

MAGPIES
SPORTS CLUB



MAGPIES
GOLF CLUB

**BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117**

**FINANCIAL REPORT
FOR THE YEAR ENDED
3 JULY 2019**

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 3 July 2019.

Directors

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

Mr Andrew Smith
Mr Brendan Read
Mr Daryl Read
Mr Tim Xirakis – resigned 23 November 2018
Mr Peter Bradley
Mr Mark French – resigned 18 March 2019
Mr Greg Cupitt
Mr David Byatt – resigned 9 April 2019
Joanne Foster – commenced 23 November 2018
Melita Zielonko - commenced 18 March 2019
Jack Harper – commenced 9 April 2019
Jack Harper – resigned 16 November 2019

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the company during the financial year were the operation of licensed clubs for its members and guests, and the promotion and development of the sport of Australian Rules Football.

Short term and long term objectives

The Club's short and long term objectives are to encourage and provide competitive facilities across our venues and protect and grow the financial position of the group.

Strategies

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

- (a) Maintain or increase existing revenue levels and control costs to continue profitability which will allow the Group's premises to be continually improved; and
- (b) Ensure we are profitable at a level where we can make a significant contribution to local sport.

Measurement of Key Performance Indicators

These strategies are measured through both financial and non-financial key performance indicators that have been developed relevant to the club industry.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

DIRECTORS' REPORT (continued)

Information on Directors

Mr Andrew Smith	–	President (Re-appointed in March 2019)
Experience	–	Director for 18 years
Qualifications	–	Commercial director of real estate
Mr Brendan Read	–	Vice-President (Re-appointed in March 2019)
Experience	–	Director for 6 years
Qualifications	–	Business owner
Mr Daryl Read	–	Director
Experience	–	Director for 10 years
Qualifications	–	Business owner
Mr Peter Bradley	–	Director
Experience	–	Director for 8 years
Qualifications	–	Finance background
Mr Greg Cupitt	–	Director
Experience	–	Director for 3 years
Qualifications	–	Media consultant
Ms Joanne Foster	–	Director & Secretary
Experience	–	Director for 1 year
Qualifications	–	Legal officer
Ms Melita Zielonko	–	Director
Experience	–	Director for 1 year
Qualifications	–	Golf club consultant
Mr Jack Harper		Director
Experience	–	Director for 1 year
Qualifications	–	Football Club General Manager

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

DIRECTORS' REPORT (continued)

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:


Directors' Meetings		
	Number eligible to attend	Number attended
Mr Andrew Smith	12	12
Mr Brendan Read	12	12
Mr Daryl Read	12	12
Mr Tim Xirakis	5	0
Mr Peter Bradley	12	10
Mr Mark French	8	7
Mr Greg Cupitt	12	12
Mr David Byatt	9	6
Mr Jack Harper	3	3
Ms Joanne Foster	7	6
Ms Melita Zielonko	3	3

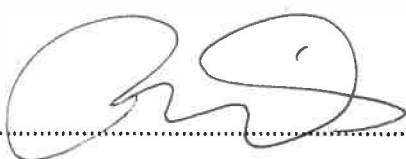
The company is incorporated under the *Corporations Act 2011* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the company. At 3 July 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$28,940 (2018: \$58,545).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 3 July 2019 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director.....

Director.....

Dated: 10/6/2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BELCONNEN MAGPIES SPORTS CLUB LIMITED

As auditor for the audit of Belconnen Magpies Sports Club Limited, I declare that, to the best of my knowledge and belief, during the year ended 3 July 2019 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Shane Bellchambers, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 11 day of June 2020

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 3 JULY 2019

	NOTE	2019 \$	2018 \$
Revenue	2a	3,408,456	3,345,812
Employee benefits expense		(965,459)	(1,358,021)
Depreciation	3	(229,913)	(363,056)
Finance costs	3	(190,060)	(65,551)
Cost of sales	3	(168,997)	(535,254)
Poker machine tax and license		(33,853)	(94,205)
Sponsorship		(92,070)	(109,396)
Promotions		(50,860)	(129,124)
Repairs and maintenance		(101,971)	(254,126)
Security		(9,113)	(79,967)
Amenities		(93,434)	(296,671)
Golf course water and power	3	(112,246)	(123,797)
Insurance		(103,906)	(80,045)
Cleaning		(44,322)	(68,735)
Rent	3	(73,267)	(2,716)
Other expenses		(540,338)	(340,975)
Lease variation fee		(620,547)	-
Total expenses		<u>(3,430,356)</u>	<u>(3,901,639)</u>
(Loss) Profit before income tax		<u>(21,900)</u>	<u>(555,827)</u>
Income tax expense	21	<u>-</u>	<u>-</u>
(Loss) for the year		<u>(21,900)</u>	<u>(555,827)</u>
Other comprehensive income for the year			
Gain on revaluation of land and buildings		<u>2,423,041</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of the entity		<u><u>2,401,141</u></u>	<u><u>(555,827)</u></u>

The accompanying notes form part of these financial statements

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

STATEMENT OF FINANCIAL POSITION
AS AT 3 JULY 2019

	NOTE	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	303,015	185,895
Trade and other receivables	5	198,931	167,399
Other current assets	6	99,142	21,507
Inventories	7	36,170	29,822
Financial assets	8	<u>30,000</u>	<u>10,000</u>
TOTAL CURRENT ASSETS		<u>667,258</u>	<u>414,623</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,975,646	2,650,833
Other assets – lease incentive		<u>223,958</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>7,199,604</u>	<u>2,650,833</u>
TOTAL ASSETS		<u>7,866,862</u>	<u>3,065,456</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	460,598	278,720
Income in advance	11	180,682	219,667
Short-term borrowings	12	332,857	182,909
Short-term provisions	13	<u>105,942</u>	<u>192,275</u>
TOTAL CURRENT LIABILITIES		<u>1,080,079</u>	<u>873,571</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	12	<u>2,977,857</u>	<u>784,100</u>
TOTAL NON-CURRENT LIABILITIES		<u>2,977,857</u>	<u>784,100</u>
TOTAL LIABILITIES		<u>4,057,936</u>	<u>1,657,671</u>
NET ASSETS		<u>3,808,926</u>	<u>1,407,785</u>
EQUITY			
Retained earnings		1,385,885	1,407,785
Reserves		<u>2,423,041</u>	<u>-</u>
TOTAL EQUITY		<u>3,808,926</u>	<u>1,407,785</u>

The accompanying notes form part of these financial statements

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 3 JULY 2019

	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$
Balance at 28 June 2017	-	1,963,612	1,963,612
Total comprehensive income for the year			
(Loss) attributable to members	-	(555,827)	(555,827)
Total comprehensive income for the year	-	1,407,785	1,407,785
Balance at 4 July 2018	-	1,407,785	1,407,785
Total Comprehensive income for the year			
(Loss) attributable to members	-	(21,900)	(21,900)
Revaluation of land and buildings	2,423,041	-	2,423,041
Total comprehensive income for the year	2,423,041	(21,900)	2,401,141
Balance at 3 July 2019	2,423,041	(21,900)	3,808,926

The accompanying notes form part of these financial statements

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 3 JULY 2019

	NOTE	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and customers		2,383,376	3,574,015
Payments to suppliers and employees		(2,876,768)	(3,871,077)
GST remitted to the ATO		81,437	(118,182)
Interest paid		(190,060)	(65,550)
Interest received		<u>261</u>	<u>978</u>
Net cash (used in) operating activities		<u>(601,754)</u>	<u>(479,816)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,206,529)	(148,646)
Proceeds from disposal of plant and equipment		600,000	-
Payment for term deposits		<u>(20,000)</u>	<u>-</u>
Net cash (used in) investing activities		<u>(626,529)</u>	<u>(148,646)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings and leases		(319,133)	(53,971)
Proceeds from borrowings		<u>1,664,536</u>	<u>360,000</u>
Net cash generated from financing activities		<u>1,345,403</u>	<u>306,029</u>
Net increase / (decrease) in cash held		117,120	(322,433)
Cash and cash equivalents at beginning of year		<u>185,895</u>	<u>508,328</u>
Cash and cash equivalents at end of year	4	<u><u>303,015</u></u>	<u><u>185,895</u></u>

The accompanying notes form part of these financial statements

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 3 July 2019

The financial statements are for the Belconnen Magpies Sports Club Limited as an individual company, incorporated and domiciled in Australia. The Belconnen Magpies Sports Club Limited is a company limited by guarantee.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Belconnen Magpies Sports Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company is a not-for-profit company for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 10 June 2020 by the directors of the company.

Changes to Accounting Policy

Belconnen Magpies Sports Club Limited has adopted AASB 9 with a date of initial application of 1 January 2019.

Classification of financial assets and financial liabilities

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

	Classification under AASB 139	Classification under AASB 9	Change in carrying amount at adoption
Financial assets			
Trade and other receivables	Loans and receivables	Amortised cost	Nil
Term deposits	Held to maturity	Amortised cost	Nil
Financial liabilities			
Trade and other payables	Other financial liabilities	Amortised cost	Nil

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

(a) Revenue

Revenue from sale of goods and services, including gaming revenue is recognised upon the delivery of the service to the customers.

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

All revenue is stated net of the amount of goods and services tax.

(b) Income Tax

The company applies the principal of mutuality, whereby income from members is excluded from the assessable income of the company. As a result of carried forward losses, no income tax is payable.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

(c) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding leasehold land, is depreciated on a straight-line basis (with the exception of motor vehicles which use prime cost) over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, Plant and Equipment (Continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10% - 50% Diminishing Value
Poker Machines	15% - 50% Diminishing Value
Buildings	2.5% - 10% Straight line
Motor Vehicles	25% - 33.3% Diminishing Value

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

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

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

(f) Financial Instruments

Financial instruments are recognised initially on the date that the company becomes party to the contractual provisions of the instrument.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

Impairment of Financial Assets

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or company of financial assets is impaired.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (continued)

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets. The entity does not hold any financial assets at fair value through profit and loss or at fair value through other comprehensive income.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The entity's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (continued)

Financial liabilities

The entity measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

(g) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries, annual leave and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Employee Benefits

Other long-term employee benefits

The company classifies employees' long service leave and some annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

(i) Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117**

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Critical accounting estimates and judgements

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

Key Estimates

Valuation of land and buildings

The buildings were independently valued at 23 May 2018 by Frank Night LLP and was revalued to \$5,500,000 on an as complete basis in the 2019 financial year. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the traditional capitalisation approach, where the market yield of the operation was considered and applied to an estimate of the future maintainable earnings, and the direct comparison approach. The valuation resulted in a revaluation increase of \$2,423,041 in the revaluation reserve and \$2,423,041 gain on revaluation in the comprehensive income statement for the year ended 3 July 2019.

At 3 July 2019, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in the assumptions at 3 July 2019. The directors therefore believe the carrying amount of the land correctly reflects the fair value less cost to sell at 3 July 2019.

Key Judgements

Employee Benefits

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the company believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the company at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the company's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

	Note	2019 \$	2018 \$
NOTE 2. REVENUE			
(a) Revenue			
Sales revenue		1,304,073	2,524,323
Members subscriptions		437,584	409,839
Green fees		191,378	178,696
Water Levy revenue	3	58,102	66,900
Other revenue		<u>68,092</u>	<u>165,076</u>
		<u>2,059,229</u>	<u>3,344,834</u>
<i>Other income</i>			
Interest		261	978
Gain on disposal of plant and equipment		<u>1,348,975</u>	<u>-</u>
Total revenue		<u><u>3,408,465</u></u>	<u><u>3,345,812</u></u>
(b) Gross Gaming Revenue			
In accordance with Section 158 (1) (c) of the <i>Gaming Act 2004</i> , we confirm that the gross gaming revenue (GST inclusive) for the Magpies Sports Club group is as follows:			
Magpies Belconnen Golf Club		580,753	318,374
Magpies Sports Club		<u>-</u>	<u>1,100,819</u>
Gross gaming revenue		<u><u>580,753</u></u>	<u><u>1,419,193</u></u>
NOTE 3. Surplus for the Year			
Expenses			
Depreciation of non-current assets			
-Building		19,454	64,814
-Plant and equipment		97,880	109,696
-Poker machine		<u>112,579</u>	<u>188,546</u>
Total depreciation		<u><u>229,913</u></u>	<u><u>363,056</u></u>
Cost of sales		168,997	535,254
Finance costs		190,060	65,551
Auditor remuneration - Audit services		19,000	20,381
Rent		73,267	2,716
Golf Course water and power			
-Water Levy revenue		58,102	66,900
-Water and power expenses		<u>(112,246)</u>	<u>(123,797)</u>
Net golf course water and power (costs)		<u><u>(54,144)</u></u>	<u><u>(56,897)</u></u>

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

	Note	2019 \$	2018 \$
NOTE 4. CASH AND CASH EQUIVALENTS			
CURRENT			
Cash on hand		63,553	36,811
Cash at bank		<u>239,462</u>	<u>149,084</u>
Total cash and cash equivalents	19	<u>303,015</u>	<u>185,895</u>
NOTE 5. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		<u>198,931</u>	<u>167,399</u>
Total current trade and other receivables	19	<u>198,931</u>	<u>167,399</u>
NOTE 6. OTHER CURRENT ASSETS			
CURRENT			
Prepayments		75,925	21,507
Rent incentive		20,834	-
Other assets		<u>2,383</u>	<u>-</u>
		<u>99,142</u>	<u>21,507</u>
NON-CURRENT			
Rent incentive		<u>223,958</u>	<u>-</u>
		<u>323,100</u>	<u>21,507</u>
NOTE 7. INVENTORIES			
CURRENT			
Bar and bistro inventory – at cost		<u>36,170</u>	<u>29,822</u>
NOTE 8. FINANCIAL ASSETS			
CURRENT			
Held-to-maturity financial assets		<u>30,000</u>	<u>10,000</u>
(a) Held-to-maturity financial assets:			
Deposit	19	<u>30,000</u>	<u>10,000</u>

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

	2019	2018
	\$	\$
NOTE 9. PROPERTY, PLANT & EQUIPMENT		
BUILDINGS		
At valuation	5,500,000	2,601,900
Less accumulated depreciation	<u>(19,454)</u>	<u>(393,106)</u>
Total buildings	<u>5,480,546</u>	<u>2,208,794</u>
PLANT AND EQUIPMENT		
At cost	1,298,523	2,346,637
Less accumulated depreciation	<u>(379,747)</u>	<u>(2,197,254)</u>
Total plant and equipment	<u>918,776</u>	<u>149,383</u>
POKER MACHINES		
At cost	3,172,741	3,407,854
Less accumulated depreciation	<u>(2,596,417)</u>	<u>(3,115,198)</u>
Total poker machines	<u>576,324</u>	<u>292,656</u>
Total property, plant and equipment	<u><u>6,975,646</u></u>	<u><u>2,650,833</u></u>

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:

	Buildings	Plant and Equipment	Poker Machines	Total
	\$	\$	\$	\$
Balance at the beginning of year	2,208,794	149,383	292,656	2,650,833
Additions at cost	815,099	913,610	396,247	2,124,956
Revaluation	2,423,041	-	-	2,423,041
Disposals at cost	-	(299,077)	(631,360)	(930,437)
Depreciation write-back	53,066	252,740	631,360	937,166
Depreciation expense	<u>(19,454)</u>	<u>(97,880)</u>	<u>(112,579)</u>	<u>(229,913)</u>
Carrying amount at end of year	<u><u>5,480,546</u></u>	<u><u>918,776</u></u>	<u><u>576,324</u></u>	<u><u>6,975,646</u></u>

Asset revaluations

The buildings were independently valued at 23 May 2018 by Frank Night LLP and was revalued to \$5,500,000 on an as complete basis in the 2019 financial year. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the traditional capitalisation approach, where the market yield of the operation was considered and applied to an estimate of the future maintainable earnings, and the direct comparison approach. The valuation resulted in a revaluation increase of \$2,423,041 in the revaluation reserve and \$2,423,041 gain on revaluation expense in the comprehensive income statement for the year ended 3 July 2019.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

	NOTE	2019 \$	2018 \$
NOTE 10. TRADE AND OTHER PAYABLES			
CURRENT			
Trade creditors and accruals		408,536	274,265
GST payable		<u>52,062</u>	<u>4,455</u>
Total trade and other payables		<u>460,598</u>	<u>278,720</u>
(a) Financial liabilities at amortised cost classified as trade and other payable			
Trade and other payables - total current		<u>408,536</u>	<u>274,265</u>
Less GST (receivable) / payable		<u>52,062</u>	<u>4,455</u>
Financial liabilities as trade & other payables	19	<u>460,598</u>	<u>278,720</u>
NOTE 11. INCOME IN ADVANCE			
Carlton United Breweries rebate		-	55,000
Golf membership income in advance		<u>180,682</u>	<u>164,667</u>
		<u>180,682</u>	<u>219,667</u>
NOTE 12. BORROWINGS			
		2019 \$	2018 \$
CURRENT			
Insurance premium funding		82,570	-
Lease liability		<u>250,287</u>	<u>182,909</u>
Total current borrowings		<u>332,857</u>	<u>182,909</u>
NON-CURRENT			
Bank loan		2,324,539	660,000
Lease liability		<u>653,318</u>	<u>124,100</u>
Total non-current borrowings		<u>2,977,857</u>	<u>784,100</u>
Total borrowings	19	<u>3,310,714</u>	<u>967,009</u>

Lease liabilities are secured by the underlying leased assets.

Borrowing from the bank, which expires on 31 March 2022 is secured by the security interest and charge over all of the present and future rights and undertaking of the Company, together with the Registered Mortgage over the property. The loan was extended in August 2019.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 13. PROVISIONS

Current		
Annual leave	70,694	100,219
Long service leave	<u>35,248</u>	<u>92,056</u>
	<u>105,942</u>	<u>192,275</u>

Analysis of total provisions	Annual leave	Long service leave	Total
	\$	\$	\$
Opening balance at 28 June 2018	100,219	92,056	192,275
Net movement in year	<u>(29,525)</u>	<u>(56,808)</u>	<u>(86,333)</u>
Balance at 3 July 2019	<u>70,694</u>	<u>35,248</u>	<u>105,942</u>

Provision for Long-term Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

	2019	2018
	\$	\$
NOTE 14. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Payable – minimum lease payments		
- not later than 12 months	250,287	182,909
- between 12 months and five years	<u>653,318</u>	<u>96,678</u>
Minimum lease payments	<u>903,605</u>	<u>279,587</u>

Finance lease commitments consist of:

- Five finance leases for poker machines, three of which expire in May 2020. The forth lease expires in July 2020 and the fifth in September 2019. The poker machines are leased through NAB, Aristocrat and SG Gaming with lease payments paid monthly.
- One finance lease with NAB for golf carts. The lease commenced in January 2019 and expires in December 2022.
- Two finance leases for bar tables and stools. One with Thorn Finance which expires in November 2022; and one with Quantum Finance expiring in November 2020
- Three finance leases with Toro Finance for lawn mowers which expire in September 2021, December 2023 and February 2024.
- One finance lease with NAB for bistro equipment. The lease commenced in November 2018 and expires in November 2023.
- One finance lease with NAB for refrigeration equipment. The lease commenced in October 2018 and expires in October 2023.
- One finance lease for a printer which expires October 2023.
- One finance lease for the phone system which expires August 2022.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable – minimum lease payments		
- not later than 12 months	341,000	341,000
- between 12 months and five years	<u>341,000</u>	<u>682,000</u>
	<u>682,000</u>	<u>1,023,000</u>

The operating lease commitment above is for the property lease for the Belconnen

The initial property lease for the Belconnen Magpies Golf Club was a non-cancellable lease contracted for but not capitalised in the financial statements with a 60-month term with an option to lease for another 60 month term. After the 12-month extension from the original lease, the option was exercised, thus the newly extended lease expires on 30 June 2021.

No capital commitments exist in regards to the operating lease commitments at year-end.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 14. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities which require disclosure in the financial statements (2018: \$Nil)

NOTE 15. EVENTS AFTER THE REPORTING PERIOD

Since 3 July 2019, the COVID-19 outbreak has impacted the way of life in Australia. This has adversely affected the ability of the Company to continue operations as usual. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 3 July 2019 have not been adjusted to reflect their impact.

Refer to Note 23 for further discussion.

NOTE 16. CREDIT STAND-BY ARRANGMENT AND LOAN FACILITIES

The company has an overdraft facility of \$100,000 (2018: \$100,000) from the National Australia Bank. At 3 July 2019 \$Nil of this facility was used (2018: \$Nil). Interest rates are variable.

The company has an asset finance-leasing facility of \$450,000 (2018: \$300,000) from the National Australia Bank. At 3 July 2019, \$384,724.08 of this facility was used (2018: \$133,695). Interest rates are variable.

As at 3 July 2019, the company has a guarantee facility of \$5,000 (2018: \$10,000) which is directly set up with Tabcorp for TAB facilities at Golf Club.

NOTE 17. KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2019	2018
	\$	\$
Key management personnel compensation	<u>474,371</u>	<u>511,078</u>

NOTE 18. OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

During the financial year, Key Management Personnel and the Board of Management, under certain circumstances, had access to the golf course at no charge. The members of the Board of Management did not receive any other benefits.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 19. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable, payable and leases.

The carrying amount for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies of these financial statements, are as follows:

	NOTE	2019 \$	2018 \$
Financial Assets			
Cash and cash equivalents	4	303,015	185,895
Trade and other receivables	5	198,931	167,399
Held-to-maturity investments			
- Fixed interest securities	8	<u>30,000</u>	<u>10,000</u>
Total Financial Assets		<u>531,946</u>	<u>363,294</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	10a	460,598	278,720
- Borrowings	12	<u>3,310,714</u>	<u>967,009</u>
Total Financial Liabilities		<u>3,771,312</u>	<u>1,245,729</u>

Refer to Note 20 for detailed disclosures regarding the fair value measurement of the company's financial assets and financial liabilities.

NOTE 20. FAIR VALUE MEASUREMENTS

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	NOTE	2019 \$	2018 \$
Recurring fair value measurements			
<i>Property, plant and equipment</i>			
Buildings	9	<u>5,480,546</u>	<u>2,208,794</u>
		<u>5,480,546</u>	<u>2,208,794</u>

- (i) For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in 2019, which had used comparable market data for similar properties.

BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 21. INCOME TAX EXPENSE

	2019	2018
	\$	\$
a. The components of tax expense comprise:		
Current tax	185,921	(28,232)
Current year tax losses not recognised	-	-
Recoupment of prior year tax losses not previously brought to account	<u>(185,921)</u>	<u>28,232</u>
	<u>-</u>	<u>-</u>
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 30%)	(6,023)	(166,748)
<i>Add: Tax effect of:</i>		
Non-deductible expenses		
— expenses not deductible under the mutuality principle	637,466	1,098,911
— other expenses not deductible	<u>69,719</u>	<u>-</u>
	<u>707,185</u>	<u>932,163</u>
<i>Less: Tax effect of:</i>		
Adjustment for deductible expenses		
— income not assessable due to the mutuality principle	(428,274)	(960,395)
— other income not assessable	<u>(86,968)</u>	<u>-</u>
Income tax attributable to the entity	<u>(185,921)</u>	<u>(28,232)</u>
Current year tax losses not recognised	-	-
Tax losses recouped	<u>185,921</u>	<u>28,232</u>
Income tax attributable to the company	<u>-</u>	<u>-</u>
Applicable weighted average effective tax rates:	0%	0%

**BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117**

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 3 JULY 2019

NOTE 22. COMPANY DETAILS

The registered office of the company is:

Belconnen Magpies Sports Club
76 Hardwick Crescent
Holt ACT 2615

The principal places of business are:

Belconnen Magpies Sports Club
76 Hardwick Crescent
Holt ACT 2615

Belconnen Magpies Golf Club
Stockdill Drive
Holt ACT 2615

NOTE 23. GOING CONCERN – MATERIAL UNCERTAINTY

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its debts as and when they fall due.

During the financial year ending 3 July 2019 the Company made a loss of \$21,900. As at 3 July 2019 the Company's current liabilities exceeded its current assets by \$188,855.

Since 3 July 2019, the consequences of the COVID-19 outbreak have adversely affected the ability of the Company to continue operations as usual and have negatively impacted on its operating results. In accordance with national guidelines, the Company has closed its doors for normal operations in response to government requirements and to ensure the wellbeing and safety of all employees and visitors.

For the 2020 financial year to 30 April, the Company has reported a profit of \$47,180 and as at 30 April 2020, the Company's current asset ratio improved (0.62 to 0.79).


It is uncertain whether, and when, the Company will return to profitability and positive cash flows from operations. These uncertainties cast significant doubt on the Company's ability to continue as a going concern.

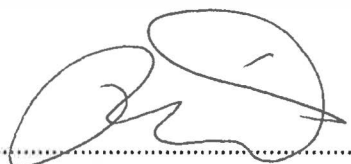
BELCONNEN MAGPIES SPORTS CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 44 525 439 117

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Belconnen Magpies Sports Club Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 28, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirement; and
 - (b) give a true and fair view of the financial position of the company as at 3 July 2019 and of its performance for the year ended on that date.
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.

Director: 

Director: 

Dated: 10/6/2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELCONNEN MAGPIES SPORTS CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Belconnen Magpies Sports Club Limited (the company), which comprises the statement of financial position as at 3 July 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

In our opinion, the financial report of Belconnen Magpies Sports Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 3 July 2019 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 23 in the financial report which indicates that the company incurred a loss of \$21,900 (2018: loss of \$555,827) and cash outflows from operations of \$601,754 during the year ended 3 July 2019 (2018: operating cash outflow of \$479,816). As at balance date, the company's current liabilities exceeded its current assets by \$412,821 (2018: \$458,948). These conditions, along with other matters described in Note 23, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 3 July 2019 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELCONNEN MAGPIES SPORTS CLUB LIMITED

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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



Shane Bellchambers, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 11 day of June 2020