

Statement by Members of the Board

The directors of the board are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act 1985 (SA) and is appropriate to meet the needs of the members.

The board's responsibility also includes such internal controls as the board members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

At the date of this statement, there are reasonable grounds to believe that the Eagles Club Inc. will be able to pay its debts as and when they fall due.

Since the end of the previous financial year, no officer or firm in which an officer is a member and no body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit either directly or indirectly from the Eagles Club Inc. as a result of a contract between the officer, firm, or body corporate and the Eagles Club Inc.

Since the end of the previous financial year, no officer of the Eagles Club Inc. has received directly or indirectly from the Club any payment or other benefit of pecuniary value.

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

Dated at Woodville South this ...20... day of December 2021.



Christine Williams (President/Chairman)



Sean Connors (Director)

EAGLES CLUB INC. FINANCIAL REPORT 2021

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2020

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents			
Cash on Hand	2	86,694	74,247
Cash at Bank	2	419,744	1,082,152
Receivables		506,438	1,156,399
Accounts Receivable		18,452	10,375
		18,452	10,375
Inventories on Hand			
Bar & Bistro Stock at cost –held for sale		51,808	54,603
Other Current Assets			
LOAN TO RELATED PARTY WWTFC		321,957	-1,360
Prepayments		27,865	31,313
		926,520	1,251,330
NON CURRENT ASSETS			
Plant and Equipment			
Plant and Equipment (at cost)		2,284,768	2,078,256
Less : Accumulated Depreciation		-1,698,974	-1,680,993
Total Plant and Equipment	3 (a)	585,794	397,263
Right of use asset			
Seven 22 lease		3,238,598	3,238,598
Less: Accumulated Depreciation		-190,506	-95,253
Total Right of use assets	3 (b)	3,048,092	3,143,345
Intangible Asset			
Intangible Gaming Entitlements		600,000	455,000
Total Intangible Asset	4	600,000	455,000
		4,233,886	4,354,689
TOTAL ASSETS		5,160,406	5,246,938
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Other Payables			
Unsecured Liabilities:			
Accounts Payable		107,549	154,746
Other Payables and Accrued Expenses		128,345	417,385
GST Liability		23,963	30,657
Income Received in Advance		0	10,590
		259,857	613,378
Lease Liabilities	5	40,968	56,637
Employee Provisions			
Provision for Annual Leave		83,202	67,274
Provisions for Long Service Leave		121,115	102,617
		204,317	169,891
		505,142	839,906
NON CURRENT LIABILITIES			
Lease Liabilities	5	3,162,470	3,203,438
		3,162,470	3,203,438
TOTAL LIABILITIES		3,667,612	4,043,344
NET ASSETS		1,492,796	1,203,594
EQUITY			
Retained (Deficit) Surplus at Beginning of Year		762,542	262,252
Intangible Asset Revaluation Reserve	4	600,000	455,000
Net Current Year (Deficit) Surplus Attributable to Members of the Entity		130,254	486,342
TOTAL EQUITY		1,492,796	1,203,594

The accompanying notes form part of these financial statements.

EAGLES CLUB INC. FINANCIAL REPORT 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST OCTOBER 2021**

	Note	2021 \$	2020 \$
REVENUE			
Sales Revenue			
<u>Provision of Services</u>			
Gaming		2,428,013	2,060,359
Raffles and Lotteries		46,275	33,296
		<u>2,474,288</u>	<u>2,093,655</u>
<u>Sale of Goods</u>			
Bar, Bistro, Canteen and Functions		1,340,206	975,890
Total Sales Revenue		<u>3,814,494</u>	<u>3,069,545</u>
Total Other Revenue		159,075	518,103
TOTAL REVENUE		<u>3,973,569</u>	<u>3,587,648</u>
TOTAL REVENUE AND OTHER INCOME		<u>3,973,569</u>	<u>3,587,648</u>
EXPENDITURE			
Salaries and Payroll Related Costs		1,133,512	1,006,219
Bars, Bistro and Canteen Cost of Sales		474,107	343,497
Gaming Costs		852,855	680,671
Audit Fees	8	8,400	8,400
Loss on Sale of Plant and Equipment		5,307	-
Depreciation		220,469	195,448
Borrowing Costs		244,508	244,508
Distribution to Woodville West Torrens Football Club Inc		300,000	125,000
Other Overheads		604,156	497,563
		<u>3,843,314</u>	<u>3,101,306</u>
TOTAL EXPENDITURE		<u>3,843,314</u>	<u>3,101,306</u>
NET SURPLUS		<u>130,254</u>	<u>486,342</u>
Other Comprehensive Income			
Unrealised gain on valuation of gaming entitlements		145,000	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>275,254</u>	<u>486,342</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Note	Retained Surplus	Intangible Asset Revaluation Reserve	Total
		\$	\$	\$
Balance at 1 November 2019		262,252	455,000	717,252
Net Surplus for the year		486,342	-	486,342
Balance at 31 October 2020		748,594	455,000	1,203,594
Balance at 1 November 2020		748,594	455,000	1,203,594
Adjustment during the year		13,948	-	13,948
Net Surplus for the year		130,254	-	130,254
Revaluation increment – Gaming machine licence		-	145,000	145,000
Balance at 31 October 2021		892,796	600,000	1,492,796

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		3,979,429	3,583,669
Payments to Suppliers and Employees		-3,727,718	-2,532,767
Interest received		8	67
Net cash provided (used) by operating activities	9	<u>251,719</u>	<u>1,050,969</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Plant and Equipment		22,498	0
Purchase of Plant and Equipment		-320,024	-17,793
Net cash provided (used) by investing activities		<u>-297,526</u>	<u>-17,793</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of borrowings		-30,837	-33,043
Payment of leases accounted in accordance with AASB 16		-250,000	-201,470
Related party loan		-323,317	10,239
Net cash provided (used) by financing activities		<u>-604,154</u>	<u>-224,274</u>
Net increase (decrease) in cash held		-649,961	808,902
Cash and Cash Equivalents at beginning of financial year		<u>1,156,399</u>	<u>347,497</u>
Cash and Cash Equivalents at end of financial year	2	<u>506,438</u>	<u>1,156,399</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021

Note 1: Summary of Significant Accounting Policies

The financial statements cover the Eagles Club Inc. as an individual entity. The financial statements were authorised for issue on 20th December 2021 by the Board of Directors.

Basis of Preparation

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (SA) 1985. The committee has determined that the association (the Club) is not a reporting entity.

No Australian Accounting Standards have mandatory applicability and Australian Accounting Interpretations are also not applicable. The Club has however adopted the recognition and measurement requirements of the Australian Accounting Standards unless otherwise stated.

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

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Accounting Policies

a. Income Tax

The Eagles Club Inc. is a sporting association and is exempt from Income Tax by virtue of section 50-45 of the Income Tax Assessment Act 1997.

b. Inventories on Hand

Inventories held for sale are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification base and include direct costs.

Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

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

c. Plant and Equipment

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021

Note 1 Summary of Significant Accounting Policies (cont'd)

c. Plant and Equipment (cont'd)

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10%-40%.

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d. Leases

At inception of a contract, the Club assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021

Note 1 Summary of Significant Accounting Policies (cont'd)**d. Leases (cont'd)****Right-of-use asset**

At the lease commencement, the Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Club's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in Club's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Adoption of short term leases or low value asset exception

The Club has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Club recognises the payments associated with these leases as an expense on a straight line basis over the lease term.

e. Impairment of Assets

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

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

f. Employee Provisions

Provision is made for the Club's liability for annual and long service leave arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled. Long service leave is recognised after 7 years of completed service.

g. Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at-call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021

Note 1 Summary of Significant Accounting Policies (cont'd)

h. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members with amounts on account as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

i. Revenue and Other Income

Revenue from the rendering of a service or the sale of goods is recognised upon the delivery of the service or receipt of goods to the customer.

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

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

j. Borrowing Costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

l. Accounts Payable and Other Payables

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

m. Provisions

Provisions are recognised when the Club 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021

Note 2 Cash and Cash Equivalents**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:

	2021	2020
	\$	\$
Cash on Hand	86,694	74,247
Cash at Bank	419,744	1,082,152
	<u>506,438</u>	<u>1,156,399</u>

Note 3 Plant and Equipment

(a) Movements in the carrying amounts of each class of plant and equipment between the beginning and end of the current financial year:

	Owned Plant & Equipment	Leased Plant & Equipment	Total
	\$	\$	\$
Balance at 1 November 2019	252,913	226,752	479,665
Additions	17,793	0	17,793
WDV of Disposed Assets	0	0	0
Depreciation Expense	-90,744	-9,451	-100,195
Leased Plant & Equipment now owned	0	0	0
Balance at 31 October 2020	179,962	217,301	397,263
Additions	432,510	0	432,510
WDV of Disposed Assets	-118,763	0	-118,763
Depreciation Expense	-114,582	-10,634	-125,216
Leased Plant & Equipment now owned	0	0	0
Carrying Amount at 31 October 2021	379,127	206,667	585,794

(b) Right of use asset

	2021
	\$
Seven 22 Lease	3,238,598
Less: accumulated depreciation	-190,506
	<u>3,048,092</u>

The Club entered into a lease in May 2014 for the use of club, gaming machine and entertainment venue at Seven 22 premises with Veneto Club Inc. The lease is for a term of 15 years with renewal options that the management expects to extend the lease up to 2053.

Note 4 Intangible Assets – Gaming Entitlements

The Club has recognised gaming entitlements as an intangible asset. The gaming entitlements were purchased in 1994 at a nominal cost. However, under current legislation, Club's are able to use gaming entitlements as collateral when borrowing money from financial institutions for the purposes of purchasing new machines or new games. Given that Clubs can also trade gaming entitlements using the trade prices as set and published by Consumer and Business Services, the committee believes it prudent to revalue the gaming entitlements using the Vendor price as published by the Consumer and Business Services to revalue and recognise the entitlements as an intangible asset on the Balance Sheet. As there were no Trading rounds in 2020 the Vendor price remained the same as for the 2019 Trading round (Trading Round 17/2019 in June 2019 was \$11,375), however the Trading round for 20/2021 in August 2021 was \$15,000.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021

Note 5 Lease Liabilities

	Note	2021 \$	2020 \$
CURRENT			
Finance Leases		13,303	30,837
Lease – Seven 22		27,665	25,800
Total current lease liabilities		40,968	56,637
NON CURRENT			
Finance Leases		1,397	14,700
Lease – Seven 22		3,161,073	3,188,738
Total non current lease liabilities		3,162,470	3,203,438
Total Lease Liabilities		3,203,438	3,260,075
a Total finance lease liabilities:		14,700	45,537
Finance lease liabilities are secured by the underlying leased assets.			
b Total lease liabilities – Woodville Oval		3,188,738	3,214,538

Note 6 Related Party Transactions**a. Related Party**

The Woodville West Torrens Football Club, The Eagles Club Inc. and the Eagles Club Inc. operate in unison to provide a football team and licensed club facility to support football activities.

The Veneto Club own the premises at 722 Port Road, Beverley and the Eagles Club rent the property for the running of Seven 22.

b. Board of Directors

The Directors of the Club from 1 November 2020 to the date of this financial report were

Christine Williams	David Couzner	Sean Connors
Ash Bidhendi	Narelle Fletcher	Devinia Binell (Feb 2021)

c. Remuneration of Board Members

The Board members of the committee received no remuneration for their service.

	2021 \$	2020 \$
Related Party Transactions		
Rent paid to the Veneto club for rental of premises	230,224	250,000
Donation made to Woodville West Torrens Football Club	300,000	125,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021

Note 7 Association Details

The registered office of the Club is:
Eagles Club Inc.
Oval Avenue
Woodville South SA 5011

The principal place of business of the Club is:
Seven 22
722 Port Road
Beverley SA 5009

Note 8 Auditors' Fees

	2021	2020
	\$	\$
Remuneration of the auditor of the Club for:		
Auditing the financial report	8,400	8,400
	<u>8,000</u>	<u>8,400</u>

Note 9 Reconciliation of Cash Flow

	2021	2020
	\$	\$
(a) Reconciliation of cash flow from Operating Activities with net Current year surplus (deficit)		
Non-cash flow in current year surplus (deficit)		
Depreciation - PPE	125,217	100,195
Depreciation – leases accounted under AASB 16	95,253	95,253
Gain on disposal of Plant & Equipment	-16,223	-
Interest on leases accounted under AASB 16	224,200	225,940
Changes in assets and liabilities:		
(Increase) Decrease in inventories on hand	2,795	-9,295
(Increase) Decrease in trade and other receivables	5,871	-3,912
(Increase) Decrease in Prepayments	3,448	-17,857
Increase (Decrease) in Trade and other payables	-342,931	176,497
Increase (Decrease) in Employee Provisions	34,426	-10,603
Increase (Decrease) in Revenue Received in Advance	-10,590	8,408
Net cash provided (used) by operating activities	<u>251,719</u>	<u>1,050,969</u>

(b) Non-cash financing and investing activities

During the financial year, the Club acquired plant and equipment with an aggregate fair value of \$0 (2020: \$0) by means of finance leases. These acquisitions are not reflected in the Statement of Cash Flows.

Note 10 Events after the Reporting Period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. No such events have occurred.

Bentleys SA Audit Partnership

Level 5
63 Pirie Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900
F +61 8 8372 7999

admin@adel.bentleys.com.au
bentleys.com.au

Independent Audit Report to the members of Eagles Club Inc

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Eagles Club, which comprises the statement of financial position as at 31 October 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 statement by the members of the board.

In our opinion, the financial report gives a true and fair view of the financial position of Eagles Club as of 31 October 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting policies described in Note 1 to the financial statements and the *Associations Incorporation Act (SA) 1985*.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting obligations under the *Associations Incorporation Act (SA) 1985*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (SA) 1985*, and for such internal control as the Board and management determines is necessary to enable the preparation of a 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, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP



DAVID FRANCIS
PARTNER

Dated at Adelaide this 20th day of December 2021.