

GRACE PARK HAWTHORN CLUB INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 \$	2020 \$
Revenue from Operating Activities	(2)	308,270	505,075
Revenue from Non-Operating Activities	(2)	122,693	101,195
Bar, Food & Tennis Cost of Sales		(63,235)	(80,076)
Employee Benefits Expenses	(3)	(163,921)	(138,422)
Depreciation	(4)	(104,891)	(105,327)
Operational Expenses	(5)	(191,070)	(154,589)
Finance Costs	(6)	(6,432)	(9,051)
Net Result for the Year		(98,586)	118,805
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
Comprehensive Result for the Year		(98,586)	118,805
Total Comprehensive Income Attributable to the Members of the Association		(98,586)	118,805

The accompanying notes form part of these financial statements

GRACE PARK HAWTHORN CLUB INC.
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	(7)	261,568	223,490
Trade & Other Receivables		27	302
Amounts Due from ATO		1,612	9,000
Inventories		11,612	8,540
		<u>274,819</u>	<u>241,332</u>
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	(8)	4,614,447	4,660,537
		<u>4,614,447</u>	<u>4,660,537</u>
TOTAL NON-CURRENT ASSETS			
TOTAL ASSETS			
		<u>4,889,266</u>	<u>4,901,869</u>
CURRENT LIABILITIES			
Trade & Other Payables	(9)	10,968	27,249
Income in Advance		116,380	-
Provisions	(10)	6,138	9,051
Interest Bearing Liabilities	(11)	9,953	9,832
		<u>143,439</u>	<u>46,132</u>
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	(10)	708	675
Interest Bearing Liabilities	(11)	32,823	44,180
		<u>33,531</u>	<u>44,855</u>
TOTAL NON-CURRENT LIABILITIES			
TOTAL LIABILITIES			
		<u>176,970</u>	<u>90,987</u>
NET ASSETS			
		<u>4,712,296</u>	<u>4,810,882</u>
EQUITY			
Retained Earnings		4,712,296	4,810,882
		<u>4,712,296</u>	<u>4,810,882</u>
TOTAL EQUITY			
		<u>4,712,296</u>	<u>4,810,882</u>
Commitments for Expenditure	(12)		
Contingent Liabilities and Contingent Assets	(13)		

The accompanying notes form part of these financial statements

GRACE PARK HAWTHORN CLUB INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021

	Retained Earnings \$	TOTAL \$
2020		
Balance at beginning of year	4,692,077	4,692,077
Net Result for the year	118,805	118,805
Other Comprehensive Income	-	-
Balance at end of year	4,810,882	4,810,882

	Retained Earnings \$	TOTAL \$
2021		
Balance at beginning of year	4,810,882	4,810,882
Net Result for the year	(98,586)	(98,586)
Other Comprehensive Income	-	-
Balance at end of year	4,712,296	4,712,296

**GRACE PARK HAWTHORN CLUB INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021**

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		498,818	630,125
Receipts from COVID-19		56,188	42,000
Payments to Suppliers		(280,090)	(269,131)
Payments for Employees		(166,801)	(136,286)
GST Received From/(Paid to) ATO		-	(41,562)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(16)	<u>108,115</u>	<u>225,146</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant & Equipment		<u>(58,801)</u>	<u>(4,607)</u>
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		<u>(58,801)</u>	<u>(4,607)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds/(Repayment of Borrowings)		<u>(11,236)</u>	<u>(56,773)</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		<u>(11,236)</u>	<u>(56,773)</u>
NET INCREASE/(DECREASE) IN CASH HELD		38,078	163,766
Cash and Cash Equivalents at Beginning of Period		<u>223,490</u>	<u>59,724</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(16)	<u><u>261,568</u></u>	<u><u>223,490</u></u>

The accompanying notes form part of these financial statements

GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Grace Park Hawthorn Club Inc. as an individual entity. Grace Park Hawthorn Club Inc. is an association incorporated in Victoria and operating pursuant to the *Associations Incorporation Reform Act 2012*.

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), and the *Associations Incorporation Reform Act 2012*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

(a) Going Concern

As at 31 July 2021, The Club had Equity, represented by Retained Earnings of \$4,712,296 (\$4,810,882 in 2020). The Club has working capital of \$131,380 (\$195,200 in 2020). The Club recorded a negative Net Result before Other Comprehensive Income of \$98,586 for the year, compared to a Net Result before Other Comprehensive Income of \$118,805 in 2020. There was a Positive Net Cash Flow from Operating Activities of \$108,115 compared to a Positive Cash Flow from Operations in 2020 of \$225,146. There was a positive overall cash movement in 2021 of \$38,078 compared to a positive cash movement of \$163,766 in 2020.

The Club has received COVID-19 relief from Government as the state battles the pandemic, The Club will continue to receive assistance and will rely on increased usage of the Club's tennis and squash facilities to ensure future financial viability. Accordingly, the continuing viability of the Club and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Club being successful in:

- continuing to achieve sufficient future cash flows from its operations; and
- obtaining additional funding, capital raising or donations.

The Committee believes that the Club will be successful in achieving the above objectives and accordingly have prepared the financial report on a going concern basis.

At this time, the Committee are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 31 July 2021. Accordingly, no adjustments have been made to the financial report relating to the recoverability and the classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary should the Club not continue as a going concern.

(b) Reporting Entity Report

The report includes all the controlled activities of Grace Park Hawthorn Club Inc.

(c) Rounding Of Amounts

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

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

For the Statement of Cash Flows presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the Statement of Financial Position.

(e) Receivables

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

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any provision for impairment.

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

Inventories include goods and other property held either for sale or distribution at no or nominal cost in the ordinary course of business operations. It includes land held for sale and excludes depreciable assets.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Cost for all other inventory is measured on the basis of weighted average cost.

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

(g) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Association's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*.

From 1 July 2018, the Association applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Association to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Association recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Financial assets at fair value through other comprehensive income

Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Association to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and the Association has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above. However, as an exception to those rules above, the Association may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Association recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as well as certain 5-year government bonds as fair value through net result.

Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).

The Association recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Financial liabilities at amortised cost are initially recognised on the date they are originated.

They are initially measured at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Association recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Impairment of financial assets

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

(h) Property, Plant and Equipment

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

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 to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed by the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 in the profit or loss during the financial period in which they are incurred.

(i) Fair Value of Assets and Liabilities

The Association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the reporting date (i.e. The market maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Association's own equity instruments (excluding those related to share-based payments) arrangements may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where the information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation

The depreciable amount of all fixed assets, including buildings, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The following table indicates the depreciation rates of non current assets on which the depreciation charges are based.

Class of Fixed Asset	Rate
Buildings	2.50%
Tennis Courts & Fences	10.00%
Plant & Equipment	10% to 22.5%
Low Value Pool	37.50%

(k) Impairment of Assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value-in-use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is immediately recognised in profit or loss.

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 Association 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 individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

(l) Comparative Figures

Where necessary comparative figures have been reclassified to facilitate comparisons.

(m) Payables

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

(n) Goods & Services Tax

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 represented 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.

(o) Employee Benefits

Short-term employee benefits

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

The Association's obligations for short-term employee benefits such as wages and salaries are recognised as a part of the current trade and other payables in the Statement of Financial Position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments are measured at present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields or Government bonds that have maturity dates approximating the terms of the obligations.

Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the exchanges occur.

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On-Costs

Employee benefit on-costs, such as superannuation and workers compensation are recognised together with the provisions for employee benefits.

Superannuation

Contributions to contribution superannuation plans are expensed when incurred.

(p) Borrowings

All borrowings are initially recognised at fair value on the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on, whether the Association has categorised its borrowings as either, financial liabilities designated at fair value through profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the interest bearing liability using the effective interest rate method.

(q) Income Recognition

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058: *Income for Not-for-Profit Entities*.

Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Memberships

Membership income is recognised when the cash is received.

Interest

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

Other Income

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

(r) Leases

Under AASB 16 *Leases*, at inception of a contract, the Club assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Club, where the Club is a lessee. However, all contracts that are classified as short-term (lease with remaining lease term of 12 months or less) and leases of low value (where the value of the underlying asset when new is less than \$10,000) are recognised as operating expenses on a straight-line basis over the term of the lease.

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

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

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and any impairment losses.

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

Grace Park Hawthorn Club Inc. does not have any contracts that classify as leases under AASB 16: *Leases*.

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

	2021	2020
	\$	\$
2. REVENUE		
Revenue from Operating Activities		
Bar Sales	79,886	71,360
Bar Food Sales	12,432	39,383
Functions Sales - Drink & Food	38,756	54,123
Gym Hire	3,413	6,067
Hire of Facilities	14,000	22,533
Membership Subscriptions	115,992	236,692
Tennis & Squash	37,775	73,873
Tournament Fees	5,672	417
Visitor Fees	344	627
	<u>308,270</u>	<u>505,075</u>
Subtotal Revenue from Operating Activities		
Revenue from Non-Operating Activities		
ATO - Cashflow Boost	5,000	15,000
ATO - Jobkeeper Subsidy	43,800	36,000
Fundraising	1,364	10,634
Grant Received	59,700	11,000
Other Income	399	11,377
Rental Income	5,917	10,985
Sponsorships	6,513	6,199
	<u>122,693</u>	<u>101,195</u>
Subtotal Revenue from Non-Operating Activities		
	<u>430,963</u>	<u>606,270</u>
TOTAL REVENUE FROM ORDINARY ACTIVITIES		
3. EMPLOYEE EXPENSES		
Salaries & Wages	149,731	127,773
Superannuation	12,675	9,120
Workcover	1,515	1,529
	<u>163,921</u>	<u>138,422</u>
TOTAL EMPLOYEE EXPENSES		
4. DEPRECIATION		
Buildings	92,207	94,089
Courts & Fences	7,699	5,857
Plant & Equipment	4,793	5,073
Low Value Pool	192	308
	<u>104,891</u>	<u>105,327</u>
TOTAL DEPRECIATION		

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

	2021	2020
	\$	\$
5. OPERATIONAL EXPENSES		
Affiliation & Team Expenses		
Affiliation Fees	9,032	2,700
Penant Fees	6,128	905
Tournament Expenses	2,744	118
Court Hire	698	687
Other Expenses	160	75
	18,762	4,485
Operational Expenses		
Accounting & Audit Fees	5,355	6,035
Computer Expenses	5,907	7,935
Contractors	28,629	29,070
General Expenses	7,302	5,089
Electricity	18,911	24,225
Gas	4,170	5,757
Advertising	349	-
Kitchen Expenses	8,751	18,572
Insurance	20,693	13,230
Maintenance - Courts	13,328	15,344
Maintenance - Grounds	3,008	3,977
Membership Credit	12,484	-
Postage, Printing & Stationery	3,765	1,632
Property Rates & Charges	3,257	(121)
Repairs & Maintenance	21,335	7,651
Security	127	790
Social Events	3,285	-
Telephone & Internet	4,564	4,563
Water Rates	7,088	6,355
	172,308	150,104
TOTAL OPERATIONAL EXPENSES	191,070	154,589
6. FINANCE COSTS		
Bank Charges	6,432	7,840
Interest on Loans & Leases	-	1,211
	6,432	9,051
TOTAL FINANCE COSTS	6,432	9,051
7. CASH & CASH EQUIVALENTS		
Cash on Hand	400	600
Cash at Bank	261,168	222,890
	261,568	223,490
TOTAL CASH & CASH EQUIVALENTS	261,568	223,490

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

	2021	2020
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land - at Cost	155,571	155,571
Total Land	155,571	155,571
Buildings Renovations at Cost	4,694,180	4,694,180
less Accumulated Depreciation	<u>(380,305)</u>	<u>(288,098)</u>
	4,313,875	4,406,082
Total Buildings	4,313,875	4,406,082
Tennis Courts & Fences at Cost	175,217	120,517
less Accumulated Depreciation	<u>(75,502)</u>	<u>(67,803)</u>
	99,715	52,714
Plant & Equipment at Cost	183,287	179,186
less Accumulated Depreciation	<u>(138,323)</u>	<u>(133,530)</u>
	44,964	45,656
Low Value Pool at Cost	8,605	8,605
less Accumulated Depreciation	<u>(8,283)</u>	<u>(8,091)</u>
	322	514
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>4,614,447</u>	<u>4,660,537</u>

**GRACE PARK LAWN TENNIS CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

RECONCILIATION OF CARRYING VALUES OF ALL ASSET CLASSES

Movement in the carrying amounts for each class of Property, Plant and Equipment between the beginning and the end of the current financial year.

	Freehold Land \$	Buildings \$	Tennis Courts & Fences \$	Plant & Equipment \$	Low Value Pool \$	Total \$
Balance at 1 August 2019	155,571	4,500,171	58,571	46,122	822	4,761,257
Additions	-	-	-	4,607	-	4,607
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation Expense	-	(94,089)	(5,857)	(5,073)	(308)	(105,327)
Balance at 31 July 2020	155,571	4,406,082	52,714	45,656	514	4,660,537
Additions	-	-	54,700	4,101	-	58,801
Transfers	-	-	-	-	-	-
Disposals/Refunds	-	-	-	-	-	-
Depreciation Expense	-	(92,207)	(7,699)	(4,793)	(192)	(104,891)
Balance at 31 July 2021	155,571	4,313,875	99,715	44,964	322	4,614,447

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

	2021 \$	2020 \$
9. TRADE & OTHER PAYABLES		
Trade Payables	6,347	11,776
Amounts Payable to ATO	-	10,033
Sundry Payables & Accruals	<u>4,621</u>	<u>5,440</u>
TOTAL TRADE & OTHER PAYABLES	<u>10,968</u>	<u>27,249</u>
10. PROVISIONS		
Current		
Employee Benefits (refer note 10a)	<u>6,138</u>	<u>9,051</u>
Non Current		
Employee Benefits (refer note 10a)	<u>705</u>	<u>675</u>
TOTAL PROVISIONS	<u>6,843</u>	<u>9,726</u>
10a. EMPLOYEE BENEFITS		
Current		
Annual Leave at nominal value	6,138	2,133
Long Service Leave at present value	<u>-</u>	<u>6,918</u>
	6,138	9,051
Non Current		
Long Service Leave at present value	<u>708</u>	<u>675</u>
TOTAL EMPLOYEE BENEFITS	<u>6,846</u>	<u>9,726</u>
11. INTEREST BEARING LIABILITIES		
Current		
Loan - Tennis Australia	9,953	9,832
	<u>9,953</u>	<u>9,832</u>
Non Current		
Loan - Tennis Australia	32,823	44,180
	<u>32,823</u>	<u>44,180</u>
TOTAL INTEREST BEARING LIABILITIES	<u>42,776</u>	<u>54,012</u>

The Tennis Australia loan is to be repaid over 8 years via quarterly instalments, commencing October 2017.

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

12. COMMITMENTS FOR EXPENDITURE

At the date of this report, the Club had not entered into any agreement for capital expenditure.

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Committee of Management was not aware on any contingent assets as at 31 July 2021.

The Committee of Management was not aware on any contingent liabilities as at 31 July 2021.

14. EVENTS AFTER THE BALANCE SHEET DATE

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Club at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with certainty the potential impact of the pandemic after the reporting date on the Club, its operations, its future results and financial position. The state of emergency in Victoria was extended until 16th December 2021 and the state of disaster is still in place.

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

15. RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year.

16. CASH FLOW INFORMATION

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash in banks. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2021 \$	2020 \$
Cash & Cash Equivalents - Operational Funds	(7)	<u>261,568</u>	<u>223,490</u>
TOTAL CASH		<u>261,568</u>	<u>223,490</u>

Reconciliation of Cash Flow from Operations with Profit from Operations

Profit from Operations	(98,586)	118,805
Cash flows excluded from profit attributable to operating activities		
- Depreciation	104,891	105,327
- (Increase)/Decrease in Inventories	(3,072)	2,162
- (Increase)/Decrease in Trade & Other Receivables	7,663	5,646
- Increase/(Decrease) in Trade & Other Payables	(16,281)	70
- Increase/(Decrease) in Income in Advance	116,380	
- Increase/(Decrease) in Employee Benefits	<u>(2,880)</u>	<u>2,136</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>108,115</u>

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

17. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

Grace Park Hawthorn Club Inc.'s principal financial instruments comprise of deposits with banks, accounts receivable and payable and interest bearing liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Carrying Amount 2021 \$	Carrying Amount 2020 \$
Financial Assets			
Cash & Cash Equivalents	(7)	261,568	223,490
Trade & Other Receivables		27	302
Total Financial Assets		261,595	223,792
Financial Liabilities			
At amortised cost			
Trade & Other Payables	(9)	10,968	17,216
Interest Bearing Liabilities	(11)	42,776	54,012
Total Financial Liabilities		53,744	71,228

Financial Risk Management Policies

The Association's Committee is responsible for, among other issues, monitoring and managing financial risk exposures of the Association.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Grace Park Hawthorn Club Inc.

The Association does not have any material credit risk exposures.

Credit risk exposures

The maximum exposure to credit risk, by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The entity has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

17. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that Grace Park Hawthorn Club Inc. might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Grace Park Hawthorn Club Inc. manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

The table below discloses the contractual maturity analysis for Grace Park Hawthorn Club Inc.'s financial liabilities.

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Trade & Other Payables	10,968	17,216	-	-	-	-	10,968	17,216
Interest Bearing Liabilities	9,953	9,832	32,823	44,180	-	-	42,776	54,012
Total contractual outflows	20,921	27,048	32,823	44,180	-	-	53,744	71,228
Total expected outflows	20,921	27,048	32,823	44,180	-	-	53,744	71,228
Financial Assets - Cash flow realisable								
Cash & Cash Equivalents	261,568	223,490	-	-	-	-	261,568	223,490
Trade & Other Receivables	27	302	-	-	-	-	27	302
Total anticipated inflows	261,595	223,792	-	-	-	-	261,595	223,792
Net (outflow)/inflow on financial instruments	240,674	196,744	(32,823)	(44,180)	-	-	207,851	152,564

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

17. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market Risk

(i) Interest rate risk

The financial assets of Grace Park Hawthorn Club Inc. are not exposed to any significant interest rate risk since cash balances are maintained at various fixed interest rates.

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that are used.

The interest rate exposure on the debt portfolio is managed by appropriate budgeting strategies and by managing in accordance with target maturity profiles.

(ii) Price risk

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Grace Park Hawthorn Club Inc. is exposed to insignificant foreign currency risk and other price risks.

Sensitivity analysis

The following table illustrates sensitivities to the Association's exposure to changes in interest rates. The table indicates the impact on how profit at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

- A parallel shift of + 1% and -2% in market interest rates (AUD).

		Interest Rate Risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
2021	\$	Profit	Equity	Profit	Equity
Financial Assets		\$	\$	\$	\$
Cash and Cash Equivalents	261,568	(5,231)	(5,231)	2,616	2,616
Trade & Other Receivables	27	-	-	-	-
Financial Liabilities					
Trade & Other Payables	10,968	-	-	-	-
Interest Bearing Liabilities	42,776	856	856	(428)	(428)

No sensitivity analysis has been performed on foreign exchange risk as the Association is not exposed to foreign currency fluctuations.

**GRACE PARK HAWTHORN CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

17. FINANCIAL RISK MANAGEMENT (Continued)

Net Fair Values

Fair value estimation

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

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

Net Fair Value

	Net Carrying Amount 2021 \$	Net Fair Value 2021 \$	Net Carrying Amount 2020 \$	Net Fair Value 2020 \$
Financial Assets				
Cash & Cash Equivalents	261,568	261,568	223,490	223,490
Trade & Other Receivables	27	27	302	302
Total Financial Assets	261,595	261,595	223,792	223,792
Financial Liabilities				
Trade & Other Payables	10,968	10,968	17,216	17,216
Interest Bearing Liabilities	42,776	42,776	54,012	54,012
Total Financial Liabilities	53,744	53,744	71,228	71,228

**GRACE PARK HAWTHORN CLUB INC.
ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION
AND PERFORMANCE
FOR THE YEAR ENDED 31 JULY 2021**

We, _____, and _____,

being members of Grace Park Hawthorn Club Inc. certify that:

The Statements attached to this certificate give a true and fair view of the financial position and performance

of Grace Park Hawthorn Club Inc. during and at the end of the financial year for the Association ending on 31 July 2021.

.....
PRESIDENT -

.....
TREASURER -

Dated this _____ day of _____ 2021.

**GRACE PARK HAWTHORN CLUB INC.
CERTIFICATE BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 31 JULY 2021**

I, _____, being a member of the Committee of Grace Park Hawthorn Club Inc.

certify that:

a) I attended the annual general meeting of the Association held on

and

b) The annual financial statements for the year ended 31 July 2021 were submitted to the members of the

Association at the annual general meeting.

.....
BOARD MEMBER -

Dated this day of 2021.