

NORWOOD COMMUNITY CLUB INC

FINANCIAL REPORT

FOR THE YEAR ENDED

31 JULY 2020

NORWOOD COMMUNITY CLUB INC
BALANCE SHEET AS AT 31 JULY 2020

	NOTE	2020 \$000	2019 \$000
CURRENT ASSETS			
Trade and Other Receivables	2	-	-
TOTAL CURRENT ASSETS		-	-
NON-CURRENT ASSETS			
Intangible Assets	3	101	101
TOTAL NON-CURRENT ASSETS		101	101
TOTAL ASSETS		101	101
CURRENT LIABILITIES			
Trade and Other Payables	4	-	-
TOTAL CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		101	101
EQUITY			
Reserves	5	595	595
Retained Losses	5	(494)	(494)
TOTAL EQUITY		101	101

The accompanying notes form part of these financial statements.

NORWOOD COMMUNITY CLUB INC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 JULY 2020

	NOTE	2020	2019
		\$000	\$000
REVENUE			
Revenue		-	-
TOTAL REVENUE		-	-
EXPENDITURE			
Legal Fees		-	2
Receivable & Payable Written Off		-	409
TOTAL EXPENDITURE		-	411
OPERATING SURPLUS / (DEFICIT)		-	(411)
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of gaming entitlements		-	-
TOTAL COMPREHENSIVE INCOME		-	(411)

The accompanying notes form part of these financial statements.

NORWOOD COMMUNITY CLUB INC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2020

	NOTE	2020	2019
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		-	-
Payments to suppliers and employees		-	-
Interest received		-	-
Interest paid		-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	7	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
		-	-
NET MOVEMENT IN CASH HELD		-	-
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		-	-
CASH AT THE END OF THE FINANCIAL YEAR		-	-

The accompanying notes form part of these financial statements.

NORWOOD COMMUNITY CLUB INC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Retained Losses \$000	Reserves \$000	Total \$000
BALANCE AT 1 AUG 2018	(83)	595	512
Surplus /(Deficit) for the year	(411)	-	(411)
Revaluation Decrements	-	-	-
Total comprehensive income for the year	(411)	-	(411)
Transfer to/from Reserves	-	-	-
BALANCE AT 31 JUL 2019	(494)	595	101
BALANCE AT 1 AUG 2019	(494)	595	101
Surplus /(Deficit) for the year	-	-	-
Revaluation Decrements	-	-	-
Total comprehensive income for the year	-	-	-
Transfer to/from Reserves	-	-	-
BALANCE AT 31 JUL 2020	(494)	595	101

The accompanying notes form part of these financial statements.

**NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Norwood Community Club Incorporated ('Club') is a not-for-profit entity domiciled in Australia and is owned wholly by the South Australian Jockey Club Inc (SAJC). On 1 December 2004 the Club adopted the constitution of the SAJC, giving the SAJC effective control over the Club.

The financial report was authorised for issue by a resolution of the Directors on the 29th day of October 2020.

Statement of Compliance

The financial report of the Club is a Tier 2 general purpose financial statements which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) adopted by the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act 1985, as amended.

Basis of Preparation

The financial report is prepared in Australian Dollars.

The financial report is prepared on the historical cost basis except that intangible assets are stated at their fair value.

The Club has disclosed rounded amounts in the financial report and Directors' Report to the nearest thousand dollars, unless otherwise stated.

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Club.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.1 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances.

1.2 Income Tax

The Club is exempt from Income Tax.

**NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2020**

1.3 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.4 Receivables

Trade and other receivables are stated at their amortised cost less expected credit losses.

1.5 Payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

1.6 Intangible Assets

In February 2005 the State Government of South Australia amended the Gaming Machines Act (1992) ("Act") inserting Division 3A into the Act. The act provides a mechanism for gaming machine entitlements to be sold at a fixed legislated value. Club controlled gaming machine entitlements are recorded at their fair value. This class of non-current assets, measured at fair value, is assessed annually to ensure the carrying amount does not materially differ from its fair value.

Revaluation increments, on a class of assets basis, are recognised in the Asset Revaluation Reserve except that, amounts reversing a decrement previously recognised as an expense are recognised as revenues. These intangible assets have not been internally generated and have indefinite useful lives.

Revaluation decrements are only offset against revaluation increments relating to the same class of asset and an excess is recognised as an expense.

Effective 28 February 2006 the Club ceased operations and these Gaming Machine Entitlements are not in use, however, remain the property of the Club.

1.7 Going Concern

The financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business. The Club operates as a going concern due to the continuing support of the parent entity, the SAJC.

NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2020

1.8 New Standards

The Club has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Club.

The following Accounting Standards and Interpretations are most relevant to the Club:

AASB 15 Revenue from Contracts with Customers

The Club has adopted AASB 15 from 1 August 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that the Club shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in the Clubs statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Club's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases

The Club has adopted AASB 16 from 1 August 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

AASB 1058 Income of Not-for-Profit Entities

The Club has adopted AASB 1058 from 1 August 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the Club to further its objectives. For transfers of financial assets to the Club which enable it to acquire or construct a recognisable non-financial asset, the Club must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance

with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the Club satisfies its performance obligation. If the transaction does not enable the Club to acquire or construct a recognisable non-financial asset to be controlled by the Club, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 August 2019.

NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2020

	NOTE	2020 \$000	2019 \$000
2. RECEIVABLES			
Current - SAJC			
Other Receivables		-	-
		-	-

There were no expected credit losses to be recognised.

3. INTANGIBLE ASSETS

Gaming Entitlements

Opening Balance at 1 August 2019		101	101
Gaming Entitlements Sold		-	-
Revaluation Decrement		-	-
Total Licences & Entitlements		101	101

The Gaming Entitlements are to be sold. These entitlements are valued as an asset held for sale at a recoverable amount commensurate with the expected net sales proceeds (\$11,250 per entitlement).

4. TRADE & OTHER PAYABLES

Current - SAJC

Other Payables		-	-
		-	-

5. RESERVES & RETAINED EARNINGS

Retained Earnings

Balance Brought Forward		(494)	(83)
Add: Operating Surplus / (Deficit)		-	(411)
Add: Transfers from Reserves (net)		-	-
Total Retained Earnings		(494)	(494)

Capital Profits Reserve

Balance Brought Forward		494	494
Balance at Year End		494	494

Asset Revaluation Reserve

Balance Brought Forward		101	101
Less: Revaluation Decrements		-	-
Less: Transfers to Retained Earnings		-	-
Balance at Year End		101	101

Total Reserves		595	595
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**NORWOOD COMMUNITY CLUB INC
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2020**

Capital Profits Reserve

The Capital Profits Reserve includes the capital profits realised by the Club.

Asset Revaluation Reserve

The Asset Revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of intangible assets measured as fair value, in accordance with note 1.6.

6. KEY MANAGEMENT PERSONNEL DISCLOSURES

The Board Members receive no remuneration for their services and there were no other transactions with Members of the Board.

Key Management Personnel Compensation

- There were no transactions with Key Management Personnel.
- There were no amounts receivable from or payable to Key Management Personnel at reporting date arising from the above transactions.

	NOTE	2020 \$000	2019 \$000
7. CASH FLOW INFORMATION			
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES			
Surplus/(Deficit) from ordinary activities		-	(411)
Change in assets and liabilities			
Change in assets and liabilities during the financial year			
Increase / (Decrease) in payables		-	(74)
(Increase) / Decrease in receivables		-	485
Decrease in Gaming Entitlements		-	-
NET CASH PROVIDED BY OPERATIONS		<hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/>	<hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/>

8. ROUNDING OFF AMOUNTS

Amounts in this report have been rounded off to the nearest thousand dollars, unless specifically stated to be otherwise.

**NORWOOD COMMUNITY CLUB INC
REPORT AND STATEMENT BY THE BOARD
FOR THE YEAR ENDED 31 JULY 2020**

REPORT BY BOARD

During the financial year, no officer of the Club, or any firm of which an officer is a member, or any corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between an officer, firm or corporate and the Club.

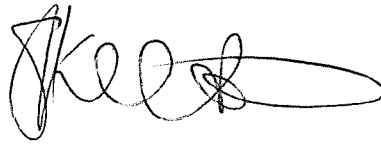
During the financial year, no officer of the Club has received directly or indirectly from the Club any payment or other benefit of a pecuniary value.

Dated at Adelaide this 29th day of October 2020.

Signed in accordance with a resolution of the Board.



Bob Holton
Chair



Steve Kelton
Board Member

STATEMENT BY BOARD

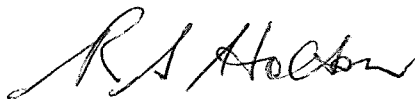
The attached financial statements and notes of the Norwood Community Club Inc. as set out on pages 2 to 11, for the year ended 31 July 2020, are in our opinion properly drawn up:

- (a) so as to present fairly the financial position of the Club as at 31 July 2020 and the results and cash flows for the year then ended;
- (b) in accordance with the provisions of the Club Rules; and
- (c) in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Associations Incorporation Act 1985, as amended.

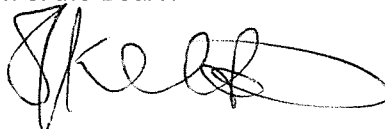
As at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

Dated at Adelaide this 29th day of October 2020.

Signed in accordance with a resolution of the Board.



Bob Holton
Chair



Steve Kelton
Board Member