Annual Report 2023

yarraville club

Your Community. Your Club.


With donations exceeding $1,000,000 in support of our local community over the last 6 years, the Yarraville Club is proud to support our community who support us.
Supporting your community since 1905

Financial Report for the Year Ended 30 June 2023

ABN: 52 802 171 641

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Yarraville Club Incorporated ABN: 52 802 171 641 Board of Directors Report

Your directors present their report on the Association for the financial year ended 30 June, 2023.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Mr John Papazisis - Chairman

Mr Andrew Fish - Vice Chairman

Mr Riley Nottingham - Treasurer

Mr Matthew Gilbert

Mr Aaron Mahoney

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

Review of Operations

The profit of the Association for the financial year after providing for income tax amounted to $271,643.

Significant Changes in the State of Affairs

No significant changes in the Association's state of affairs occurred during the financial year.

Principal Activities

Providing sporting and recreational facilities and services to members and their guests. No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years other than those occurred in Note 25.

Proceedings on Behalf of the Association

No person has applied for leave of Court to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of those proceedings.

The Association was not a party to any such proceedings during the year.

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

Director
Mr John Papazisis - Chairman

Dated this 21st day of September, 2023

Director
Mr Riley Nottingham - Treasurer

Dated this 21st day of September, 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

YARRAVILLE CLUB INCORPORATED

Incorporation No. A0021290X ABN 52 802 171 641

REPORT on the Audit of the Financial Report

Opinion

We have audited the financial report of Yarraville Club Incorporated (the incorporated association), which comprises the Balance Sheet, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Notes to the Financial Statements, and the certification by members of the Board on the annual statements giving a true and fair view of the financial position and performance of the incorporated association.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the incorporated association as at 30 June 2023 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Reform Act 2012.

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 incorporated association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to satisfy the requirements of the association (Club)'s constitution, meet the needs of members and its obligations as an incorporated association under the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our Opinion thereon, but we do not provide a separate opinion on these matters, For each matter below, our description of how our audit addressed the matter is provided in that context.

Liquidity risk and going concern of preparation of the financial statements

During the previous financial years, the club was impacted by COVID-19 and there remains uncertainty around the full impact that this event had on the club and the hospitality industry.

As described in Note 1 the financial statements have been prepared by the club on a going concern basis.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the constitution Associations Incorporation Reform Act 2012 and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the incorporated association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the incorporated association or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S Responsibilities for the Audit of the Financial Report

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

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 judgment, 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 entity'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 entity'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.

As part of an audit in accordance with 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 incorporated association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- Conclude on the appropriateness of the Board's 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 incorporated association'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 incorporated association 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 Board 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.

Auditor's name and signature: **Robert White**
Registered Company Auditor (# 5902)
Registered SMSF Auditor (# 100211005)
Public Accountant (MIPA # 222132)

Name of firm: **Accountants Advisers Auditors Pty Ltd**

Dated: **18 September 2023**

Yarraville Club Inc. Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Note	2023 $	2022 $
Sales revenue	2	9,666,495	6,730,395
Other income	2	87,093	564,946
Employee benefits expense		(3,192,793)	(2,420,013)
Depreciation and amortisation expense	3(a)	(1,234,787)	(1,461,153)
Occupancy Expenses		(476,676)	(406,660)
Direct Expenses		(609,000)	(212,509)
Donations, Sponsorship and Members Expenses		(257,550)	(277,057)
Other Expenses		(43,380)	(45,017)
Office Expenses		(471,791)	(417,297)
Professional Fees		(12,549)	(8,336)
Functions & Entertainment		(114,701)	(52,080)
Bar Consumables		(31,935)	(18,380)
Advertising, Marketing and Promotion		(756,571)	(449,711)
License & Subscriptions		(24,539)	(19,322)
Accountancy		(40,374)	(40,660)
Audit fees		(9,000)	(8,500)
Cost of Sales		(1,413,850)	(935,804)
Repairs and Maintenance		(256,597)	(221,980)
Finance costs	3(a)	(445,573)	(215,465)
Other expenses		(37,992)	(32,655)
Profit before income tax		323,930	52,742
Tax (expense) income	4(a)	(52,287)	(3,322)
Profit for the year		**271,643**	**49,420**
Total other comprehensive income for the year		**-**	**-**
Total comprehensive income for the year		**271,643**	**49,420**

The accompanying notes form part of these financial statements

Yarraville Club Inc. Statement of Financial Position as at 30 June 2023

	Note	2023	2022
		$	$
Assets			
Current Assets			
Cash and cash equivalents	7	511,604	815,096
Trade and other receivables	8	80,960	71,439
Inventories	9	102,820	88,150
Other current assets	10	507,115	180,777
Total Current Assets		1,202,499	1,155,462
Non-Current Assets			
Financial assets	10	79,572	79,140
Investment Properties	12	2,815,000	2,815,000
Property, plant and equipment	12	18,392,032	15,624,546
Right-of-use assets	15	-	31,024
Intangible assets	16	2,467,933	2,756,574
Deferred tax assets	20	363,605	415,892
Total Non-Current Assets		24,118,142	21,722,176
Total Assets		25,320,641	22,877,638
Liabilities			
Current Liabilities			
Trade and other payables	17	865,708	1,053,294
Borrowings	18	692,451	929,525
Other financial liabilities	19	12,383	10,864
Current tax liabilities	20	-	-
Provisions	21	425,789	331,059
Total Current Liabilities		1,996,331	2,324,742
Non-Current Liabilities			
Borrowings	18	9,077,720	6,596,939
Provisions	21	24,561	5,571
Total Non-Current Liabilities		9,102,281	6,602,510
Total Liabilities		11,098,612	8,927,252
Net Assets		14,222,029	13,950,386
Equity			
Reserves		11,055,345	11,055,345
Retained earnings (accumulated losses)		3,166,684	2,895,041
Total Equity		14,222,029	13,950,386

The accompanying notes form part of these financial statements

Yarraville Club Inc. Statement of Changes in Equity for the Year Ended 30 June 2023

		Retained Earnings	Reserves			
	Note	Retained Earnings	Asset Revaluation Surplus (Land)	Asset Revaluation Surplus (Building & Site Improvement)	Revaluation Surplus	Total
		$	$	$	$	$
Balance at 1 July 2021		2,845,621	8,528,500	1,056,845	1,470,000	13,900,966
Comprehensive income						
Profit for the year		49,420				49,420
Other comprehensive income for the year						
Total comprehensive income for the year attributable to owners of the entity		49,420	-	-	-	49,420
Balance at 30 June 2022		2,895,041	8,528,500	1,056,845	1,470,000	13,950,386
Balance at 1 July 2022		2,895,041	8,528,500	1,056,845	1,470,000	13,950,386
Comprehensive income						
Profit for the year		271,643				271,643
Other comprehensive income for the year			-			
Total comprehensive income for the year attributable to owners of the entity		271,643	-	-	-	271,643
Balance at 30 June 2023		3,166,684	8,528,500	1,056,845	1,470,000	14,222,029

The accompanying notes form part of these financial statements

Yarraville Club Inc. Statement of Cash flows for the Year Ended 30 June 2023

	Notes	2023	2022
		$	$
Cash Flows from Operating Activities			
Receipts from customers		5,301,549	3,237,020
Payments to suppliers and employees		(3,011,720)	(2,329,324)
Interest received		3,736	124
Receipts From Gaming		5,554,954	4,203,517
Receipts from Government - COVID		-	337,498
Finance cost		(445,573)	(215,465)
Other Payments		(5,243,635)	(3,307,262)
GST Received Paid to ATO		(738,868)	(367,162)
Net cash provided by operating activities	24(a)	1,420,443	1,558,946
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		-	91,761
Purchase of property, plant and equipment		(3,682,119)	(1,526,234)
Payment for Other Financial Assets		(287,042)	(100,000)
Net cash (used in)/provided by investing activities		(3,969,161)	(1,534,473)
Cash Flows from Financing Activities			
Proceeds from borrowings - other		2,287,279	379,826
Net cash provided by/(used in) financing activities		2,287,279	379,826
Net increase/(decrease) in cash held		(261,439)	404,299
Cash and cash equivalents at beginning of financial year		666,882	262,583
Cash and cash equivalents at end of financial year	7	405,443	666,882

The accompanying notes form part of these financial statements

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

These financial statements and notes represent Yarraville Club Inc. Yarraville Club Inc is an Association incorporated in Victoria and operating pursuant to the Associations Incorporation Reform Act 2012.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Reform Act 2012.
The Association is a not-for-profit entity 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 to which they apply. 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 cash flow information, have been prepared on an accrual 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 are in Australian Dollars and have been rounded to the nearest dollar.

(a) Reporting Entity Report

The report includes all the controlled activities of The Yarraville Club Inc.

(b) Rounding of Amounts

All amounts shown in the financial statements are expressed to the nearest $1.

(c) 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.

(d) Receivables

Receivables and other debtors include amounts due from members as well as receivables from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified non-current assets. For the Statement of Cash Flows presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the Statement of Financial Position.

(e) Inventories

Inventories include goods and other property held either for sale or distribution at no or nominal cost in the ordinary course of business operations. It includes land held for sale and excludes depreciable assets. Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories including land held for sale, are measured at the lower of cost and net realisable value. Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all obsolescence occurs when of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired. Cost for all other inventory is measured on the basis of weighted average cost. Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Association commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions 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. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.16.

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

— amortised cost; or
— fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

— a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
— held for trading; or
— initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

— it is incurred for the purpose of repurchasing or repaying in the near term;
— part of a portfolio where there is an actual pattern of short-term profit taking; or
— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

— the amount of loss allowance determined in accordance with AASB 9.5.5; and
— the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

— amortised cost;
— fair value through other comprehensive income; or
— fair value through profit or loss.

Measurement is on the basis of two primary criteria:

— the contractual cash flow characteristics of the financial asset; and
— the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

— the financial asset is managed solely to collect contractual cash flows; and
— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
— the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Association initially designates a financial instrument as measured at fair value through profit or loss if:

— it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
— it is in accordance with the documented risk management or investment strategy, and information about the groupings is documented appropriately, so that the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
— it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Association can make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Association's accounting policy.

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Association no longer controls the asset (ie it has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Association uses the following approaches to impairment, as applicable under AASB 9:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Association assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Association measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- if there is no significant increase in credit risk since initial recognition, the Association measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers that do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Association measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Association assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Association applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(g) Income Tax

The Association calculates its liability to tax by applying the Mutuality Principle. The charge for the current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities and assets are therefore measured at the amounts expected to be paid or (recovered from) the relevant taxation authority.

In accordance with the Commissioner of Taxation Tax Determination (TD 1999/38), all income from gaming machines, Keno, TAB and vending machines has been included as fully assessable income. Likewise, expenditure incurred in relation to these income activities has been included as fully deductible expenditure in accordance with Australian Taxation guidelines. All other income and expenses have been included in accordance with the Principle of Mutuality and other appropriate Australian Taxation legislation.

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. 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 the tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner 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.

(h) Fair Value of Assets and Liabilities

The Association 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 Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

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 either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity 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 entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, 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.

(i) Property, Plant and Equipment

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

Property
Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are charge to the statement of profit or loss.

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 revalued amount of the asset.

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 in profit or loss.
A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Property, Plant & Equipment - Asset Revaluation Surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets.

Depreciation
The depreciable amount of all fixed assets including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% to 40%
Site Improvements	2.5% to 40%
Plant and equipment	5% to 30%
Office Equipment	5% to 30%
Leasehold Improvements	5% to 10%
Electronic Gaming Machines	17% to 33%
Motor Vehicles	5% to 15%

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

An asset's 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 recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

(j) Leases (the Association as lessee)

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequently, the lease liability is measured by a reduction to the carrying amount of any payments made and an increase to reflect any interest on the lease liability.

The right-of-use assets is initially measured based on the corresponding lease liability less any incentives and initial direct costs. Subsequently, the measurement is the cost less accumulated depreciation (and impairment if applicable).

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(k) Impairment of Assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. 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 of disposal 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: Property, Plant and Equipment). 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 entity estimates the recoverable amount of the cash- generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(l) Payables

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

(m) Employee Benefits

Short-term employee benefits

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

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

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements 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. Other long-term employee benefits 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 corporate 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 as part of employee benefits expense.

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Association 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 provisions.

(n) Provisions

Provisions are recognised when the Association 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Revenue Recognition

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income in advance. Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Gaming

Income derived from electronic Gaming Machines is recognised when the cash is received.

Food

Income derived for the provision of meals is recognised when the cash is received.

Memberships

Membership income is recognised when the cash is received.

Interest

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

Other Income

Other income is recognised as revenue when the cash is received.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) 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 (ATO).

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

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

(r) Comparative Figures

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

Where the Association retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements

or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Note 2 Revenue and Other Income

The Association has recognised the following amounts relating to revenue in the statement of profit or loss.

	Note	2023 $	2022 $
Continued operations			
Other sources of revenue	2(a)	9,666,495	6,730,395
		9,666,495	6,730,395
Other income	2(b)	87,093	564,946
(a) Other sources of revenue			
Interest received		3,737	2,136
Sales revenue		9,490,101	6,640,438
Other revenue		172,657	87,821
Total other sources revenue		9,666,495	6,730,395
(b) Other income			
– Gain on disposal of property, plant and equipment		9,117	91,761
– Rental Income		63,976	50,847
– Recoveries of Lease Balloon		-	74,840
– Donations/ sponsorships		-	10,000
– COVID-19 Income		-	337,498
– Discounts Received		14,000	-
Total other income		87,093	564,946

Note 3 Profit before Income Tax

Profit before income tax from continuing operations includes the following specific expenses:	2023 $	2022 $
(a) Expenses		
– other related parties	367	7,271
– Bank Charge	27,525	17,267
– Lease Interest	12,663	16,325
– Interest on Loans	405,018	174,602
Total finance costs	445,573	215,465
Employee benefits expense:		
– Total Employment Costs	3,192,793	2,420,013
Depreciation and Amortisation		
Buildings	185,842	136,891
Site Improvements	23,114	20,953
Plant & Equipment	194,342	160,284
Electronic Gaming Machines	216,609	306,350
Office Equipment	23,114	19,363
Motor Vehicle	6,046	5,096
Leasehold Improvements	10,616	10,616
Right of Use - Leased Property	27,922	73,627
Amortisation - Leased Assets	233,889	258,708
Amortisation - Intangible Assets	311,874	469,265
Total Depreciation and Amortisation	1,233,368	1,461,153

Note 4 Tax Expense

	Note	2023 $	2022 $
(a) The components of tax (expense) income comprise:			
Current tax		52,287	3,322
Deferred tax	20	(415,892)	(419,214)
		(363,605)	(415,892)
Income tax attributable to Association		52,287	3,322
Weighted average effective tax rates		16.1%	6.3%

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Note 5 Key Management Personnel Compensation

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

	2023	2022
	$	$
Key management personnel compensation (incl superannuation)	770,386	667,350
Other long term benefits	106,445	100,515
	876,830	767,865

Note 6 Auditor's Remuneration

	2023	2022
	$	$
Remuneration of the auditor for: — auditing or reviewing the financial statements	9,000	8,500
	9,000	8,500

Note 7 Cash and Cash Equivalents

	Note	2023	2022
CURRENT		$	$
Cash at bank and on hand		511,604	815,096
		511,604	815,096

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Note	2023	2022
Cash and cash equivalents		511,604	815,096
Bank overdrafts	18	(93,778)	(137,350)
Monies in Trust	19	(12,383)	(10,864)
		405,443	666,882

Note 8 Trade and Other Receivables

	Note	2023	2022
		$	$
CURRENT			
Trade Debtors		62,393	62,903
Reimbursements Due		13,331	8,536
Accrued Income		5,236	-
		80,960	71,439
Total current trade and other receivables	8(b)	80,960	71,439

Note 9 Inventories

	Note	2023	2022
		$	$
CURRENT			
At cost:			
Bar and Bistro Stock		102,820	88,150
		102,820	88,150

Note 10 Other Assets

	2023	2022
	$	$
CURRENT		
Prepayments	91,343	52,047
Other Financial Assets - Shares	20,894	20,894
Set Up Costs - Associated Entities	1,581	631
Loan - Other Entity - Unsecured	388,018	101,926
Security Deposit - Equipment	5,279	5,279
	507,115	180,777

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Note 11 Financial Assets

	Note	2023 $	2022 $
NON-CURRENT			
Other Investments	11(a)	79,572	79,140
Total non-current assets		79,572	79,140
(a) Other investments			
Term Deposit (Bank Guarantee - Bank of		21,200	21,200
Term Deposit (Bank Guarantee - Westpac)		58,372	57,940
		79,572	79,140

Note 12 Investment Properties

	2023	2022
Balance at Beginning of Period	2,815,000	3,935,000
plus Property Reclassified from Land and Buildings - 7 Sandford Grove	-	1,000,000
less Properties Reclassified to Land and Builings - 14 and 16 York Street	-	(2,120,000)
Balance at End of Period	2,815,000	2,815,000
Total Investment Properties	2,815,000	2,815,000

Investment Properties are located at:
5 Sandford Grove, Yarraville VIC 3013
7 Sandford Grove, Yarraville VIC 3013
11 Sandford Grove, Yarraville VIC 3013

Note 13 Property, plant and equipment

	2023 $	2022 $
Land and Buildings		
Freehold land at:		
— independent valuation 2021	10,435,000	10,435,000
— Land at Cost	315,000	-
Total land	10,750,000	10,435,000
Carrying amount of all freehold land had it been carried under the cost model		
Buildings at:		
— independent valuation 2021	2,626,000	2,626,000
— at cost	2,752,587	196,998
Accumulated depreciation	(322,733)	(136,891)
Accumulated impairment losses	-	-
Total buildings	5,055,854	2,686,107
Total land and buildings	15,805,854	13,121,107
Carrying amount of all buildings had they been carried under the cost model		
Plant and Equipment		
Plant and equipment:		
At cost	2,172,927	2,044,432
Accumulated depreciation	(1,598,089)	(1,403,747)
	574,838	640,685
Site Improvements		
Site Improvements at Valuation 2021	254,000	254,000
Site Improvements at Cost	92,281	43,226
less Accumulated Depreciation	(44,067)	(20,953)
	302,214	276,273
Snooker Room		
Improvements - Snooker Room	203,482	203,483
less Accumulated Depreciation	(53,573)	(42,958)
	149,909	160,525
Works in Progress		
Works in Progress - Future Development	350,373	118,310
	350,373	118,310
Office Equipment		
Office Equipment at Cost	194,099	186,551
less Accumulated Depreciation	(133,719)	(109,183)

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Note 13 Property, plant and equipment (cont.)

Electronic Gaming Machines	2,078,666	2,256,606
less Accumulated Depreciation	(1,698,712)	(1,745,023)
Motor Vehicles	88,019	65,613
less Accumulated Depreciation	(43,386)	(37,340)
Leased Assets		
Plant & Equipment at Cost	1,614,254	1,346,910
less Accumulated Amortisation	(890,377)	(656,488)
	1,208,844	1,307,646
Total plant and equipment	2,586,178	2,503,439
Total property, plant and equipment	18,392,032	15,624,546

(a) Movements in carrying amounts

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

	Freehold Land $	Buildings $	Plant & Equipment $	Site Improvements $	Snooker Room $	Works in Progress $	Office Equipment $
Balance at 1 July 2021	8,990,000	2,951,000	592,114	254,000	171,141	113,747	63,234
Additions	-	66,206	189,162	43,226	-	155,048	33,497
Disposals - written down value	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Depreciation/Amortisation	-	(136,891)	(160,284)	(20,953)	(10,616)	-	(19,363)
Reclassifications	1,445,000	(194,208)	19,693	-	-	(150,485)	-
Carrying amount at 30 June 2022	10,435,000	2,686,107	640,685	276,273	160,525	118,310	77,368
Balance at 1 July 2022	10,435,000	2,686,107	640,685	276,273	160,525	118,310	77,368
Additions	315,000	2,555,589	128,495	49,055	-	-	7,548
Disposals - written down value	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Depreciation/Amortisation	-	(185,842)	(194,342)	(23,114)	(10,616)	232,063	(24,536)
Reclassifications	-	-	-	-	-	-	
Carrying amount at 30 June 2023	10,750,000	5,055,854	574,838	302,214	149,909	350,373	60,380

	Electronic Gaming Machines $	Motor Vehicles $	Leased Assets $	Total $
Balance at 1 July 2021	475,703	33,369	252,265	13,896,573
Additions	342,230	-	696,865	1,526,234
Disposals - written down value	-	-	-	-
Impairment losses	-	-	-	-
Depreciation/Amortisation	(306,350)	(5,096)	(258,708)	(918,261)
Reclassifications	-	-	-	1,120,000
Carrying amount at 30 June 2022	511,583	28,273	690,422	15,624,546
Balance at 1 July 2022	511,583	28,273	690,422	15,624,546
Additions	84,980	22,406	267,344	3,430,417
Disposals - written down value	-	-	-	-
Impairment losses	-	-	-	-
Depreciation/Amortisation	(216,609)	(6,046)	(233,889)	(662,931)
Reclassifications	-	-		-
Carrying amount at 30 June 2023	379,954	44,633	723,877	18,392,032

(b) Asset revaluations

Land, Buildings, and Site Improvements

Land, Building and Site Improvements were revalued by PPE Valuations Pty Ltd, Certified Practising Valuers, at 30 June 2021 to Fair Value, using Market Value. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Note 15 Right-of-use Assets

In the prior year, the Association leased a property at 175D Stephen St for use by the Yarraville Billiards and Snooker Club. 5 months were remaining on this lease at 30 June 2022. This property was subsequently purchased by the Yarraville Club and settled during November 2022

AASB 16 related amounts recognised in the balance sheet

Right-of-use assets	**2023**	**2022**
	$	$
Leased building	-	220,880
Accumulated depreciation	-	(189,856)
	-	31,024
Total right-of-use assets	-	31,024
Movement in carrying amounts:		
Opening balance	31,024	103,182
Additions to building right-of-use assets	-	1,469
Depreciation expense	(27,922)	(73,627)
Disposal of right-of-use assets	(3,102)	
Net carrying amount	-	31,024

Note 16 Intangible Assets

	2023	**2022**
	$	$
EGM Entitlements until 2022	-	3,999,800
less accumulated Amortisation	-	(3,921,946)
EGM Entitlements 2022 to 2032	2,677,649	2,677,649
less accumulated Amortisation	(234,020)	-
Capitalised Borrowing Costs	24,304	1,071
Total Intangible Assets	2,467,933	2,756,574

Movement in carrying amounts:		
Opening balance	2,756,574	682,072
Additions	27,791	2,543,767
Amortisation expense	(311,874)	(469,265)
Borrowing expense	(4,558)	-
Disposal	-	
Net carrying amount	2,467,933	2,756,574

In 2011, 2014/15 and 2015/16, the Club purchased Gaming Machine Entitlements for 105 machines, for 10 years, commencing August 2012. Since February 2018, the Club has paid a 5% deposit to the Victorian State Government, for 10 year entitlements, commencing August 2022. Payment of the balance of 95% ($3,592,292) was due to commence in August 2022, repayable in equal instalments, on a quarterly basis, over 7 years. Repayments have been deferred to commence in May 2023. Refer to Note 16 for Loan details.

Borrowing costs associated with the finance restructure of the club have been capitalised and will be amortised over a five year period.

Note 17 Trade and Other Payables

	Note	**2023**	**2022**
		$	$
CURRENT			
– Trade Creditors		191,779	236,413
– Amounts Payable to ATO		229,876	294,510
– State Gaming Tax Payable		140,099	204,711
– Commission Payable		164,581	219,008
– Other Payables		170	1,794
– Payroll Liabilities		38,226	32,009
– Accrued Expenses		100,977	64,849
		865,708	1,053,294

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

(a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2023	2022
Trade and other payables			
– Total Current		865,708	1,053,294
– Less Taxation Amounts Payable		(369,975)	(499,221)
		495,733	554,073
Financial liabilities as trade and other payables	27	495,733	554,073

Note 18 Borrowings

	Note	2023 $	2022 $
CURRENT			
Bank loan secured		-	108,381
Bank overdraft secured		93,778	137,350
- Victorian State Government -		363,410	272,558
- Maribyrnong Council Loan - Solar		20,028	20,028
- Right of Use - Leased Building		-	33,215
- Finance Leases		215,235	357,993
Total current borrowings		692,451	929,525
NON-CURRENT			
Bank loan secured		6,815,311	3,902,741
- Victorian State Government -		1,907,798	2,271,209
- Maribyrnong Council Loan - Solar		85,118	105,147
- Finance Leases		269,493	317,842
Total non-current borrowings		9,077,720	6,596,939
Total borrowings	27	9,770,171	7,526,464
(a) Total current and non-current secured liabilities:			
Bank overdraft		93,778	137,350
Bank loan		6,815,311	4,011,122
		6,909,089	4,148,472

Note 19 Other Financial Liabilities

	Note	2023 $	2022 $
CURRENT			
Monies in Trust		12,383	10,864
		12,383	10,864

The company has recognised liabilities representing current and potential exposure to guarantees that it has issued to third parties in relation to obligations under its bank bill facility. Further details relating to these contracts are provided at Note 9c.

Note 20 Tax

	2023 $	2022 $
CURRENT		
Income tax payable	-	-
Total	-	-
DEFERRED TAX ASSET		
Net Deferred Tax (Asset)/Liability at Beginning	(415,892)	(419,214)
Income Tax Expense	52,287	3,322
Adjustments	-	-
	-	-
Total	(363,605)	(415,892)

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Note 21 Provisions

	2023	2022
CURRENT	$	$
Annual Leave	247,637	199,789
Rostered Days Off Entitlements	35,276	24,396
Unconditional Long Service Leave	142,876	106,874
Total current provisions	425,789	331,059
NON-CURRENT		
Conditional Long Service Leave	24,561	5,571
Total non-current provisions	24,561	5,571

	Employee Benefits	Other	Total
Analysis of provisions	$	$	$
Opening balance at 1 July 2022	5,571	331,059	336,630
Additional provisions raised during year	18,990		18,990
Amounts used	-		-
Balance at 30 June 2023	24,561	331,059	355,620

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave, rostered days off, 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.

	Note	2023	2022
		$	$
Total borrowings and lease liabilities	18	9,770,171	7,526,464
Trade and other payables	17	495,733	554,073
Total debt		10,265,904	8,080,537
Less cash and cash equivalents	7	(511,604)	(815,096)
Net debt		9,754,300	7,265,441
Total equity		14,222,029	13,950,386
Total net debt and equity		4,467,729	6,684,945
Gearing ratio		69%	52%

Note 22 Capital Commitments

As at balance date, the Yarraville Club Inc. had no contracted Capital commitments
As at balance date, the Yarraville Club Inc. had no other contracted loan or lease commitments, other than those disclosed at Note 17.

Note 23 Contingent Liabilities and Contingent Assets

At balance date, the Club had the following bank guarantee facilities in place:

	2023	2022
	$	$
Tabcorp - TAB Security Deposit	5,000	5,000

The Committee of Management was not aware of any other contingent asset or liability as at 30 June 2022.

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Note 24 Cash Flow Information

	2023 $	2022 $
(a) Reconciliation of cash flows from operating activities		
with profit after income tax		
Profit after income tax	271,643	49,420
Non-cash flows in profit		
— depreciation	1,234,787	1,461,153
— recoveries of lease balloon	-	(74,840)
— other non-cash items	-	(3,395)
— impairment of property, plant and equipment		
— net gain on disposal of property, plant and equipment	(9,117)	(91,761)
Changes in assets and liabilities:		
— (increase)/decrease in trade and other receivables	(9,526)	(44,105)
— (increase)/decrease in other assets	(31,095)	(28,404)
— (increase)/decrease in inventories	(14,670)	(32,297)
— increase/(decrease) in trade and other payables	(187,586)	229,164
— increase/(decrease) in provisions	113,720	90,689
— increase/(decrease) in deferred taxes payable	-	3,322
Net cash provided by operating activities	1,368,156	1,558,946

Note 25 Events After the Reporting Period

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

Note 26 Related Party Transactions

The Company's main related parties are as follows:

(a) Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.
For details of disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Compensation.

(b) Other related parties

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 with related parties:

The following Committee of Management served on the Committee during the financial year ended 30 June 2023:

Mr John Papazisis - Chairman
Mr Andrew Fish - Vice Chairman
Mr Riley Nottingham - Treasurer
Mr Matthew Gilbert
Mr Aaron Mahoney

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

The Club incurred $34,292 ($32,628 in 2021/22) for 'Yarra Tax' for services provided during the year, of which Mr. John Papazisis has a beneficial interest.

The Club incurred $4,000 ($8,000 in 2021/22) for Mr. Andrew Fish for services provided during the financial year.

The Club invested $280,500 to Strange Creatures SPV Pty Ltd for film production costs, of which Mr Riley Nottingham has a beneficial interest.

In addition to the disclosures above, it is noted that Office Bearers of the Club during the course of the Club's operations for the year, incurred Club expenditures, which are paid upon satisfying the Club's operational standards, with appropriate documentation.

Yarraville Club Inc. Notes to the Financial Statements for the Year Ended 30 June 2023

Note 27 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans, bills, leases, preference shares, and derivatives.

The total amount for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments*: *Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 $	2022 $
Financial Assets			
Financial assets at amortised cost:			
— Cash and cash equivalents	7	511,604	815,096
— Trade and other receivables	8	80,960	71,439
		592,564	886,535
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	17	495,733	554,073
— Interest Bearing Liabilities	18	9,770,171	7,526,464
		10,265,904	8,080,537

Note 28 Fair Value Measurement

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (ie trade receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

	Note	2023		2022	
		Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Financial assets: amortised cost					
Cash and cash equivalents	7	511,604	511,604	815,096	815,096
Trade and other receivables	8	80,960	80,960	71,439	71,439
		592,564	592,564	886,535	886,535
Total financial assets		592,564	592,564	886,535	886,535
Financial liabilities: amortised cost					
Trade and other payables	17	495,733	495,733	554,073	554,073
Interest Bearing Liabilities	18	9,770,171	9,770,171	7,526,464	7,526,464
Total financial liabilities		10,265,904	10,265,904	8,080,537	8,080,537

Note 29 Company Details

The Company is domiciled and incorporated in Australia. The registered office of the company is:

Yarraville Club Inc
135 Stephen St
Yarraville VIC 3013

The principal place of business is:

Yarraville Club Inc
135 Stephen St
Yarraville VIC 3013

Yarraville Club Inc. Annual Statements Give a True and Fair View of Financial Position and Performance for the Year Ended 30 June 2023

We, as named below, being members of the Yarraville Club Inc. certify that:

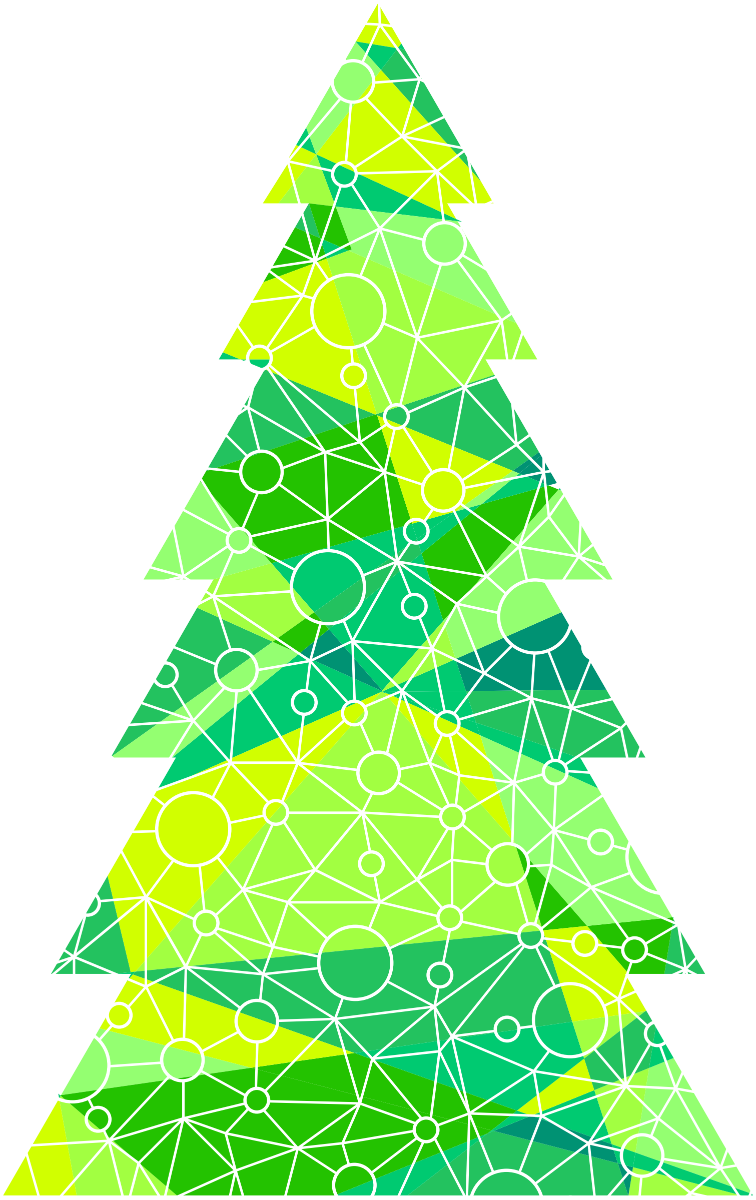
> The Statements attached to this certificate give a true and fair view of the financial position and performance of the Yarraville Club Inc. during and at the end of the financial year for the association ending on 30 June 2023.

Director
Mr John Papazisis - Chairman ______________________

Dated this 21st day of September, 2023

Director
Mr Riley Nottingham - Treasurer ______________________

Dated this 21st day of September, 2023



On behalf of the Board of Directors, Management and Staff,

we would like to wish all our Members

a Safe and Happy Christmas and a prosperous New Year.

We look forward to once again welcoming you back

to the Yarraville Club in 2024.

Yarraville Club Incorporated Incorporation No: A0021290X ABN No. 52802171641135 Stephen St Yarraville www.yarravilleclub.com Tel: 03 9689 6033 Email: info@yarravilleclub.com.au yarravilleclub

Your Community. Your Club.

135 Stephen St Yarraville.
Ph. 9689 6033

yarravilleclub.com.au