

ANNUAL GENERAL MEETING

MONDAY 6 DECEMBER 2021

FORSTER TUNCURRY MEMORIAL SERVICES CLUB LTD

Notice to Members

Notice is hereby given that the Annual General Meeting of the Forster Tuncurry Memorial Services Club Ltd will be held on club premises at Club Forster at 5.30pm on Monday 6 December 2021.

All Members are invited to attend.

Doors will open at 4.45pm and no admittance will be permitted after the commencement of the meeting. Current membership cards must be shown to gain admittance.

Food, refreshments & first-class entertainment may follow the meeting, subject to the NSW Public Health Orders and advice in place at the time of the meeting.

FREE ENTERTAINMENT FROM

Shelly White

Multi Award Winning International Piano and Vocal Star, Shelly White and her band, with special guest hilarious comedy impressionist, David Mitchell.

This electrifying piano & vocal star shines with musical brilliance and a unique style that sets her apart. Internationally acclaimed, her show includes many different styles of music from the classics to pop, and everything in between.



WITH SPECIAL GUEST

David Mitchell



NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Forster Tuncurry Memorial Services Club Limited will be held on the club premises, 19 Strand Street, Forster at 5.30 pm on Monday 6 December 2021 for the following purposes:

1. **Apologies**
2. **Confirmation of the Minutes of the Annual General Meeting held 26th October 2020**
3. **To receive and adopt the 2021 Annual Report including the Financial Statements for the year ended 30th June 2021**
4. **Notice of Ordinary Resolutions: To consider, and, if thought fit, to pass the following resolutions with such amendment, if any, as shall be determined at the meeting, as an Ordinary Resolution:**

ORDINARY RESOLUTION 1

That pursuant to the Registered Clubs Act 1976:

1. The members hereby approve and agree to reasonable expenditure by the Club until the next Annual General Meeting of the Club for the following activities of Directors:
 - a. The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee Meeting on the day of that Meeting where the Meeting corresponds with a normal meal time;
 - b. (i.) Reasonable expenses incurred by Directors in relation to such other activities including entertainment of special guests to the Club;
(ii.) Expenses involved in attendance at Intra-Club activities, sponsorship of sporting events deemed by the Directors to be of benefit to the Club and/or the community and other promotional activities performed by Directors;
(iii.) Reasonable costs of Directors attending all functions and activities at the Club deemed by the Directors to be of benefit to the Club;
(iv.) Reasonable costs for attendance at functions with spouses where appropriate, and required, to represent the Club; with the expenses of any of the aforementioned activities to be approved by the Board before payment is made on the production of receipts, invoices or other proper documentary evidence of such expenditure;
 - c. Reasonable expenses for the provision of a Chairpersons Dinner once a year and on such other occasions as the Board might approve with the persons in attendance to comprise the Directors and their partners and persons chosen by the Chairperson who have supported the club during the relevant year and thereby promoted the success of the club;
 - d. The payment of Directors and Officers insurance cover premiums;
 - e. The Club to provide a uniform for Directors consisting of blazer, tie, trousers/skirt, shirt/blouse, sports jacket and cleaning expense of same;
 - f. That each Director be entitled to a specified parking space in the car park;
 - g. That each Director be entitled to be provided with an electronic device (for example a laptop computer, iPad, tablet or other similar device) and an electronic storage device (for example a flash drive or portable hard drive);
 - h. That each Director be entitled to be provided with external access to the internet.
2. The members acknowledge that the benefits in paragraph (1) are not available to the members generally but only to those who are Directors of the Club and those members directly involved in the above activities.

EXPLANATORY NOTE

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have members approve reasonable expenditure by the Club in relation to duties performed by the Directors.

To be passed, Ordinary Resolution 1 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote.

The Board recommends Ordinary Resolution 1 to the meeting.

ORDINARY RESOLUTION 2

That pursuant to the Registered Clubs Act 1976:

- a. The members hereby approve and agree to reasonable expenditure by the Club for professional development and education of Directors until the next Annual General Meeting being:
 - i. The reasonable cost of Directors attending the Australasian Hospitality and Gaming Expo, Australasian Gaming Expo and the Club's NSW Annual General Meeting and Conference;
 - ii. The reasonable costs of Directors attending seminars, lectures, trade displays, organised study tours, fact-finding tours and other similar events as may be determined by the Board from time to time;
 - iii. The reasonable costs of Directors attending other clubs or similar types of business for the purpose of observing their facilities and methods of operation;
 - iv. Attendance at functions with spouses where appropriate, and required, to represent the Club.
- b. The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only to those who are Directors of the Club and those members directly involved in the above activities.

EXPLANATORY NOTE

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required at each Annual General Meeting to have members approve reasonable expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events including Australasian Hospitality and Gaming Expo, Australasian Gaming Expo and Clubs NSW Annual General Meeting and Conference and to visit other clubs to enable the Club's governing body to keep abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business.

To be passed, Ordinary Resolution 2 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote.

The Board recommends Ordinary Resolution 2 to the meeting.

ORDINARY RESOLUTION 3

Approval of Honoraria for Directors for the year 2020/2021.

That pursuant to the Registered Clubs Acts 1976: as amended, the members hereby approve and agree to the members of the Board during the period preceding this Annual General Meeting receiving Honoraria for the positions named and for the sums referred to below in respect of services rendered to the Club and the members further acknowledge that the Honoraria are not available to members equally but only those members elected to the Board of Directors of the Club:

- i. \$15,000 to the President;
- ii. \$10,000 to the Vice Presidents;
- iii. \$8,000 to each Director.

EXPLANATORY NOTE

Pursuant to the requirements of the Registered Clubs Act 1976, the Club is required to have the Honoraria for Directors approved by the members at the Annual General Meeting. The purpose of this resolution is to comply with the requirements of the Registered Clubs Act. The level of Honoraria proposed is the same amount paid last year.

To be passed, Ordinary Resolution 3 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote. The Board recommends Ordinary Resolution 3 to the meeting.

ORDINARY RESOLUTION 4

Approval of Honoraria for the Social Bowls Co-ordinator for the year 2021/2022.

That pursuant to the Registered Clubs Act 1976, as amended, the members hereby approve and agree to the Social Bowls Co-ordinator receiving an Honoraria of \$8,000 per annum which is to be paid monthly in arrears for services rendered to the Sports Club. If the Social Bowls Co-ordinator only holds this position for part of the year then the Honoraria shall be paid on a pro-rata basis.



EXPLANATORY NOTE

The Social Bowls Co-ordinator administers social bowling events at the Sports Club and is remunerated for such service in line with past years. The level of Honoraria proposed is increased by \$500 compared to last year. In order for this to occur, the Club Limited is required pursuant to the requirements of the Registered Clubs Act, 1976 to have the Honoraria approved by the members at the Annual General Meeting.

To be passed, Ordinary Resolution 4 must receive a simple majority of votes in its favour from those members present at the meeting who are eligible to vote.

The Board recommends Ordinary Resolution 4 to the meeting.

ORDINARY RESOLUTION 5

That, for the purposes of Section 41E of the Registered Clubs Act, the members of Forster-Tuncurry Memorial Services Club Limited (Club) hereby declare that part of the Club's core property set out in Schedule "A" (referred to as The Land being the Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds) situated at 65 Beach Street, Tuncurry not to be core property of the Club (i.e. that the Tennis Clubhouse, 6 Tennis Courts and landscaped grounds are "non-core" property of the Club).

EXPLANATORY NOTES

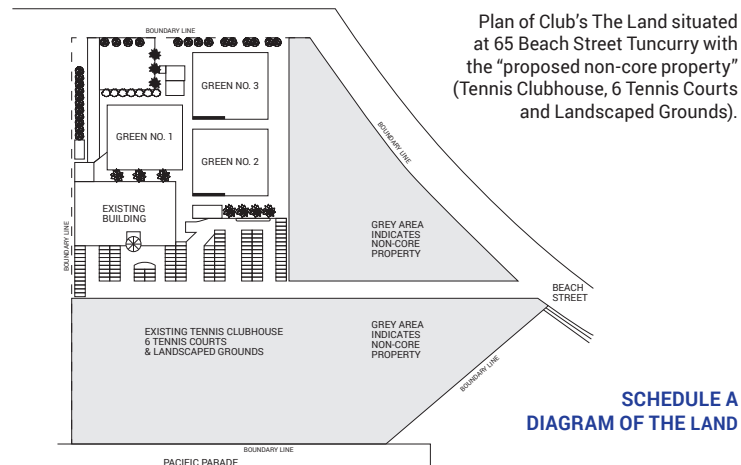
1. The Club premises at 65 Beach Street, Tuncurry being defined licenced premises known as "Sporties Tuncurry", 3 bowling greens, car park, tennis club house and 6 tennis courts is currently "core property" of the Club.
2. All other parts of the Club's land at 65 Beach Street, Tuncurry being the landscaped grounds is currently "non-core property" of the Club.
3. The Ordinary Resolution proposes that members declare the area marked in Schedule "A" being the Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds to be all "non-core property" of the Club.
4. That is, if the Ordinary Resolution is passed, the only parts of the Club's land at 65 Beach Street, Tuncurry that will remain core property will be the defined licenced premises, 3 bowling greens and car park. All other land belonging to the Club at 65 Beach Street, Tuncurry will be "non-core property".

CORE PROPERTY AND NON-CORE PROPERTY

5. Under Section 41E of the Registered Clubs Act, land owned by a registered club is divided into core and non-core property.
6. Core property is any real property (land) owned or occupied by the Club that comprises:
 - a. The licenced premises of the Club;
 - b. Any facility provided by the Club for its members and their guests (such as a car park or bowling green); and
 - c. Any other property declared by a resolution passed by members at a general meeting to be core property of the Club.
7. Non-core property is any land owned or occupied by the Club that is not core property.
8. The difference between core property and non-core property is that core property cannot be leased, sold or disposed of by the Club (except for limited purposes set out in the Registered Clubs Regulations) without the approval of the members in general meeting.
9. On the other hand, non-core property can be disposed of by the Club pursuant to a resolution of the Board and without the necessity of obtaining the approval of the members in general meeting.
10. Section 41E of the Registered Clubs Act gives members power by resolution passed at a general meeting to declare core property to be non-core property.

The Board's reasons for asking members to declare the Tennis Clubhouse, 6 Tennis Courts and Landscaped Grounds (The Land) to be "non-core property" of the Club are:

11. The Board is continuously considering and planning for the future Strategic direction of the Club.
12. As part of this Strategic Planning, the Board reviews and considers the present and future possible alternative use of the Club's properties, including "The Land".



13. The Board believes it is imperative for the Club to plan and to diversify the Club's revenue streams for the long-term viability and sustainability of the Club. The Board have been considering various suitable diversification projects over the years from a motel, over 55 seniors living and even a recreational vehicle caravan park. After conducting feasibility studies the Board have concluded that an over 55 lifestyle village project has the strongest business case and return to the Club.
14. The Board have received an Expression of Interest to develop such a lifestyle village on land at the Sports Club. This development may comprise 50 to 70 cottages including other facilities.
15. It is for this reason the Board signed an in-principle joint venture agreement on 15th June, 2021 with a Property Developer. However, for the Board to proceed with this vitally important project members need to approve and declare the Tennis Clubhouse, 6 Tennis Courts along with the landscaped grounds as non-core property.
16. Under this business model the Club remains the land holder and owner of the development. The project consequently would significantly increase the asset value of current undervalued land besides providing a significant annual financial return and ensuring the Clubs long-term financial viability and sustainability.
17. The Board considers the proposed unit lifestyle cottage development as a strong business case conservatively estimated to deliver an annual annuity or a regular Net Profit for life to the Club within the vicinity of \$250,000 to \$300,000. This does not reflect the increased Club profitability across food, beverage and gaming from prospective property owners which could foreseeably be well in excess of \$130,000 per annum if prospective property owners only visited the Club one day each week.
18. In order to proceed to a Project Development Agreement it requires members to pass this Ordinary Resolution and declare the Tennis Clubhouse and 6 Tennis Courts as non-core property in conjunction with the existing landscaped grounds. That is, if the Ordinary Resolution is passed, the only parts of the Club's land at 65 Beach Street, Tuncurry that remain core property will be the defined licenced premises, 3 bowling greens and car park. All other land belonging to the Club at 65 Beach Street, Tuncurry will be "non-core property". By doing so, that would allow the Club the opportunity to lease this land to achieve the development objective of delivering sustainable investment returns for the benefit of members and the community.
19. Currently, the Club receives negligible amount of income from the Tennis Club and it's operations and in fact it costs the Club money by maintaining the Tennis Clubhouse lawns and landscaped grounds.
20. It is the Board's view that the sport of tennis would still be well provided for in the local community with 8 courts available at Twin Towns Tennis Club, Tuncurry and 13 courts at Forster Tennis Club.
21. The Board recognise the sport of tennis is declining in popularity and participation as more time-poor people are turning to lifestyle activities like walking, cycling, and going



to the gym as opposed to playing tennis.

22. It is the Boards view that the Tennis Complex and facilities as they are aging and experiencing less use should be retired to make way for a significantly more profitable enterprise that will serve our members and the community more richly.
23. It is for these reasons the Board recommends Ordinary Resolution 5 to the meeting.

5. Notice of Special Resolution

To consider and if thought fit, pass the following resolution which is proposed as a Special Resolution:

SPECIAL RESOLUTION 1

To consider and if thought fit, pass a Special Resolution that Honorary Membership for his Lifetime be conferred on James Simons, Membership No. 10416. Moved by Claire Fletcher Membership No. 303, seconded by Robyn Kirk Membership No. 11285.

To be passed, Special Resolution 1 must receive votes from not less than three quarter of those members who being eligible to do so vote in person on the Special Resolution at the meeting. The Board recommends Special Resolution 1 to the meeting.

6. Any other business of which due notice has been given.

7. Close.

NOTICE TO MEMBERS

In accordance with the Corporations Act and for Companies Limited by Guarantee, the Company is no longer required to send a copy of the Annual Financial Report to every member, only to those who elect to receive a copy either in hard or digital format (via email or SMS).

Any member electing to receive a copy of the Annual Financial Report must do so in writing, requesting a hard or digital copy from the Chief Executive Officer by Friday 5th November 2021, supplying their email address or mobile number, if a digital copy is requested. The election by a member to receive a copy of the Annual Financial Report will be a standing election for future financial years.

Alternatively, members may download copies of the Annual Financial Report and last years Annual General Meeting minutes from the Club's website at www.clubforster.com.au, which will be available for download on or after 25th October 2021.

Members requiring clarification of any matter appertaining to the Annual Report are requested to give your question in writing to the Chief Executive Officer no later than Wednesday 24th November, 2021 so that your query can be fully considered and answered at the meeting.

Dated 28th September, 2021

By Direction of the Board



P. V. Clarke FCPA
Chief Executive Officer/Company Secretary

PRESIDENT'S REPORT

It's my pleasure to bring you my Annual Report for 2020/2021.

What another extraordinary year it's been. Defined by unprecedented Federal and State Government cash stimulus, forever changing operating conditions around the threat of Coronavirus outbreaks, mask wearing, capacity limits, no dancing or singing and the list goes on. Even with all this constant change and threat to our health the Clubs have achieved a record Net Profit of \$3,565,388 for the year. Impressive trading results were achieved across all core areas of food, beverage, and gaming. I refer you to the Directors Review of Operations and General Manager's Report for more financial details.

The Board are awaiting Mid Coast Council's decision on our Development Application to develop an RV Park on the Northern and Southern sides of the Sport Clubs main entrance plus the area behind the tennis complex. The merits of this project will be further considered by the Board along with other development opportunities during next year.

The Board have approved vitally important and necessary renovations and extensions to the Sports Club. These works include a new kitchen, coffee shop and bar. The dining room will be flipped over to the northern side of the Club and the function room will be located on the southern side of the Club. A large attractive under cover canopy and new entry and reception will also be completed. Extensions and refurbishment to the existing gaming and alfresco lounges are also planned. This work is expected to be completed under a two staged building program with stage one to commence in August and completed by Christmas 2021 and stage 2 is expected to be completed prior to the end of June 2022.

Board and Management are extremely proud of the Club's generous support of our local community, again giving around \$500,000 in cash and in-kind this year. I was particularly humbled when the Board agreed to support again the Great Lakes Women's Shelter by donating \$40,000 to ensure women and children escaping domestic violence have a safe place to go plus Forster Private Hospital Oncology Unit for \$10,000 and Forster Neighbourhood Centre also \$10,000 to mention a few. The Board will never lose sight of the Club's primary objective of supporting our members and our communities particularly during difficult times like now.

I would like to congratulate and thank all 19 internal Sporting Clubs for their continued loyalty, support, and patronage of our Clubs during the past twelve months. In particular, I would like to acknowledge their management committees for the professional manner in which they have administered their respective Clubs. Well done! I am very pleased to have welcomed the Great Lakes Band to our family of internal clubs during the year. They provide a valuable community service whilst also giving people of all ages the opportunity to develop their musical skills and be part of a terrific club.

To Peter Clarke, General Manager and Darren Pettet, Assistant General Manager and the entire Management team plus the Administration staff, I thank you for your wholehearted efforts during this extraordinary year. Your professional advice, service and support to the Board have greatly assisted in our Club's ability to navigate its way through these extremely uncertain and challenging times.

To my Board I thank you for your loyalty and commitment. I am very proud of the mutual respect, trust, teamwork, and preparedness we share to make the tough decisions for the betterment of our two great Clubs.

In conclusion, I thank you our members and your guests for your loyalty and support of our two fabulous Clubs during this year. I look forward to catching up with you at the Club's Annual General Meeting to be held on Monday 6 December 2021 with the doors opening at 4.45pm and meeting commencing at 5.30pm. Great food, refreshments, and first-class entertainment from our very own Shelly White with special guest David Mitchell will follow the meeting. That's hoping the current Statewide lockdown restrictions are lifted in time for this meeting to occur in person.

Otherwise, stay safe and well!



Claire Fletcher
President



GENERAL MANAGER'S REPORT

It is a privilege to submit for your consideration my Annual Report on the activities of Club Forster and Sporties Tuncurry (the Group) for the year ended 30th June 2021.

Coronavirus has continued to dominate the headlines across the Globe including our Clubs jurisdiction defined by QR Code check-ins, capacity limits, wearing masks, no dancing or singing and other health and hygiene practices and procedures to mention a few.

Thankfully, on the back of unprecedented fiscal and monetary stimulus by State and Federal Governments the Clubs report an impressive Net Profit of \$3,565,388. This result is particularly pleasing allowing the Clubs to recover approximately \$1 million Net Profitability lost in 2019/2020 plus an abnormally high result this year. This record trading performance was driven by exceptionally strong results by the Group in beverage up \$290,551 or 22.40%, food up \$118,142 or 107.98% and gaming up \$2,944,207 or 51.71% on last year.

I refer you to the Directors Report Review of Operations for more financial performance details.

Other notable highlights for the year were:

- Revenues reached \$25,548,327 up \$5,917,582 or 30.14%
- Cash generated from operations was \$5,506,407
- Repayment of \$3,356,708 in borrowings
- Year end accumulated cash holdings were \$2,017,435
- Investment of \$2,338,672 into buildings, plant equipment etc.
- Successfully completed design and finish planning for major renovations and extensions at the Sports Club
- Finalised the Clubs Strategic Business Plan 2022 Plus

Board and Management have recently endorsed and adopted its Strategic Business Plan 2022 Plus. Central to this business document is a very optimistic financial outlook during 2021/2022. Other primary objectives is improvements in the areas of leadership and Governance, Community and Communication, Operational Profitability and Facilities, Finance and Investment in Master Plan rollout. Naturally, much hinges on the vaccination rollout, extended lockdowns and the speed at which economies recover.

I am extremely proud by the manner in which President Claire and her Board colleagues along with my management and staff team have performed showing much solidarity resilience, vision, commitment and overall positivity during this unprecedented and troubling times. Board and management have learnt a lot about governing and managing through a crisis and rapidly adapting and evolving to new operating conditions. It has taught us to be prepared for the unexpected. It is for these and other reasons why I hold my Board and team in the highest regard and all are to be congratulated.

Furthermore, in light of this particularly most difficult year I would like to acknowledge and thank Darren Pettet my Assistant General Manager and the management team for their untiring support, terrific teamwork, enthusiasm and positive contribution to the overall success of both Clubs during these times of dramatic business, operational and emotional upheaval.

Finally, I would also like to thank you, the members for your loyalty and support of our two great Clubs – Club Forster and Sporties Tuncurry during these extremely difficult and uncertain times when this loyalty and support was ever so critically important.

Although these are extremely uncertain and troubling times, all efforts by Board and Management have and will continue to be made in protecting our Clubs, and their assets, protecting jobs and to continue to proudly support and serve our communities.

I advise that the 2021 Annual Report is available for download from our website at www.clubforster.com.au and I ask any member who may have a question regarding my report or the financial accounts to submit your question in writing by Wednesday 24th November 2021, so that we can thoroughly research and provide a detailed response at the Annual General Meeting to be held on Monday 6 December 2021.

Board and Management look forward to continuing to achieve our Club's vision of bringing enjoyment to the lives of our members and visitors through our professional and caring approach to service whilst balancing the needs of today with the opportunities of the future.

Despite these extraordinary challenging times to business and health, the likes of which our industry and communities has never seen, Board and Management will regardless look to the future with much optimism and hope.

Your faithfully,



P. V. Clarke FCPA
General Manager



DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30th June, 2021.

DIRECTORS

The names of Directors in office at anytime during or since the end of the year are:

- Claire E. Fletcher, President
- Colin P. Cross, Vice President
- Gail E. Stewart, Vice President
- Darcy W. Cheetham, Director
- James Simons, Director
- Robyn M. Kirk, Director
- Paul Nicholas, Director
- Neil D. Stuckey, Director
- Peter A. Rayner, Director

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of conducting a licensed club. There has been no significant change in the nature of these activities during the year.

SHORT TERM OBJECTIVES

The Club's objectives are focused on the key areas of providing strong corporate governance, excellent recreational and leisure facilities and services and the promotion of the social welfare of its members and local community. This is achieved by continuing to provide Board of Directors, management and staff with appropriate training, excellence in customer service and modern facilities. The Club operates a structured community support program with a heavy focus on local projects and activities that provide the greatest tangible benefit to the social needs of the Great Lakes Community.

LONG TERM OBJECTIVES

The Club continues its long term strategy of responsible financial investment in building infrastructure and operations whilst exploring other revenue opportunities to ensure the Club's ongoing financial viability and sustainability.

STRATEGIES FOR ACHIEVING OBJECTIVES

The Club undertakes a number of strategies to achieve the above objectives:

- Commitment to sound Corporate Governance;
- The Board's Strategic Plan is monitored and reviewed on a regular basis;
- High level of financial support for local community and sporting organisations in accordance with the Club's Charter;
- Capital investment in all facilities to ensure they continue to meet member needs and expectations;
- Growth in revenues through an expansion of our business offerings.

MEASUREMENT OF PERFORMANCE

The Club measures financial and operational performance using the following key indicators:

- Trading performance to budget;
- EBITDA and EBITDARD performance to industry standards;
- Cashflow Analysis;

- Department measures such as gross profit and wage percentages;
- Assessing Return on Investment regarding all expenditure;
- Members' feedback;
- Patronage into the premises;
- Mystery Shopper reviews and market research.

OPERATING RESULTS

The profit/(loss) for the year was a profit of \$3,565,388 [2020: Profit \$82,321] after income tax expense of \$40,549 [2020 \$Nil] in respect to the current, prior and deferred years. Depreciation and amortisation charged for the year was \$1,799,794 [2020: \$1,878,666].

REVIEW OF OPERATIONS

The year in review has been a tumultuous year for all business and Club Forster and Sporties Tuncurry (The Group) has not been immune to the numerous challenges and risks arising from the pandemic, along with ongoing uncertainty. Constantly changing State Public Health Orders involving restrictions, venue capacities, social distancing, QR Code check ins and many others have changed the style of service to members as well as the flow of people through our Clubs. However, on the back of unprecedented Federal and State Government Stimulus (Cashflow Boost \$50,000 & Jobkeeper Subsidy \$1,117,500) totalling \$1,167,500 has significantly assisted the Clubs recovery and driven profitability to a record level of \$3,565,388.

This result is particularly pleasing as it could be considered that The Group has recovered approximately \$1 million Net Profitability lost in 2019/2020 primarily due to the NSW Government ten (10) week mandated shutdown of all non-essential services including licensed clubs, whilst also reporting an abnormally high Net Profit result this year.

In light of this fact that business experienced significant disruption due to this state wide lockdown last year, there is little benefit or value in providing comparative trading results as part of the review of operations this year.

This record trading performance was achieved off the back of exceptionally strong revenue results by The Group in gaming of \$13,249,337, beverage of \$4,681,520 and catering of \$4,651,682 with total revenues reaching \$25,548,327.

Reasonable trading results were witnessed from both Keno and TAB. Keno trading returned consolidated commissions of \$23,3109 whilst TAB commissions received were \$57,785.

Total salary and wages (including other employee benefits) paid was \$6,811,035. This result is satisfactory after consideration is made for increased labour levels required to comply with the NSW Government Public Health Order and Covid-19 Safe Plans and the 1.75% minimum wage increase handed down by Fair Work Commission and effective from 1st February, 2021.

A review of the Club's cash flow performance indicates a positive movement of cash from operations of \$5,506,407 together with accumulated cash reserves of \$1,730,282 has enabled the Club to fund net plant, equipment and capital improvements and intangibles of \$2,333,672 whilst repaying borrowings of \$3,356,708 and maintaining cash reserves of \$2,017,435 as at 30th June, 2021.

The Board have endorsed and adopted its Strategic Business Plan 2022 Plus. Central to this business document is the ongoing uncertainty plagued by Coronavirus public health extended lockdowns and its consequential serious disruption to business. The Board have forecasted poor trading results in the 1st half of the year with a strong rebound in the second half of the year as vaccination rates rise, restrictions ease and lockdown become a health strategy of the past. In other words, the Board views the Christmas/New Year holiday season should be very strong and extend through to years end on the back of people desperately wanting to enjoy an extended break from the ongoing disruption to their work and lives of the recent past.



MEMBERS GUARANTEE

In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 13311 members (2020: 13,227 members).

DIRECTORS' MEETINGS

The number of Directors' meetings (including special meetings and meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	Directors' Meetings Board Meetings		Directors' Meetings Special Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Claire E. Fletcher	12	12	5	5
Colin P. Cross	12	12	5	5
Gail E. Stewart	12	11	5	5
Darcy W. Cheetham	12	11	5	5
James Simons	12	11	5	5
Robyn M. Kirk	12	12	5	4
Paul Nicholas	12	11	5	5
Neil D. Stuckey	12	12	5	5
Peter A. Rayner	12	11	5	5

The Directors also attended various sub committee meetings comprising Directors and management throughout the year.

During the year Directors were granted a leave of absence for the following periods:

- Gail E. Stewart – 3rd to 9th November 2020.
- Robyn M. Kirk – 8th to 22nd November 2020.
- Paul Nicholas – 18th December 2020 to 4th January 2021 & 5th to 11th April 2021.
- Peter A. Rayner – 28th to 31st December 2020.
- Neil D. Stuckey – 10th to 27th June 2021.

The board consists of nine members having an attendance record of 96.30% at regular board meetings, 97.78% at special meetings and an overall attendance of 96.73%.

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Claire E. Fletcher

President (Current)	8 years
Director (Current)	13 years
Vice President (Past)	3 years

Qualifications & Experience

Retired Bank Clerk	
Supervisor Armaguard Currency Management	10 years
Pay Clerk K-Mart Forster	
ANZ Business Bank Teller	10 years
Past Committee Member Tuncurry Forster Sports Women's Bowling Club	
Past President Forster Women's Bowling Club	

Special Responsibilities

Poker Machine, Disciplinary, House & Building and Future Development Committees
Sports Council Representative
Community Club Grants

Other

Life Member	
Member of Club Directors Institute – Clubs NSW	
President Far North Coast ClubsNSW Southern Region	4 years
Director Great Lakes Women's Shelter	6 years

Training

Lessons From History – Looking Back to Look Forward
Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty

Colin P. Cross

Vice President (Current)	9 years
Director (Current)	15 years
Vice President (Past)	2 months

Qualifications & Experience

Retired Telstra Communications Officer	
Vice President Skipjacks Bowling Club	4 years
Committee Cundletown Apex	3 years

Special Responsibilities

Poker Machines, Disciplinary, Future Development Committees

Other

Life Member	
Life Member Taree Race Club	
Member of Club Directors Institute – Clubs NSW	
Vice-President Far North Coast ClubsNSW Southern Region	4 years

Training

Lessons From History – Looking Back to Look Forward
Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty



DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONT.
Gail E. Stewart

Vice President (Current)	9 months
Director (Current)	6 ½ years

Qualifications & Experience

Semi-Retired Mortgage Business Partner	
Audit Department Administrator with Price Waterhouse Chartered Accountants	
Australian Government Employee	
Australian Royal Commission Employee	
General Committee & Member Tuncurry Sporties Ladies Bowling Club	
Past President Forster Social Golf Club	2 years
Past Secretary/Treasurer Forster Social Golf Club	4 years
Playing Member Forster Tuncurry Golf Club	

Special Responsibilities

Poker Machine, Disciplinary & Future Development Committees

Other

Member of Club Directors Institute – Clubs NSW

Training

Lessons From History – Looking Back to Look Forward
Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty

Darcy W. Cheetham

Director (Current)	8 years
Director (Previous)	2 years
Vice President (Past)	6 years

Qualifications & Experience

Business Proprietor	
Former President Nelson Sharks Junior Rugby League Football Club	
Former Treasurer Nelson Sharks Junior Rugby League Football Club	
Member Tuncurry Forster Sports Men's Bowling Club	
Member Skipjacks Bowling Club	

Special Responsibilities

Poker Machine and Future Development Committees

Other

Member of Club Directors Institute – Clubs NSW

Training

Lessons From History – Looking Back to Look Forward
Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONT.
James Simons

Director (Current)	9 years
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Qualifications & Experience

Retired Tool Maker	
Past Secretary Club Forster Skipjacks Social Bowling Club Committee	3 years
Past Secretary Tuncurry Forster Sports Men's Bowling Club	5 years

Special Responsibilities

Disciplinary, Greens Director & Future Development Committees
Greens Director (Current)

Other

Member of Club Directors Institute – Clubs NSW

Training

Lessons From History – Looking Back to Look Forward
Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty

Robyn M. Kirk

Director (Current)	5 years
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Qualifications & Experience

Retired NSW Office Manager – Placard	
Past Vice-President Tuncurry Sporties Ladies Bowls	3 years
Former Hills Barbarians Cricket Club President	8 years
NSW Real Estate Bowlers Tour Co-ordinator	8 ½ years
Past Secretary Crystal Waters Residents Association	3 years

Special Responsibilities

Club Forster Future Development Committee

Training Director (Current)

Tournament Director (Current)

Other

Member of Club Directors Institute – Clubs NSW

Training

Lessons From History – Looking Back to Look Forward
Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty

Paul Nicholas

Director (Current)	3 ½ Years
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Qualifications & Experience

Retired Remuneration/Payroll Manager	
CIC Insurance Ltd	9 years



DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONT.

Paul Nicholas Continued

Tower Australia Ltd	17 years
NSW Sydney 1st Grade Umpire	7 years
NSW Cricket Umpire Association	25 years
Manning River District Cricket Umpirers Association CEO	4 years
South Sydney Juniors Club Member	20 years
South Sydney Juniors Golf Club Treasurer	5 years
Club Forster Social Golf Club Member	6 years
Club Forster Member	7 years
Club Forster Bluewater Fishing Club Treasurer	6 years

Special Responsibilities

House & Building, Internal Sports Club Financial Co-ordinator, Community Club Grants and Future Development Committees

Assistant Raffle Director (Current)

Other

Member of Club Directors Institute – Clubs NSW

Training

Lessons From History – Looking Back to Look Forward

Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty

Neil D. Stuckey

Director (Current) 3 ½ Years

Qualifications & Experience

Semi-Retired Food Safety Auditor	
NSW Food Authority	41 years
Club Forster Member	16 years
Club Forster Euchre Club Treasurer	7 years
Gloucester Golf Club Member	20 years
Gloucester Soldiers Club Member	20 years
Gloucester Bowling Club Member	20 years
Gloucester Senior & Junior Cricket Club President	5 years
Tuncurry Sports Men's Bowling Club Member	8 years

Special Responsibilities

W.H & S & Future Development Committees

Raffle Director (Current)

Other

Member of Club Directors Institute – Clubs NSW

Training

Lessons From History – Looking Back to Look Forward

Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES CONT.

Peter A. Rayner

Director (Current) 3 Years

Qualifications & Experience

Retired Maintenance Officer	4 Years
Customer Service Engineer Canon Australia	35 Years
Panel Beater	5 Years
Club Forster Member	7 Years
President Club Forster Blue Water Fishing Club	1 Year
Past Vice-President Club Forster Blue Water Fishing Club	2 Years
Social Secretary Club Forster Blue Water Fishing Club	7 Years

Special Responsibilities

Club Future Development & House and Building Committees

Other

Member of Club Directors Institute – Clubs NSW

Training

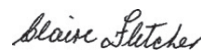
Lessons From History – Looking Back to Look Forward

Equipping Yourself – The Right Skill for Future Viability and Managing Uncertainty

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 19.

Signed at Forster this 28th Day of September, 2021 by Claire E. Fletcher and Colin P. Cross on behalf of the Board and in accordance with a Resolution passed by the Directors.


CLAIRE E. FLETCHER
DIRECTOR


COLIN P. CROSS
DIRECTOR



AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FORSTER TUNCURRY MEMORIAL SERVICES CLUB LIMITED

In accordance with the requirements of Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Forster Tuncurry Memorial Services Club Limited, for the year ended 30th June 2021, I declare that to the best of my knowledge and belief, there have been:

- i. No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012, in relation to the audit; and
- ii. No contravention of any applicable code of professional conduct in relation to the audit.



HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER • REGISTERED COMPANY AUDITOR

12-16 Wallis Street, Forster
28th September, 2021

INDEPENDENT AUDITORS' REPORT

To The Members of Forster Tuncurry Memorial Services Club Limited

OPINION

We have audited the accompanying financial report of Forster Tuncurry Memorial Services Club Limited, which comprises the Statement of Financial Position as at 30th June 2021, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant Accounting Policies and the Directors' Declaration as set out on pages 21 to 44.

In our opinion the financial report of Forster Tuncurry Memorial Services Club Limited is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a. Giving a true and fair view of the Company's financial position as at 30th June, 2021 and of its performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR'S REPORT THEREON

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30th June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or 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.

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

We also:

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



HARRISON, MAIN & McARTHUR

ANDREW McARTHUR - CA

PARTNER • REGISTERED COMPANY AUDITOR

12-16 Wallis Street, Forster

28th September, 2021

DIRECTORS' DECLARATION

The Directors of Forster Tuncurry Memorial Services Club Limited, declare that:

1. The financial statements and notes, as set out on pages 22 to 44 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Act 2012; and
 - b. give a true and fair view of the financial position as at 30th June, 2021 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Forster this 28th Day of September, 2021 by Claire E. Fletcher and Colin P. Cross on behalf of the Board and in accordance with a Resolution passed by the Directors.



CLAIRE E. FLETCHER
DIRECTOR



COLIN P. CROSS
DIRECTOR



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Note	\$	\$
Revenue	2	25548327	19630745
Profit/(Loss) on Disposal of Fixed Assets	3	(67458)	5275
Changes in Inventories of Finished Goods	3	(3577319)	(3063251)
Employee Benefits Expense	3	(6811035)	(6190047)
Depreciation & Amortisation Expense	3	(1799794)	(1878666)
Bad & Doubtful Debts	3	-	-
Finance Costs	3	(195474)	(313767)
Other Expenses	3	(9491310)	(8107968)
Profit/(Loss) Before Income Tax		3605937	82321
Income Tax Expense	1(a),4	(40549)	-
Profit/(Loss) for the Year		3565388	82321
Other Comprehensive Income After Income Tax:			
Net Gain On Revaluation of Non-Current Assets		-	-
Other Comprehensive Income for the Year, Net of Tax		-	-
Total Comprehensive Income for the Year		3565388	82321
Total Comprehensive Income Attributable to:			
Members of the Entity		3565388	82321

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts set out on page 26 to 44.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

		Retained Earnings	Asset Revaluation Reserve
	Note	\$	\$
Balance at 1st July, 2019	(a)	16234380	645291
Retrospective Adjustment Upon			
Change in Accounting Policy		-	-
Transfers to and From Reserves		-	-
Transfers to and From Retained Profits		-	-
Total Other Comprehensive Income for the Year		-	-
Profit/(Loss) Attributable to the Company		82321	-
Balance at 30th June, 2020	(a)	16316701	645291
Balance at 1st July, 2020	(a)	16316701	645291
Retrospective Adjustment Upon			
Change in Accounting Policy		-	-
Transfers to and From Reserves		-	-
Transfers to and From Retained Profits		-	-
Total Other Comprehensive Income for the Year		-	-
Profit/(Loss) Attributable to the Company		3565388	-
Balance at 30th June, 2021	(a)	19882089	645291

a) Asset Revaluation Reserve

This asset revaluation reserve records revaluations of non-current assets. There were no movements in the reserve during the current year.

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts set out on page 26 to 44.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021

	2021	2020
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	5 2017435	1730282
Trade & Other Receivables	6 352197	621516
Inventories	7 240862	185820
Other Current Assets	8 75539	91326
TOTAL CURRENT ASSETS	2686033	2628944
NON-CURRENT ASSETS		
Deferred Tax Assets	13 -	-
Property, Plant & Equipment	9 23698159	23261078
Intangible Assets	10 969851	940513
TOTAL NON-CURRENT ASSETS	24668010	24201591
TOTAL ASSETS	27354043	26830535
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	11 1176501	1295152
Borrowings	12 360484	697325
Current Tax Liabilities	13 40549	(44800)
Short Term Provisions	14 812661	856646
Other Liabilities	15 132662	125302
TOTAL CURRENT LIABILITIES	2522857	2929625
NON-CURRENT LIABILITIES		
Trade & Other Payables	11 -	114754
Borrowings	12 4000000	6548741
Long Term Provisions	14 154473	132741
Other Liabilities	15 101048	94397
Deferred Tax Liabilities	13 48285	48285
TOTAL NON-CURRENT LIABILITIES	4303806	6938918
TOTAL LIABILITIES	6826663	9868543
NET ASSETS	20527380	16961992
EQUITY		
Reserves	645291	645291
Retained Profits	19882089	16316701
TOTAL EQUITY	20527380	16961992

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts set out on page 26 to 44.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2021

	2021	2020
Note	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from Customers	25473593	20272153
COVID Government Support	1167500	977000
Interest Received	636	887
Payments to Suppliers and Employees	(21073054)	(19036944)
Income Tax Received/(Paid)	44800	(30800)
Finance Costs	(107068)	(284412)
Net Cash Generated from Operating Activities	5506407	1897884
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant & Equipment	5000	11000
Payment for Intangible Assets	(35306)	(6695)
Payment for Property, Plant & Equipment	(2303366)	(524160)
Net Cash used in Investing Activities	(2333672)	(519855)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	471126	185787
Repayment of Borrowings	(3337662)	(609667)
Proceeds from Hire Purchase	-	-
Repayment Hire Purchase	(19046)	(22855)
Bond Received	-	-
Net Cash used in Financing Activities	(2885582)	(446735)
Net Increase/(Decrease) in Cash Held	287153	931294
Cash and Cash Equivalents at 1st July 2020	1730282	798988
Cash and Cash Equivalents at 30th June 2021	5 2017435	1730282

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts set out on page 26 to 44.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

The financial report is for Forster Tuncurry Memorial Services Club Limited as an individual Company, incorporated and domiciled in Australia. Forster Tuncurry Memorial Services Club Limited is a Company limited by guarantee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. The Company 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. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on the accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets (if applicable), financial assets and financial liabilities (if applicable). The amounts presented in the financial statements have been rounded to the nearest dollar. The functional and presentation currency of Forster Tuncurry Memorial Services Club Limited is Australian Dollars.

The financial statements were authorised for issue on the 28th September 2021 by the Directors of the Company.

ACCOUNTING POLICIES

a. Income Tax

Due to the doctrine of mutuality the Club is taxed on net income from non-members and other external sources only and accordingly taxable income does not relate to net profit as disclosed in the accounts. Current year income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items and then adjusted for the appropriate percentage applicable to non-members to determine the taxable income.

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. Inventories

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

c. Property, Plant & Equipment

Property, plant and equipment are carried at cost or at fair value, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the 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 fair value of the assets less cost to sell or the depreciable replacement cost of these assets.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour and borrowing costs. 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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and leasehold improvements but excluding freehold land, are depreciated on a straight line and/or diminishing value basis over their useful lives to the Company, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% to 5%
Plant and Equipment	7.5% to 40%
Bowling Greens	4%
Car Parks etc	2% to 10%
Leased Improvements	4% to 5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

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 and losses are included in the Statement of Comprehensive Income.



NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

d. Land for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Borrowing costs and holding charges incurred after development is completed are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

e. Employee entitlements

1. Short Term Employee Benefits

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

The Company's obligation for short term employee benefits is recognised as part of provisions in the Statement of Financial Position.

2. Long Term Employee Benefits

The Company classifies employees' long service leave and certain annual leave entitlements as long term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for long term employee benefits, which are measured at the present value of the expected future payments to be made to employees including future wage and salary levels and on costs. The movement in this provision is recognised on the profit or loss under employee benefits expense.

The Company's obligation for long term employee benefits is recognised as part of non-current provisions in the Statement of Financial Position unless the Company cannot defer settlement for 12 months then they are classified as current provision.

Contributions are made by the Company to employee superannuation funds and charged as an expense when incurred.

f. Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Revenue is recognised net of the amount of goods and services tax (GST)

g. 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 the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

h. Intangibles

Computer software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It is being written off over the useful life of the software to the Company.

Poker Machine entitlements are at cost less any impairment losses. Poker machine entitlements have an indefinite life and are assessed annually for impairment.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

i. Leases

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

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

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

Lease payments for finance leases which are considered low value are charged as expenses on a straight line basis over the lease term.

In accordance AASB: 116 Property Plant and Equipment, any rectification clauses in operating leases will be recognised and measured in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, only if the probable outflow is not remote and can be reliably measured.

j. Impairment of Assets

At the end of each reporting period, 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 or the depreciable replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

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

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect to the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Impairment testing is performed annually for intangible assets with indefinite lives.

k. Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are expensed to profit or loss immediately.

Classification & Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amounts for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.



NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

Amortised cost is calculated as:

- i. The amount at which the financial asset or liability is measured at initial recognition;
- ii. Less principal repayments;
- iii. Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method;
- iv. Less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Loans & Receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date, these are included in non-current assets.

Held to Maturity Investments

Held to Maturity Investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to Maturity Investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, these are included in current assets.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the profit and loss.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

I. Provisions

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

m. Comparative Figures

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

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

n. Critical Accounting Estimates and Judgements

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

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

o. New and Revised Standards that are Effective for these Financial Statements

The following Australian Accounting Standards are effective and have been applied in the preparation of these financial statements:

AASB 9: Financial Instruments (December 2014) and associated Amending Standards

AASB 16: Leases

AASB 15: Revenue from Contracts with Customers

AASB 1058: Income of Not-for-Profit Entities

NOTE 2 – REVENUE

	2021	2020
Note	\$	\$
Operating Revenue		
Turnover from Trading Activities	22565094	16945807
Non-Operating Revenue		
Interest Received	636	887
Commission Received	673738	610351
Members Subscriptions	163717	151072
Bowls Shop & Greens Fees	35182	29795
Facility Hire, Sporting Board & Child Minding	17445	17121
Bingo and Raffle Ticket Sales	778163	691208
Entertainment Ticket Sales	65188	135332
Other Income including Advertising Sales	81664	72172
COVID Government Support	1167500	977000
TOTAL REVENUE	25548337	19630745



NOTE 3 – PROFIT/(LOSS) FOR YEAR

	2021	2020
Note	\$	\$
a) Expenses		
Changes in Inventories of Finished Goods		
Bar – Forster & Tuncurry	1723137	1448494
Bottle shop – Forster	300235	262130
Mini Mart & Takeaway – Forster & Tuncurry	0	104559
Catering – Forster & Tuncurry	1553947	1248068
	<u>3577319</u>	<u>3063251</u>

Depreciation and Amortisation

Buildings, Improvements, Car Parks & Greens	580833	653795
Plant and Equipment	1212993	1217552
Intangible – Software	5968	7319
	<u>1799794</u>	<u>1878666</u>

Finance Costs

Interest Paid	195474	313767
---------------	--------	--------

Employee Benefits

Employee Entitlements	(89422)	(103128)
Staff Presentations	730	7111
Fringe Benefits Tax	18572	18462
Salaries & Wages	6881155	6267602
	<u>6811035</u>	<u>6190047</u>

Bad and Doubtful Debts

Trade Receivables	-	-
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Employee Benefits

Contributions to Defined Contribution Super Funds*	570977	511557
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NOTE: Included in Other Expense figure of \$2359407 as below

Other Expenses

Cleaning Expense	462421	403807
Electricity & Gas	486068	487378
Poker Machine Duty	2711178	1855547
Members Amenities	959006	770499
Entertainment & Promotions	1296048	1352792
General & Worker Compensation Insurance	524477	471230
Repairs & Maintenance	676145	698105
Bowling Expenses	16560	15342
Other Expenses	2359407	2053268
	<u>9491310</u>	<u>8107968</u>

b) Significant Revenue and Expenses

Gain on Disposal of Non Current Assets	-	5275
Loss on Disposal of Non Current Assets	67458	-

NOTE 4 – INCOME TAX EXPENSE

	2021	2020
Note	\$	\$
The components of income tax expense comprise:		
Current Tax	40549	-
Deferred Tax	13	-
Recoupment of Prior Year Tax Losses	-	-
Under/(Over) Provision in Respect of Prior Years	-	-
	<u>40549</u>	<u>-</u>

The prima facie tax on profit/(loss) for the Year is reconciled to the income tax expense as follows:

Prima Facie Tax Payable on the Profit/(Loss) for the Year at 26% (2020: 27.50%)	927000	24696
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Add:

Tax Effect of:		
Under Provision for Income Tax in Prior Years	-	-
Non-deductible Depreciation & Amortisation	(489757)	74025
Fully Assessable Income	243335	256494
Non Member Expenditure	1548224	1277528
	<u>2228802</u>	<u>1632743</u>

Less:

Tax Effect of:		
Recoupment of Prior Year Tax Losses	59194	381
Fully Deductible Expenditure	325543	348597
Non Member Income	1803516	1283765
Movement in Deferred Accounts	-	-
Income Tax Attributable to the Company	<u>40549</u>	<u>-</u>

NOTE 5 – CASH & CASH EQUIVALENTS

	2021	2020
Note	\$	\$
Cash on Hand	414000	335000
Cash at Bank	1603435	1395282
5(a), 21	<u>2017435</u>	<u>1730282</u>

(a) 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:

Cash and Cash Equivalents	2017435	1730282
Bank Overdrafts	12	-
	<u>2017435</u>	<u>1730282</u>



NOTE 6 – TRADE & OTHER RECEIVABLES

	2021	2020
Note	\$	\$
Current		
Trade/Other Receivables	26059	162613
Provision for Impairment	-	(129261)
	26059	33352
Other Receivables	64792	81682
Accrued Income	130693	385940
GST Receivable	130653	120542
6(a)	352197	621516

(a) Financial assets classified as loans and receivables:

Trade & Other Receivables:

- Current	352197	621516
- Non-Current	-	-
21	352197	621516

NOTE 7 - INVENTORIES

Finished Goods	240862	185820
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NOTE 8 - OTHER ASSETS

Prepayments	75539	91326
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NOTE 9 – PROPERTY, PLANT & EQUIPMENT

	Cost	Accumulated Depreciation	Accumulated Impairment Loss	Written Down Value
	\$	\$	\$	\$
Year Ended 30th June, 2021				
Freehold Land	2488677	-	-	2488677
Buildings & Car Parks	28921507	13894766	-	15026741
Plant & Equipment	25516941	19763865	-	5753076
Motor Vehicles	425725	217289	-	208436
Bowling Greens	202849	202849	-	-
Work in Progress Buildings	221229	-	-	221229
	57776928	34078769	-	23698159
Year Ended 30th June, 2020				
Freehold Land	2488677	-	-	2488677
Buildings & Car Parks	28763214	13240891	-	15522323
Plant & Equipment	24044325	19029848	-	5014477
Motor Vehicles	382653	283660	-	98993
Bowling Greens	202849	202849	-	-
Work in Progress Buildings	136608	-	-	136608
	56018326	32757248	-	23261078

NOTE 9 – PROPERTY, PLANT & EQUIPMENT CONT.**Movement in Carrying Amount of Property, Plant & Equipment**

	2021 Property, Plant and Equipment	2020 Property, Plant and Equipment
	\$	\$
Opening Written Down Value	23261078	24613990
Add: Additions	2306856	526124
Less: Disposals	(75949)	(7689)
Less: Depreciation	(1793826)	(1871347)
Closing Written Down Value	23698159	23261078

CORE ASSETS OF THE CLUB

The Directors disclose under the provisions of the Registered Clubs Act that the core assets of the Club are the Clubhouse and car park at 19 Strand Street Forster (except proposed Lot 1 of the sub division of Lot 1 DP247867 and Lot 1 DP 43068), the defined licensed premises, bowling greens, car parks, clubhouse and tennis courts at 65 Beach Street Tuncurry (except landscaped grounds).

NOTE 10 – INTANGIBLE ASSETS

	Cost	Accumulated Amortisation / Impairment	Written Down Value
	\$	\$	\$
30th June, 2021			
Computer Software	450506	396795	53711
Poker Machine Entitlements	916140	-	916140
	1366646	396795	969851
30th June, 2020			
Computer Software	415200	390827	24373
Poker Machine Entitlements	916140	-	916140
	1331340	390827	940513

Movement in Carrying Amount of Intangible Assets

	2021	2020
	\$	\$
Opening Written Down Value	940513	941137
Add: Additions	35306	6695
Less: Disposals	-	-
Less: Amortisation	(5968)	(7319)
Closing Written Down Value	969851	940513



NOTE 11 – TRADE & OTHER PAYABLES

		2021	2020
	Note	\$	\$
Current			
Trade Payables		557306	304528
Sundry Payables		339792	833208
Income in Advance		68357	80
Accrued Expenses		114884	164033
GST Payable		96162	108057
	11(a)	<u>1176501</u>	<u>1409906</u>

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

Trade & Other Payables			
- Current		1176501	1295152
- Non-Current		-	114754
		<u>1176501</u>	<u>1409906</u>
Less Income In Advance		<u>(68357)</u>	<u>(80)</u>
Financial Liabilities as Trade & Other Payables	21	<u>1108144</u>	<u>1409826</u>

NOTE 12 – BORROWINGS

		2021	2020
	Note	\$	\$
Current			
Better Business Loan – CBA	12(b) & (d)	108424	480739
Equipment Loan – CBA	12(b)	-	19046
Finance Lease Liabilities	12(b) & 17	252060	160443
Insurance Loan	12(e)	-	37097
		<u>360484</u>	<u>697325</u>
Non-Current			
Better Business Loan – CBA	12(b) & (d)	4000000	6548741
Equipment Loan – CBA	12(b)	-	-
Finance Lease Liabilities	12(b) & 17	-	-
Insurance Loan	12(e)	-	-
		<u>4000000</u>	<u>6548741</u>
Total Borrowings	21	<u>4360484</u>	<u>7246066</u>

a. Total current and non-current secured liabilities:

Better Business Loan – CBA		4108424	7029480
Equipment Loan – CBA		-	19046
Finance Lease Liabilities		252060	160443
		<u>4360484</u>	<u>7208969</u>

NOTE 12 – BORROWINGS CONT.

b. The carrying amount of current and non-current assets pledged as security are:

		2021	2020
	Note	\$	\$
Buildings and Plant & Equipment		23698159	23261078
Floating Charge:			
Cash & Cash Equivalents		2017435	1730282
Trade & Other Receivables		352197	621516
Inventories		240862	185820
Other Current Assets		75539	91326
Intangible Assets		969851	940513
		<u>27354043</u>	<u>26830535</u>

c. Securities Given

The bank debt is secured by:

- First Registered Mortgage over Non Residential Property located at 65 Beach Street Tuncurry and 19 Strand Street Forster. First Registered Equitable Mortgage over the whole of Forster Tuncurry Memorial Services Club Ltd assets and undertakings including uncalled capital;
- Registered interest on the Personal Properties Securities Register over Toyota Courtesy Bus.

Covenants imposed by the bank are as follows:

- Annual audited financial statements provided within 120 days of end of financial year;
- Compliance certificates and management reports to be provided within 120 days of each half reporting period being the end of December and June;
- Borrowings to be lesser of 6 times EBIT or 100% of total revenue;
- Total wages will not exceed 30% of total revenue for each reporting period;
- Interest coverage ratio for each reporting period not less than 2 times;
- Net Gaming Takings on a rolling twelve month basis to be not less than \$900000;
- Borrower to ensure number of gaming machines in use is 30.

Due to the COVID-19 crisis in the 2020 year, the CBA had informed the Club that they had waived the requirement to provide a Covenant Compliance Certificate for the 2020 financial year and the Club was not measured on any covenants that may not meet the requirements outlined above. The Covenant Compliance Certificate was reinstated for the 2021 financial year.

- d. Approved term of funding being interest only facility till 1st October 2020 then monthly repayments commence with agreed principal reductions over the term of the facility. The better business loan is due to expire on the 14th March 2025.
- e. The Insurance is an unsecured facility given for 12 months.



NOTE 12 – BORROWINGS CONT.

f. The Company currently has undrawn facilities as follows:

Facility	Facility Limit	Amount Drawn	Undrawn Facility
	\$	\$	\$
Bank Overdraft – Keno (CBA)	5000	-	5000
Bank Overdraft – Keno (CBA)	3000	-	3000
Bank Overdraft – Tab (CBA)	10000	-	10000
Better Business Loan (CBA)	6608424	4108424	2500000
Finance Lease Liabilities (Poker Machine Distributors)	252060	252060	-
Equipment Loan (CBA)	-	-	-
Insurance Loan	-	-	-

The Club has also provided guarantees to TAB NSW of \$10000.

NOTE 13 – INCOME TAX

	2021	2020
	Note	\$
Income Tax		40549 (44800)

	Opening Balance	Charged To Income	Charged Directly To Equity	Changes In Tax Rate	Closing Balance
	\$	\$	\$	\$	\$
Deferred Tax Liability					
Property, Plant & Equipment	48199	-	-	-	48199
Tax Allowance	86	-	-	-	86
Balance as at 30th June 2021	48285	-	-	-	48285
Deferred Tax Liability					
Property, Plant & Equipment	48199	-	-	-	48199
Tax Allowance	86	-	-	-	86
Balance as at 30th June 2020	48285	-	-	-	48285

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(a) occur:

Temporary Differences \$73899 (2020: \$88041)

Tax Losses: Operating Losses \$Nil (2020: \$68301)

NOTE 14 – PROVISIONS

	Annual & Sick Leave Provision	Long Service Leave Provision	Total
	\$	\$	\$
Opening Balance at 1st July 2020	481247	368966	850213
Additional provisions raised during year	358611	89079	447690
Amounts used	(394743)	(111808)	(506551)
Balance at 30th June 2021	445115	346237	791352

NOTE 14 – PROVISIONS CONT.**Analysis of Total Provisions**

	2021	2020
	Note	\$
Current		
Annual Leave		404400 440532
Sick Leave		40715 40715
Long Service Leave		191764 236225
Member Loyalty Points		175782 139174
		812661 856646
Non-Current		
Long Service Leave		154473 132741

Provision for Long Service Leave

A provision has been recognised for employee entitlements relating to 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(e) of the financial statements.

NOTE 15 – OTHER LIABILITIES

	2021	2020
	Note	\$
Current		
Subscriptions in Advance		131526 124166
Prepaid Lease Sub Branch		1136 1136
		132662 125302
Non-Current		
Subscriptions in Advance		60139 52352
Prepaid Lease Sub Branch		40909 42045
		101048 94397

NOTE 16 - CONTINGENT LIABILITIES & ASSETS**Contingent Liability - Mortality Benefits**

A contingent liability exists for certain members whose membership entitles next of kin to mortality benefits upon the death of the member. The total contingent liability is estimated at \$37000 (2020: \$37000).

Contingent Liability – Poker Machine Jackpots

The Club has a contingent liability at the 30th June 2021 being the payment of poker machine jackpots accrued. The payment of the jackpot is contingent upon the winning combination being spun or upon the decommissioning of a machine which is not replaced and/or the jackpot accrued not being transferred to another machine. The potential liability is \$146537 at Club Forster and \$57818 at the Sporties.

Contingent Asset – Development Fund

A contingent asset exists being the maintenance of a promotional fund by Carlton United Breweries under the current trading agreement. Under the agreement between the Club and Carlton United Breweries an amount is set aside based on the litres purchased by the Club to be used on promotional activity agreed to by both parties. The maintenance of the fund is contingent upon a valid trading agreement between the Club and Carlton United Breweries remaining in place. The balance of the fund at the 30th June 2021 is \$30297 (2020: \$28378).



NOTE 17 – LEASING, CAPITAL & OTHER COMMITMENTS

Operating Lease Commitments

Paging System

The Club entered into an agreement in May 2019 for a 3 year period with BTG Pty Ltd, to lease a customer & club paging system for both Forster and Tuncurry catering. The amount payable under the agreement is \$1166 per month excluding GST.

Non-cancellable operating leases contracted for but not capitalised in the financial statements and other rental liabilities of the Club are as follows:

	2021	2020
Note	\$	\$
Payables – Minimum Lease Payments		
Not Later Than 12 months	8162	12972
Later Than 12 months but Not Later Than 2 years	-	1081
Later Than 2 years but Not Later Than 5 years	-	-
Later Than 5 Years	-	-

Capital Commitments

The Club has one material capital commitments at the 30th June 2021 being the contract for the current renovations at Sporties, Tuncurry. Total contracted amount is \$3670207.

Finance Lease Commitments

Poker Machine Licence Rental

The Club entered into agreements to rent in total eight game licences granted by Aristocrat Technologies Australia Pty Ltd, Ainsworth Game Technology, Aruze and IGT Australia Pty Ltd for a period of 12 months.

	2021	2020
Note	\$	\$
Payables – Minimum Lease Payments		
Not Later Than 12 months	252060	160443
Later Than 12 months but Not Later Than 2 years	-	-
Later Than 2 years but Not Later Than 5 years	-	-
Later Than 5 Years	-	-
Minimum Lease Payments	252060	160443
Less: Future Finance Charges	-	-
	252060	160443

Club Grants Commitment

As part of the Community Welfare, Community Development, Social Services and Employment Assistance Scheme the Club has committed to donate funds to various organisations that fall under either, Category 1, Category 2 or Category 3 as required by the NSW Office of Liquor, Gaming and Racing. The amount calculated is 2.25% of the total metered profit for the year ended 31st August 2021 at both Club Forster and the Sporties. At the 31st May 2021 the club had committed to donate approximately \$97000, with the majority of this commitment to be expended in the months of July and August 2021.

NOTE 18 - SUPERANNUATION COMMITMENT

The Company is committed to paying superannuation for all employees who fall within the ambit of the Superannuation Guarantee Legislation. Contributions are calculated as a percentage of employees' ordinary wages under the definition of ordinary time's earnings under the current Enterprise Agreement.

NOTE 19 – KEY MANAGEMENT PERSONNEL COMPENSATION

At the 30th June, 2021 the Company had fourteen current and one former key management personnel including Directors of the Company.

Compensation Paid to Key Management Personnel (Excluding Directors)

	Short Term Benefits	Long Term Benefits	Post Employ Benefits	Total
	\$	\$	\$	\$

2021

Total Compensation	918595	42257	72094	1032946
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2020

Total Compensation	771548	57592	60156	889296
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Compensation Paid to Key Management Personnel (Directors)

	Short Term Benefits	Long Term Benefits	Post Employ Benefits	Total
	\$	\$	\$	\$

2021

Total Compensation	83000	-	-	83000
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2020

Total Compensation	83000	-	-	83000
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NOTE 20 – RELATED PARTY TRANSACTIONS

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

Transactions with related parties:

a. Close Family Member of Key Management Personnel

A son of one of the key management personnel, Mr Andrew Clarke is employed by the Club. Total compensation received during the year was \$24884.

b. Close Family Member of Key Management Personnel

A son of one of the key management personnel, Mr Mitchell Clarke is employed by the Club. Total compensation received during the year was \$74853.

c. Close Family Member of Key Management Personnel

A wife of one of the key management personnel, Mrs Michelle Venuto is employed by the Club. Total compensation received during the year was \$34418.

d. Close Family Member of Key Management Personnel

A granddaughter of one of the key management personnel, Miss Lilyanne Fletcher is employed by the Club. Total compensation received during the year was \$4226.



NOTE 20 – RELATED PARTY TRANSACTIONS CONT

e. Close Family Member of Key Management Personnel

A son of one of the key management personnel, Mr Nathan Fletcher is employed by the Club. Total compensation received during the year was \$79226.

f. Close Family Member of Key Management Personnel

A grandson of one of the key management personnel, Mr Zac Fletcher is employed by the Club. Total compensation received during the year was \$10733.

g. Transactions between the Club and an Entity Controlled by Key Management Personnel

Warmula Pty Ltd trading as Foree Vending has an agreement to pay commission to the club for the placement of confectionery machines on the club premises. Warmula Pty Ltd is controlled by Mr Darcy Cheetham a current Director of the club. The total commission paid to the club for the year ended 30th June 2021 was \$2975 which included an amount outstanding at the 30th June 2021 of \$900.

h. Transactions between the Club and Close Family Member of Key Management Personnel

During the year the Company entered into an agreement to purchase a 2018 Toyota Hilux from a son of one of the key management personnel, Mr Nathan Fletcher. Total compensation paid by the Company for the 2018 Toyota Hilux was \$44,000.

NOTE 21 – FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings from financial and non financial institutions.

The Company does not have any derivative instruments at the 30th June, 2021.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021		2020	
		Carrying Value	2021 Net Fair Value	Carrying Value	2020 Net Fair Value
		\$	\$	\$	\$
Financial Assets					
Cash & Cash Equivalents	5	2017435	2017435	1730282	1730282
Loans & Receivables	6	352197	352197	621516	621516
Total Financial Assets		2369632	2369632	2351798	2351798
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade & Other Payables	11(a)	1108143	1108143	1409826	1409826
Borrowings	12	4360484	4360484	7246066	7246066
Total Financial Liabilities		5468627	5468627	8655892	8655892

Net Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the table at the beginning of Note 21 and can be compared to their carrying value as presented in

the Statement of Financial Position. Fair value is determined in accordance with the accounting policy at Note 1(k) in the Financial Statements and Notes.

The fair values disclosed in the table at the beginning of Note 21 have been determined on the following methodologies:

- Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.
- Borrowings fair values are determined using discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will not differ materially to their carrying value.

Financial Instruments Measured at fair Value

There are no financial instruments that need to be recognised at fair value in the Statement of Financial Position using the fair value hierarchy as outlined in AASB 7.

NOTE 22 – EVENTS AFTER THE REPORTING DATE

Events after the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years except for:

- The ongoing affects of the COVID-19 pandemic including the compliance with health guidelines which have modified trading conditions and cashflows for the foreseeable future. The Club's entitlement to NSW government support will cease in October 2021.

Future Developments

Apart from any matters outlined below, it is proposed to continue Company operations in a similar manner to the past financial year, with focus being on reduction of the Club's expenditure and the undertaking of improvements, wherever possible and within the constraints of available funds.

- The Board have received interest from a third party in a proposed resort development at Club Forster in the western-end carpark. At this stage it is too early to ascertain whether this interest will result in a formal expression of interest and/or a heads of agreement contract;
- The Club lodged an application in 2006 to acquire the remaining parcel of land (Part Crown Reserve 96632) at Tuncurry owned by the Land and Property Management Authority (LMPA). This application has been delayed due to a rezoning proposal currently being developed following the signing of a Native Title Agreement between the traditional owners, the Worimi and Biripai People of Forster Tuncurry and the NSW Government in late 2010. The Club has since expressed interest with Urban Growth NSW to acquire this parcel of land. The Club is unclear on when the determination for rezoning of the North Tuncurry Development Project will be completed;
- Sporties Tuncurry is expected to undergo vitally important and impressive clubhouse improvement works. The scope of these works include a new kitchen, coffee shop and bar. Relocation of the dining room to the northern side of the Club (existing function room) including the provision of an alfresco lounge space over-looking No. 1 Bowling green and the relocation of the function room to the southern side of the Club (existing dining room) which will be fully renovated. Extensions to the existing gaming and alfresco lounge which will be fully refurbished including new furniture. A large attractive Portecochere and new entry/reception will also be incorporated. Additional toilet amenities will be provided, and the ladies and men's bowling amenities will be relocated to an enlarged building overlooking No.2 bowling green;



NOTE 22 – EVENTS AFTER THE REPORTING DATE CONT

Future Developments Cont.

- The proposed scope of work will be completed under a 2-staged building program. The majority of the work will be completed prior to Christmas 2021 with the exception of the Porte-cochere, entry, reception and indoor and outdoor gaming lounge which will probably be undertaken and completed between May-August 2022. The estimated cost to complete such work will be \$4.5 million which will be fully funded from the Club's cash reserves;
4. The Board have lodged a Development Application with Mid Coast Council in December, 2020 for the establishment of a camp area for self-contained RV's and trailers on land located on the northern and southern side of the Sportie's Club main entrance and land adjacent to Pacific Parade and behind the tennis complex. This development comprises 37 sites for motorhomes and caravans of all shapes and sizes with other limited facilities available. This project continues to be assessed by Mid Coast Council;
 5. The Club in February 2021 received an Expression of Interest from Dexiosis Property to develop a lifestyle village project on land at the Sports Club. The Board signed a Heads of Agreement on 15th June, 2021 which sets out the key terms of the proposed agreement. At this stage it is too early to determine the likelihood of the project realisation.

NOTE 23 – ENTITY DETAILS

The registered office of the company is:

Forster Tuncurry Memorial Services Club Ltd
Trading As Club Forster
19 Strand Street
Forster NSW 2428

The principal places of business are:

Forster Tuncurry Memorial Services
Club Ltd
Trading As Club Forster
19 Strand Street
Forster NSW 2428

Forster Tuncurry Memorial Services
Club Ltd
Trading As Sporties Tuncurry
65 Beach Street
Tuncurry NSW 2428

NOTE 24 - MEMBERS GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 13311 members (2020: 13227 members).

