

Note 9. Current assets - other

	30 June 2020 \$	31 March 2020 \$
Prepayments	<u>114,484</u>	<u>106,330</u>

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 10. Non-current assets - property, plant and equipment

	30 June 2020 \$	31 March 2020 \$
Leasehold improvements - at cost	1,633,951	1,534,396
Less: Accumulated depreciation	(650,636)	(629,508)
	<u>983,315</u>	<u>904,888</u>
COMO Boatshed improvements - at cost	55,907	55,907
Less: Accumulated depreciation	(8,364)	(6,827)
	<u>47,543</u>	<u>49,080</u>
Plant, furniture and fittings - at cost	1,073,872	1,062,179
Less: Accumulated depreciation	(696,419)	(661,987)
	<u>377,453</u>	<u>400,192</u>
Motor vehicles - at cost	53,019	53,019
Less: Accumulated depreciation	(53,019)	(53,019)
	<u>-</u>	<u>-</u>
Boats and rowing equipment - at cost	509,215	509,215
Less: Accumulated depreciation	(225,132)	(210,620)
	<u>284,083</u>	<u>298,595</u>
Poker machines - at cost	614,084	614,084
Less: Accumulated depreciation	(503,679)	(487,623)
	<u>110,405</u>	<u>126,461</u>
	<u><u>1,802,799</u></u>	<u><u>1,779,216</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Leasehold Improvements \$	Plant, furniture and fittings \$	Boats and rowing equipment \$	Poker machines \$	Total \$
Balance at 1 April 2020	953,969	400,190	298,596	126,461	1,779,216
Additions	104,656	13,437	-	-	118,093
Disposals	(2,607)	(515)	-	-	(3,122)
Depreciation expense	(25,159)	(35,659)	(14,512)	(16,058)	(91,388)
Balance at 30 June 2020	<u><u>1,030,859</u></u>	<u><u>377,453</u></u>	<u><u>284,084</u></u>	<u><u>110,403</u></u>	<u><u>1,802,799</u></u>

Core and Non-Core Property

The buildings at 1 Levey Street, Wolli Creek, NSW 2305 are considered Core Property of the Club.

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 11. Non-current assets - right-of-use assets

	30 June 2020 \$	31 March 2020 \$
Building and Parking lot	1,045,471	1,045,471
Less: Accumulated depreciation	(124,261)	(99,409)
	<u>921,210</u>	<u>946,062</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Building and Parking lot \$	Total \$
Balance at 1 April 2020	946,062	946,062
Depreciation expense	(24,852)	(24,852)
Balance at 30 June 2020	<u>921,210</u>	<u>921,210</u>

Note 12. Non-current assets - intangibles

	30 June 2020 \$	31 March 2020 \$
Gaming machines entitlements	<u>71,046</u>	<u>71,046</u>

Note 13. Current liabilities - trade and other payables

	30 June 2020 \$	31 March 2020 \$
Trade payables	62,872	84,784
Poker machine duty	2,718	-
BAS payable	(5)	9,165
Other payables and accruals	121,525	65,465
	<u>187,110</u>	<u>159,414</u>

Note 14. Current liabilities - lease liabilities

	30 June 2020 \$	31 March 2020 \$
Lease liability	<u>77,149</u>	<u>75,886</u>

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 15. Current liabilities - employee benefits

	30 June 2020 \$	31 March 2020 \$
Annual leave	<u>65,879</u>	<u>39,012</u>

Note 16. Current liabilities - Other

	30 June 2020 \$	31 March 2020 \$
Deposits received	25,191	24,741
Revenue received in advance	48,752	65,000
Membership subscriptions received in advance	38,118	42,342
Grant revenue received in advance	<u>14,122</u>	<u>14,122</u>
	<u>126,183</u>	<u>146,205</u>

Note 17. Non-current liabilities - lease liabilities

	30 June 2020 \$	31 March 2020 \$
Lease liability	<u>878,782</u>	<u>898,596</u>

Note 18. Non-current liabilities - employee benefits

	30 June 2020 \$	31 March 2020 \$
Long service leave	<u>10,970</u>	<u>-</u>

Note 19. Equity - retained surpluses

	30 June 2020 \$	31 March 2020 \$
Retained surpluses at the beginning of the financial period	2,847,138	2,514,902
Surplus/(deficit) after income tax expense for the period	<u>(133,322)</u>	<u>332,236</u>
Retained surpluses at the end of the financial period	<u>2,713,816</u>	<u>2,847,138</u>

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 20. Depreciation

	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
Depreciation of property, plant and equipment	91,388	378,830
Depreciation of right-of-use asset	24,852	99,409
	<u>116,240</u>	<u>478,239</u>

Note 21. Interest and finance cost paid

	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
Interest expense	793	16,584
Interest - lease liability (AASB 16)	10,519	44,174
	<u>11,312</u>	<u>60,758</u>

Note 22. Leasing

	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
Impact of AASB 16		
Rent incurred under the previous accounting standard	(29,070)	(115,164)
Interest incurred on unwind of lease liability	10,519	44,174
Depreciation of right-of-use lease asset	24,852	99,409
	<u>6,301</u>	<u>28,419</u>
	3 months ended 30 June 2020	12 months ended 31 March 2020
Operating lease commitments at 1 April 2020 under AASB 117	1,217,179	1,217,179
Discount and interest for adoption of AASB 116	(171,708)	(171,708)
	<u>1,045,471</u>	<u>1,045,471</u>
	30 June 2020 \$	31 March 2020 \$
Lease liabilities		
Current	77,149	75,886
Non-current	878,782	898,596
	<u>955,931</u>	<u>974,482</u>

St George Rowing Club Limited
Notes to the financial statements
For the period ended 30 June 2020

Note 22. Leasing (continued)

Lease payments not recognised as liability

The company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Note 23. Key management personnel disclosures

Compensation

Key management of the Club are the Board of Directors, chief executive officer and operations manager. Directors do not receive remuneration. Key management personnel remuneration includes the following aggregate compensation:

	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
Aggregate compensation	<u>60,688</u>	<u>212,021</u>

Note 24. Contingent liabilities

The Club has given the following bank guarantees:

	30 June 2020 \$	31 March 2020 \$
Rockdale City Council Footpath Protection	<u>6,000</u>	<u>6,000</u>

Note 25. Commitments

Operating lease commitments includes contracted amounts for the Clubhouse land and car park, and the COMO boatshed under non-cancellable operating leases expiring in 2029 and 2028 respectively. These leases have escalation clauses and payments will increase annually in line with the consumer price index.

Note 26. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Transactions with related parties

The following transactions occurred with related parties:

	3 months ended 30 June 2020 \$	12 months ended 31 March 2020 \$
Director training, meals and refreshments	106	4,908
Purchase of material from Kevin Mansfield - Cullen Steel Fabrication	-	53,320

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 26. Related party transactions (continued)

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Events after the reporting period

The announcement by the World Health Organization regarding to the global pandemic outbreak of COVID-19 and the response of the Australian Government may materially affect the operations of the company in future financial periods. Since the declaration of the pandemic, COVID-19, management registered the company for available stimulus and relief packages. Where eligible, the Company continues to apply for eligible stimulus relief measures. In respect of future measures, as these are announced by the Australian Government the Board will assess whether the Company's eligibility and consideration will be given to the potential benefit from accessing these measures with reference to the Company's strategic priorities and financial position. At the date of this report, the Board and management believe the company has sufficient resources to continue operations.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

St George Rowing Club Limited
Directors' declaration
for the period ended 30 June 2020

in the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Club's financial position as at 30 June 2020 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Glen Chuter
Chairman



Steven Harrison
Director

30 November 2020