

UPPER HORTON SPORTS CLUB LIMITED

ABN 11 000 996 994

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 49th Annual General Meeting of the members of the Upper Horton Sports Club Limited will be held at the Registered Office of the Company at Cobbadah Street, Upper Horton, on Sunday, 19th January, 2020 at 5.00 p.m.

AGENDA

1. To read and confirm the Minutes of the Last Annual General Meeting held on the 16th December, 2018.
2. To receive and consider the Annual Reports and Financial Statements for the year ended 31st August, 2019, together with the Auditor's Report thereon.
3. To elect Directors and Committees in accordance with the Memorandum of Articles.
4. To transact any other business that may be legally brought forward in accordance with the Articles of Association.
5. To deal with any other business of which due notice has been given.

By order of the Board Directors.



N. I. Kelly
PRESIDENT

Dated: 12th December, 2019

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST, 2019

PHILIP MALTBY & CO.
Chartered Accountant
Bingara

UPPER HORTON SPORTS CLUB LIMITED

ABN 11 000 996 994

DIRECTORS REPORT

Your directors submit the Financial Accounts for the Club for the year ended 31st August, 2019.

The names of the Directors in office during and to the date of this report are:

N.I. Kelly	(President)	P.D. Mason	(Treasurer)
S.J. Steiger		S.A. Gillogly	
P.W. Kelly		R.N. Todd	
J. Mack		S. Walker	
R.S. Turnbull			

COMPANY SECRETARY

The following person held the position of UPPER HORTON SPORTS CLUB LIMITED secretary at the end of the financial year.

CASSIE S. TURNER

PRINCIPAL ACTIVITY

The principal activity of the Club during the financial year was the promotion of sport and the provision of amenities for members.

No significant changes in the nature of the activity occurred during the year.

OPERATING RESULTS

The loss for the year was \$33,298.03. There was no income tax expense for the year as the Club is currently exempt from income tax under terms of (sec 50-45) of the Income Tax Assessment Act, 1997. However, this exemption is contingent upon the Club's predominate purpose remaining the provision of sporting facilities for members.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

REVIEW OF OPERATIONS

A review of the operations of the club during the financial year and the results of those operations are as follows:

Total income for the year was \$201,436, which was down \$58,449 on the prior year's result. Total expenses were \$235,364, a decrease of \$39,650, resulting in an overall increase in net loss of \$18,800 on the previous year.

The major sources of revenue are from bar/canteen trading – 58.9%, rodeo and campdraft – 11.18% and poker machine revenue – 6.87%. Bar/canteen sales were down \$24,186, and the combined gross profit percentage decreased from 41.44% last year to 35.12%.

The major areas of expenditure are wages – 44.66%, light and power – 6.80% and rodeo and campdraft expenses – 5.93%.

As shown in the Statement of Cash Flows, there was a net inflow of cash from operating activities of \$1,072. These funds increased cash on hand and cash at bank by \$1,072.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Club during the financial year.

AFTER BALANCE DATE EVENTS

There are no other matters which have arisen since the end of the financial year which significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in the financial years subsequent to the year ended 31st August, 2019.

LIKELY DEVELOPMENTS AND RESULTS

No information is included on likely developments in the operations of the club and the expected results of those operations, as the Directors are not aware of any likely developments which may affect the operations of the Club in future years.

ENVIRONMENTAL ISSUES

The Club's operations are not regulated by any significant environmental regulation under a law of the commonwealth or of a state or territory.

OPTIONS

No options over issued shares of interests in the Club were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

INFORMATION ON DIRECTORS

The following information is provided on the directors of the club:

NICHOLAS I. KELLY Occupation Qualifications Experience	(President) - Grazier - No Tertiary Qualifications held - 5 years as Board Member	PHILLIP D. MASON Occupation Qualifications Experience	(Treasurer) - Grazier - No Tertiary Qualifications held - 17 years as Board Member
JASON MACK Occupation Qualifications Experience	-Grazier - No Tertiary Qualifications held - 12 years as Board Member	STEWART J. STEIGER Occupation Qualifications Experience	- Grazier - No Tertiary Qualifications held - 30 years as Board Member
ROSS TURNBULL Occupation Qualifications Experience	- Grazier - No Tertiary Qualifications held -5 years as Board Member	PETER W. KELLY Occupation Qualifications Experience	- Grazier - No Tertiary Qualifications held - 17 years as Board Member
SCOTT A. GILLOGLY Occupation Qualifications Experience	- Grazier -No Tertiary Qualifications Held - 5 years as Board Member	RICHARD N. TODD Occupation Qualifications	-Grazier - No Tertiary Qualifications held - 2 years as Board Member
SCOTT WALKER Occupation Qualifications Experience	- Grazier - No Tertiary Qualifications Held - 9 months as		

as Board Member

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

DIRECTORS REPORT (CONT.)

During the financial year, 12 meetings of directors were held.

Monthly Board Meetings

	No. Eligible to Attend	No. Attended
N.I. Kelly	12	12
S.J. Steiger	12	6
P.W. Kelly	12	7
P.D. Mason	12	11
J. Mack	12	9
R.S. Turnbull	12	6
S.A. Gillogly	12	10
R.N. Todd	12	7
S. Walker	9	0

INDEMNIFYING OFFICER OR AUDITOR

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

PROCEEDINGS ON BEHALF OF THE CLUB

No person has applied for leave of Court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The Club was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration for the year ended 31st August, 2019 has been received and can be found on page 5 of the director's report.

**IMPORTANT INFORMATION FOR MEMBERS, IN A FORMAT APPROVED BY THE
DIRECTOR OF LIQUOR AND GAMING**

In accordance with Section 10(m) of the Registered Clubs Act (1976), the Directors advise:

- i. no employee received remuneration exceeding \$100,000.
- ii. no director or other relevant person had any financial interest in a hotel.
- iii. no director or employee travelled overseas acting on behalf of the Club.
- iv. total profits from the operation of approved gaming machines during the 12 month gaming machine tax period 1 December, 2017 to 30 November, 2018 totalled \$11,081.52.
- v. the amount applied to community development and support under Part 4 of the Gaming Machine Tax Act 2001 during the gaming machine tax period was \$nil.

UPPER HORTON SPORTS CLUB LIMITED

ABN 11 000 996 994

**IMPORTANT INFORMATION FOR MEMBERS, IN A FORMAT APPROVED BY THE
DIRECTOR OF LIQUOR AND GAMING (Continued)**

In accordance with Section 41(h) of the Registered Clubs Act(1976), the Directors advise:

- i. there were no declarations of material personal interests by directors;
- ii. there were no gifts received by directors, top executives and employees;
- iii. there was no executives whose total remuneration is equal to or more than \$100,000 per annum;
- iv. there was no overseas travel by a director or employee of the club including costs wholly or partly met by the club for the director or employee and any other person;
- v. there was no loans in excess of \$1,000 (or which added to other loans amounts to \$1,000 or more) made to an employee of the club;
- vi. there was no controlled contracts entered into;
- vii. there were two employee's of the club who is a close relative of a director or a top executive;

Nicole Gillogly and Tracy Walker
- viii. no consultant was paid \$30,000 or more;
- ix. no consultants were engaged by the club;
- x. no settlement was made with a director of the club or an employee of the club as a result of any legal dispute;
- xi. no legal fees were paid by the club on behalf of a director or any employee of the club.

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

DIRECTOR



N.I. KELLY

DIRECTOR



P.D. MASON

Dated this 12th December, 2019

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF UPPER HORTON SPORTS
CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31st August, 2019 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.

PHILIP MALTBY & CO
Chartered Accountant

BINGARA
11th December, 2019.

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PHILIP C. T. MALTBY

UPPER HORTON SPORTS CLUB LTD
ABN 11 000 996 994
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31st AUGUST, 2019.

	2019 \$	2018 \$
Sales Revenue		
Sales – Bar	279004.06	290627.40
Cost of Sales – Bar	(162604.09)	(170846.29)
Gross Profit – Bar	<u>116399.97</u>	<u>119781.11</u>
Sales – Catering	58809.70	71372.12
Cost of Sales – Catering	(56557.57)	(41139.27)
Gross Profit – Catering	<u>2252.13</u>	<u>30232.85</u>
Livestock Revenue		
Sales – Horses	--	7310.00
Cost of Sales – Horses	--	(8.24)
Gross Profit – Horses	<u>--</u>	<u>7301.76</u>
Other Revenue		
Poker Machine Income	13853.89	13601.50
Members Subscription	4209.27	2330.05
Donations Received	17005.40	3078.30
Raffle Income	9464.00	12422.91
Campdraft Income	20164.72	--
Rodeo Gate Takings & Sponsorship	2363.64	38460.00
Yard Dog Trial Fees & Sponsorship	130.00	4296.32
Interest Received	541.20	464.57
Col Thomas Bike Day	--	6909.09
Gaming Revenue Rebate	763.03	1684.35
ATM Rebate	4185.45	3554.55
Profit/(loss) on Sale Assets	--	--
Capital Profit/(Loss) on Sale Assets	--	--
Insurance Recovery	1102.89	--
Write Back Provisions – Annual Leave	--	988.50
- Long Service Leave	--	14173.84
Grants Received	9000.00	--
Tennis & Cricket Fees	--	605.45
	<u>82783.49</u>	<u>102569.43</u>
Total Income	<u>201435.59</u>	<u>259885.15</u>
Marketing Expenses		
Advertising and Promotion	57.71	55.75
Entertainment	6734.09	6431.82
Sporting Equipment	--	1451.82

Rodeo Expenses	3253.18	18933.54
Campdraft Prizemoney etc.	10711.28	--
Polocrosse expenses	--	--
Yard Dog Trials Prizemoney etc	318.18	4669.28
Raffle Expenses	4252.37	5146.48
Security Expenses	669.09	2872.73
Salaries – Ordinary	71932.93	77465.60
	<u>97928.83</u>	<u>117027.02</u>

The above Statement is to be read in conjunction with the attached Notes.

UPPER HORTON SPORTS CLUB LTD
ABN 11 000 996 994
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31st AUGUST, 2019.
(Continued)

	2019	2018
	\$	\$
Occupancy Expenses		
Laundry & Cleaning	1429.86	3072.95
Light & Power	16015.94	19246.30
Rates & Land Taxes	4304.77	3766.47
Repairs & Replacements	15746.26	10639.78
	<u>37496.83</u>	<u>36725.50</u>
Administration Expenses		
Audit Fees	4572.73	4500.00
Bank Fees & Charges	789.11	867.70
Depreciation	21255.00	26429.00
Donations	50.00	2752.00
Donation – Upper Horton Recreation Fund	--	--
Employees Leave – ISL Provided	--	--
- Annual Leave Provided	--	--
- Sick Leave Provided	--	--
Filing Fee	49.00	48.00
Fines	210.00	--
Freight	--	--
Fuel & Gas	2283.22	3180.11
Hire of Plant & Equipment	4472.73	4698.19
Insurance	14258.00	10681.70
ISL Paid	--	12796.80
License Fees	765.71	1289.91
Livestock Expenses	--	1054.25
Postage, Printing & Stationery	383.58	2616.73
Presidents Shout	1055.45	3798.45
Poker Machine Reports, etc.	1911.86	1911.47
Purchase of Plant <\$20000.00	--	908.18
Salaries – Ordinary	33184.27	26877.40
Staff Uniform/Clothing	--	--
Staff Training	--	--
Subscriptions	252.27	1732.94
Superannuation	9094.86	9111.28
Sundry Expenses	2361.46	2064.16
Telephone	2988.71	3942.86
	<u>99937.96</u>	<u>122261.13</u>
Total Expenses	<u>235363.62</u>	<u>275013.65</u>
Operating profit/ (loss) before income tax	(33928.03)	(15128.50)

Income tax attributable to operating profit/ (loss)	--	--
Operating profit/ (loss) after income tax	(33928.03)	(15128.50)
Retained profits/ (accumulated losses) at the beginning of the financial year	281242.68	296371.18
Retained profits/ (accumulated losses at the end of the financial year	247314.65	281242.68

The above Statement is to be read in conjunction with the attached Notes.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994
BAR AND CATERING TRADING STATEMENT
For the Year Ended 31st August, 2019

	2019 \$	2018 \$
BAR		
Trading Revenue		
Sales	279004.06	290627.40
Less: Cost of Goods Sold		
Opening Stock	18388.87	21500.21
Add : Purchases & Freight Inwards	159037.25	152719.10
	177426.12	174219.31
Less: Closing Stock	(14822.03)	(18388.87)
Cost of Goods Sold	162604.09	155830.44
Gross Trading Profit/(Loss) – Bar	116399.97	134796.96
CATERING		
Trading Revenue		
Sales	58809.70	71372.12
Less : Cost of Goods Sold		
Opening Stock	3373.02	6892.99
Add: Purchases & Freight Inwards	54898.00	52635.15
	58271.02	59528.14
Less: Closing Stock	(1713.45)	(3373.02)
Cost of Goods Sold	56557.57	56155.12
Gross Trading Profit/(Loss) – Catering	2252.13	15217.00
TOTAL GROSS TRADING PROFIT/(LOSS)	118652.10	150013.96

The above Statement is to be read in conjunction with the attached Notes.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994
LIVESTOCK TRADING STATEMENT
For the Year Ended 31st August, 2019

	2019		2018	
	Value	Number	Value	Number
HORSES				
Sales	--	-	7310.00	13
Deaths/Missing	--	-	--	-
Closing Stock	144.17	9	144.17	9
	144.17	9	7454.17	22
Opening Stock	144.17	9	152.41	18
Purchases	--	-	--	-
Natural Increase	--	-	--	4
	144.17	9	152.41	22
Gross Profit/(Loss) on Horses Trading	--		7301.76	
GROSS PROFIT/(LOSS) ON LIVESTOCK TRADING	--		7301.76	

The above statement is to be read in conjunction with the attached Notes.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994
STATEMENT OF FINANCIAL POSITION
As at 31st August, 2019

CURRENT ASSETS	2019	2018
	\$	\$
Cash		
Cash on Hand	14627.30	13117.00
Cash at Bank – Regional Australia Bank S3 Account	11924.45	7901.91
Cash at Bank – Regional Australia Bank S30 Account	35855.66	40316.23
Cash on Deposit	--	--
Receivables		
Trade Debtors	--	--
Other Debtors	--	--
Inventories		
Stock on Hand		
- Bar	14822.03	18388.87
- Catering	1713.45	3373.02
Stock on Hand – Livestock		
- Horses	144.17	144.17
Other		
Prepayments	8643.86	9104.00
GST Clearing	871.20	--
Total Current Assets	88602.12	92345.20
NON-CURRENT ASSETS		
Property, Plant and Equipment		
Club House & Amenities		
At Cost	239283.45	239283.45
Less: Accumulated Depreciation	(144402.00)	(139040.00)
	<u>94881.45</u>	<u>100243.45</u>
Plant & Equipment & Furniture		
At Cost	205037.00	205037.00
Less: Accumulated Depreciation	(155931.00)	(140417.00)
	<u>49106.00</u>	<u>64620.00</u>
Caravan Park Expenditure		
At Cost	9233.78	9233.78

Less: Accumulated Depreciation	(4560.78)	(4181.78)
	<u>4673.00</u>	<u>5052.00</u>
Intangible Asset		
Poker Machine License	33000.00	33000.00
	<u>33000.00</u>	<u>33000.00</u>
Total Non-Current Assets	181660.45	202915.45
TOTAL ASSETS	270262.57	295260.65

The above statement is to be read
in conjunction with the attached Notes.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994
STATEMENT OF FINANCIAL POSITION
As at 31st August 2019

	2019	2018
	\$	\$
CURRENT LIABILITIES		
Accounts Payable		
Unsecured Liabilities		
Trade Creditors	17827.42	9974.44
Other Creditors – Gaming Revenue Rebate - ATO Creditor	--	--
GST Liabilities	2260.00	--
GST Control Account	--	651.03
Provisions		
Provision – Annual Leave	--	--
Provision - Long Service Leave	--	--
Provision – Sick Leave	--	--
Other		
Subscriptions Received in Advance	1540.50	2160.50
Total Current Liabilities	21627.92	12785.97
NON-CURRENT LIABILITIES		
Unsecured Liabilities		
Provisions		
Provision Sick Leave	--	--
Provision Long Service Leave	--	--
Other		
Subscriptions Received in Advance	1320.00	1232.00
GST Clearing	--	--
Total Non-Current Liabilities	1320.00	1232.00

TOTAL LIABILITIES	<u>22947.92</u>	<u>14017.97</u>
NET ASSETS	<u>247314.65</u>	<u>281242.68</u>
MEMBERS' FUNDS		
Retained profits/ (Accumulated losses)	247314.65	281242.68
TOTAL MEMBERS' FUNDS	<u>247314.65</u>	<u>281242.68</u>

The above statement is to be read
in conjunction with the attached Notes.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

**STATEMENT OF RECOGNISED INCOME & EXPENDITURE
FOR THE YEAR ENDED 31st AUGUST, 2019.**

	Retained Earnings \$
Balance at 1st September, 2017	296371.18
Profit /(Loss) attributable to members	<u>(15128.50)</u>
Balance at 31 st August, 2018	281242.68
Profit /(Loss) attributable to members	<u>(33928.03)</u>
Balance at 31 st August, 2019	<u>247314.65</u>

The above Statement is to be read in conjunction with the attached notes.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994
STATEMENT OF CASH FLOWS
For the Year Ended 31st August, 2019

	NOTE	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		452233.30	502758.75
Payments to suppliers and employees		(460702.23)	(498888.63)
Grants Received		9000.00	--
Interest Received		541.20	464.57
Interest Paid		--	--
Borrowing Costs Paid		--	--
Net Cash provided by (used in) Operating Activities	(6h)	1072.27	4334.69
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of Plant & Equipment		--	--
Payment for property, plant & equipment		--	(8265.45)
Net Cash provided by (used in) Investing Activities		--	(8265.45)
CASH FLOW FROM FINANCIAL ACTIVITIES			
Proceeds from Borrowing's		--	-
Repayment of Borrowing's		--	-
Net Cash provided by (used in) Financing Activities		--	-
Net Increase/(Decrease) in cash held		1072.27	(3930.76)
Cash at 1st September, 2018		61335.14	65265.90
Cash at 31st August, 2019	(6a)	62407.41	61335.14

The above Statement is to be read in conjunction with the attached Notes.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2019**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for UPPER HORTON SPORTS CLUB LIMITED as an individual company, incorporated and domiciled in Australia. UPPER HORTON SPORTS CLUB LIMITED is a company limited by guarantee.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions: -

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Policies

a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

b) **Inventories**

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

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2019

1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**(Continued)

c) **Property, Plant & Equipment**

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

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.

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

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

Plant & Equipment/Poker Machines/Furniture & Fittings

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Increases in carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of asset's are charged against fair value reserves directly in equity, all other decreases are charged to the income statement. Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	5.4%
Plant & Equipment	15%
Poker Machines	27%
Furniture & Fittings	11.25%

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

d) Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through the income statement

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at cost.

e) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use if depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

f) Employees Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits to be settled within one year together with benefits arising from wages which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related costs. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

UPPER HORTON SPORTS CLUB LIMITED

ABN 11 000 996 994

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2019**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

g) 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.

h) 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 Balance Sheet are shown inclusive of GST.

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

i) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment 1997.

j) Economic Dependence

UPPER HORTON SPORTS CLUB LIMITED is dependent on the current economic climate to continue to remain in business.

**2. PROPERTY, PLANT AND EQUIPMENT
Movement in Carrying Amounts**

2018	Clubhouse & Amenities @ Cost	Furniture, Plant & Equipment @ Cost	Caravan Park Expenditure @ Cost	Total
Balance as at 1/09/17	97206.00	85411.00	5462.00	188079.00
Additions at Cost	8265.45	--	--	8265.45
Disposals	--	--	--	--
Depreciation	(5228.00)	(20791.00)	(410.00)	(26429.00)
Carrying as at 31/08/18	100243.45	64620.00	5052.00	169915.45
2019				
Balance as at 1/09/18	100243.45	64620.00	5052.00	169915.45
Additions at Cost	--	--	--	--
Disposals	--	--	--	--
Depreciation	(5362.00)	(15514.00)	(379.00)	(21255.00)
Carrying as at 31/08/19	94881.45	49106.00	4673.00	148660.45

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2019**

3. INTANGIBLE ASSETS

2018	Poker Machine Licenses
Balance as at 1/09/17	33000.00
Additions	-
Disposals	-
Amortisation	-
Balance as at 31/08/18	33000.00
2019	
Balance as at 01/09/18	33000.00
Additions	-
Disposals	-
Valuation Write Down	-
Balance as at 31/08/19	33000.00

4. PROVISIONS

	Annual Leave	Sick Leave	Long Service Leave	Work Cover Levy	Total
Opening Balance at 1/09/18	--	--	--	--	--
Additional Provision raised	--	--	--	--	--
Amounts Written Back	--	--	--	--	--
Balance at 31/08/2019	NIL	NIL	NIL	NIL	NIL
Analysis					
Current	NIL	NIL	NIL	NIL	NIL
Non-Current	--	--	--	--	--
	NIL	NIL	NIL	NIL	NIL

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to annual leave, sick leave and long service leave. 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 on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2019

5.	<u>CAPITAL COMMITMENTS</u>	2019 \$	2018 \$
	a) Capital Expenditure contracted for:		
	Property, Plant and Equipment Purchases	Nil	Nil
	Capital Expenditure Projects – Smoking Room	Nil	Nil
		Nil	Nil
6.	<u>CASH FLOW INFORMATION</u>		
	a) Reconciliation of Cash		
	For the purpose of the statement of cash flows, cash includes:		
	i) cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts; and		
	ii) investments in money market instruments maturing within less than two months.		
	Cash at the end of the year is shown in the balance sheet as:		
		2019 \$	2018 \$
	Cash on Hand	14627.30	13117.00
	Cash at Bank	47780.11	48218.14
	Cash on Deposit	--	--
		62407.41	61335.14
—	b) Reconciliation of Cash Flow from Operation with Operating Profit after Income Tax		
		2019 \$	2018 \$
	Operating Profit/(Loss) after Income Tax	(33928.03)	(15128.50)
	Non Cash flows in Operating Profit		
	Depreciation	21255.00	26429.00

Loss/(Profit) on Sale of Fixed Assets	--	--
Capital Loss/(Profit) on Sale Fixed Assets	--	--
(Increase)/Decrease in Inventories	5226.41	6639.55
(Decrease)/Increase in Creditors	8590.75	5105.80
Increase/(Decrease) in Subscriptions in Advance	(532.00)	1489.50
(Increase)/Decrease in Prepayments	460.14	(1835.76)
(Increase)/Decrease in Debtors	--	--
Increase/(Decrease) in Employee Provisions	--	(18364.90)
CASH FLOW FROM OPERATING ACTIVITIES	1072.27	4334.69

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2019**

7. FINANCIAL INSTRUMENTS

a) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The company does not have any derivative instruments at 31st August, 2019.

b) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows: -

	Weighted Average Interest Rate	Floating Interest Rate		Fixed Interest Rate Maturity Within 1 Year		Non-Interest Bearing	
		%	2019	2018	2019	2018	2019
FINANCIAL ASSETS							
Cash at Bank	2	47780.11	48218.14	-	-	-	-
Cash on Hand	-	14627.30	13117.00	-	-	-	-
Cash on Term Deposit	-	-	-	-	-	-	-
Debtors	-	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS		62407.41	61335.14	-	-	-	-
FINANCIAL LIABILITIES							
Trade and Sundry Creditors	-	-	-	-	-	20087.42	9974.11
TOTAL FINANCIAL LIABILITIES		-	-	-	-	20087.42	9974.11

c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily

traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets are financial liabilities at balance date.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2019**

8. COMPANY DETAILS

The registered office of the Company is:

UPPER HORTON SPORTS CLUB LIMITED
Cobbadah Street
UPPER HORTON NSW 2347

The principal place of business is:-

UPPER HORTON SPORTS CLUB LIMITED
Cobbadah Street
UPPER HORTON NSW 2347

9. MEMBERS GUARANTEE

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$1.00 each towards meeting outstanding obligations of the company. At 31st August, 2019 the number of members was 225.

UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 994
DIRECTORS' DECLARATION

The directors of the company declare that:

- 1) The financial statements and notes are in accordance with Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31st August, 2019 and performance for the year ended on that date of the company.
- 2) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

DIRECTOR


N.I. KELLY

DIRECTOR


P.D. MASON

Dated this 12th December, 2019

INDEPENDENT AUDITORS REPORT TO THE MEMBERS
OF
UPPER HORTON SPORTS CLUB LIMITED
ABN 11 000 996 9942

REPORTING ON THE FINANCIAL REPORT

Qualified Opinion

I have audited the financial statements of UPPER HORTON SPORTS CLUB LIMITED the company, which comprises the balance sheet as at 31st August, 2019, the statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the declaration by those charged with governance.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31st August 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Qualified Opinion

The rodeo's income and expenditure were not fully accounted for, resulting in only the net amount received and paid being brought to account. Apart from evidentiary documentation there are taxation consequences resulting from the lack of documentation.

I conducted my audit in accordance with Australian Accounting Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit Report section of my report. I am independent of the Company in accordance with the Accounting Professional and Ethical Standards Board APES 110 Code of Ethics (the Code) for Professional Accountants that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified report.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. The responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility for the Financial Report

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Club's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

PHILIP MALTBY & CO.
Chartered Accountant.

86 Maitland Street
BINGARA NSW 2404
13th December, 2019

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PHILIP C. T. MALTBY