

**LARA SPORTING CLUB INC.
COMMITTEE OF MANAGEMENT REPORT**

Your committee of management present their report on the financial accounts for the year ended 30 September 2022.

COMMITTEE OF MANAGEMENT

The names of the Committee Members throughout the year and at the date of this report are:

President	Peter Kelly
Treasurer	Brett Gillett
Secretary	Carol Stone
Member	Brett Ritchie
Member	Carolyn Baum
Member	Dennis Wilkie
Member	Louise Goodwin
Member	Reg Cook

PRINCIPAL ACTIVITIES

The principal continuing activities during the year consisted of:

Provision of Club facilities, including the operation of a licensed gaming venue, to Club members and their guests.

SIGNIFICANT CHANGE IN OPERATIONS

No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

	2022	2021
	\$	\$
Net Result for the Period	398,705	527,154

COMMITTEE OF MANAGEMENT BENEFITS

since the end of the previous financial year, no Committee Member has received or become entitled to receive a benefit other than:

- (a) a benefit included in the aggregate amount of emoluments received or due and receivable by Committee Members shown in the accounts; or
- (b) the fixed salary of a full time employee of the entity of a related corporation.

by reason of a contract by the entity or a related corporation with the committee Member or with a firm that has a substantial financial interest.

Signed on behalf of the Committee of Management.



.....
COMMITTEE MEMBER



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COMMITTEE MEMBER

Dated this 24th day of November 2022

LARA SPORTING CLUB INC.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	2022 \$	2021 \$
REVENUE			
Revenue from Operating Activities	2	3,089,989	2,485,366
Revenue from Non-Operating Activities	2	604,552	516,942
TOTAL REVENUE		<u>3,694,541</u>	<u>3,002,308</u>
EXPENSES			
Cost of Goods Sold		(454,271)	(367,269)
Employee Expenses	3	(798,335)	(684,770)
Operational Expenses	4	(1,833,392)	(1,207,370)
TOTAL EXPENSES		<u>(3,085,998)</u>	<u>(2,259,409)</u>
Net Result Before Capital & Specific Items		<u>608,543</u>	<u>742,899</u>
Depreciation and Amortisation Expense	5	(209,838)	(215,745)
DEFICIT FOR THE YEAR		<u>398,705</u>	<u>527,154</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>398,705</u>	<u>527,154</u>

LARA SPORTING CLUB INC.

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	648,896	726,418
Trade and Other Receivables	7	66,981	71,265
Inventories	8	22,087	15,518
Other Assets - TAB Bond		5,000	5,000
Total Current Assets		<u>742,964</u>	<u>818,201</u>
Non-Current Assets			
Property Plant & Equipment	9	1,804,310	1,155,877
Intangible Assets	10	-	124,445
Right of Use Asset	11	40,776	62,050
Total Non-Current Assets		<u>1,845,086</u>	<u>1,342,372</u>
TOTAL ASSETS		<u>2,588,050</u>	<u>2,160,573</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	12	171,420	80,247
Employee Entitlement	13	47,226	74,527
Interest Bearing Liabilities	14	123,790	11,377
Lease Liabilities	15	22,410	21,320
Other Borrowings	16	74,568	74,568
Total Current Liabilities		<u>439,414</u>	<u>262,039</u>
Non-Current Liabilities			
Employee Entitlement	13	16,896	15,739
Interest Bearing Liabilities	14	48,874	101,656
Lease Liabilities	15	21,500	43,910
Other Borrowings	16	671,115	745,683
Total Non-Current Liabilities		<u>758,385</u>	<u>906,988</u>
TOTAL LIABILITIES		<u>1,197,799</u>	<u>1,169,027</u>
NET ASSETS		<u>1,390,251</u>	<u>991,546</u>
EQUITY			
Retained Earnings	17	1,390,251	991,546
TOTAL EQUITY		<u>1,390,251</u>	<u>991,546</u>

LARA SPORTING CLUB INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers & Members		2,027,390	1,950,171
Receipts from Gaming		2,041,317	1,344,732
Borrowing Costs		(16,338)	(23,755)
Payments for Suppliers		(2,563,149)	(1,819,029)
Payments for Employees		(824,479)	(678,787)
Net GST (Paid to)/Received from the ATO		6,546	6,546
NET CASH FLOWS FROM OPERATING ACTIVITIES	22b	671,288	779,879
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(712,553)	(62,729)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(712,553)	(62,729)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds from/(Repayment of) borrowings		(47,927)	(120,728)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(47,927)	(120,728)
NET INCREASE/DECREASE IN CASH HELD		(89,192)	596,422
CASH AT BEGINNING OF FINANCIAL YEAR		733,656	137,234
CASH AT END OF FINANCIAL YEAR	22a	644,464	733,656

LARA SPORTING CLUB INC.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	Retained Earnings \$	Total \$
Balance at 1 October 2020		<u>464,392</u>	<u>464,392</u>
Total comprehensive income		527,154	527,154
Balance at 30 September 2021	17	<u>991,546</u>	<u>991,546</u>
Total comprehensive income		398,705	398,705
Balance at 30 September 2022	17	<u>1,390,251</u>	<u>1,390,251</u>

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements which has been prepared in accordance with Australian Accounting Standards, Accounting Interpretations and the *Associations Incorporation Reform Act 2012 (Vic)*. 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 a financial report containing relevant and reliable information about transactions, events and conditions.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

a)

As at 30 September 2022, the Club had equity, represented by Retained Earnings of \$1,390,251 (2021: \$991,546). The Club has working capital surplus of \$303,550 (2021: \$556,162). The Club recorded a net profit of \$398,705 (2021: 527,154).

The Club has undertaken to refurbish its facilities with the financial support of its major gaming supplier and has taken action to reduce operating expenditure. The club is therefore expecting improved daily takings from its gaming and bar operations 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 improved future cash flows from its operations
- obtaining further 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 directors 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 30 September 2022. Accordingly, no adjustments have been made to the financial report relating classifications of liabilities that to the recoverability and the classification of the asset carrying amounts or the amounts and might be necessary should the Club not continue as a going concern.

b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of change in value.

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

c) 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 reporting period are classified as current assets. All other receivables are classified as non-current assets.

d) 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.

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to 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 transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial assets and liabilities at amortised cost

Financial assets and liabilities are measured at amortised cost if both of the following criteria are met:

- the assets are held 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 and liabilities 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.

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 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.

Financial assets at fair value through profit or loss

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

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity 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 discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is 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 profit or loss.

f) 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.

g) Depreciation

The depreciable amount of all fixed assets, including buildings and 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

g) Depreciation (cont.)

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based.

Asset Class	2022	2021
Property	Up to 10 years	Up to 10 years
Buildings	Up to 40 years	Up to 40 years
Plant & Equipment	Up to 10 years	Up to 10 years
Furniture & Fittings	Up to 10 years	Up to 10 years
Electronic Gaming Machines (EGMs)	Up to 6 years	Up to 6 years
Bar & Kitchen Equipment	Up to 10 years	Up to 10 years

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.

h) Net Gain/(Loss) on Non-Financial Assets

Apart from Intangible Assets with indefinite useful lives, all other non-financial assets are assessed annually for indications of impairment, except for:

- inventories;
- assets arising from employee benefits;
- financial instrument assets;
- investment property that is measured at fair value; and
- non-current assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that

i) Comparative Figures

Where necessary comparative figures have been reclassified to facilitate comparisons.

j) 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.

k) 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.

Commitments and contingent assets and liabilities are presented on a gross basis.

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

l) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms of maturity that match the expected timing of cash flows.

Superannuation

Contribution to employee superannuation plans are expenses when incurred.

On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

m) 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 Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

n) Income Tax

Lara Sporting Club Inc. is exempt from income tax under *section 50.45* of the *Income Tax Assessment Act 1997* as amended, as the Club was established to encourage a game or sport.

o) Income Recognition

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

Gaming

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

Food

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

Memberships

Membership income is recognised when the cash is received.

Interest

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

Other Income

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

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- p) New Accounting Standards for Application during the current period.

No new accounting standards for the current year.

- q) Loans provided by PVS

Funds were provided in the prior and current years to assist with payment of gaming licence instalments and refurbishments. The balance payable as at 30 September 2022 is \$745,683 and was provided on the basis that the club will remain with PVS as gaming service provider until March 2032.

The amounts provided are being amortised against the gaming machine payments to PVS over that period. Other amounts provided by PVS will be subject to a loan and repayment schedule in future periods.

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 2: REVENUE

	2022 \$	2021 \$
Revenue from Operating Activities		
Bar Revenue - Lara Club	616,103	428,974
Bistro Revenue	372,837	360,071
Gaming Revenue	1,855,743	1,222,484
TAB Commission	33,861	26,774
Other Commission & rebates	33,459	27,934
Other Revenue	153,814	389,179
Membership	24,172	29,950
Total Revenue from Operating Activities	<u>3,089,989</u>	<u>2,485,366</u>
Revenue from Non Operating Activities		
Sport Club Revenue	604,552	516,942
Total Revenue from Non Operating Activities	<u>604,552</u>	<u>516,942</u>
Total Revenue	<u>3,694,541</u>	<u>3,002,308</u>

NOTE 3: EMPLOYEE EXPENSES

Salary & Wages	738,275	620,635
Superannuation	50,979	37,900
Payroll Tax	4,351	652
Workcover	13,834	7,138
Training	4,027	1,206
Uniform	4,832	2,084
Other Staff Costs	(17,963)	15,155
Total Employee Expenses	<u>798,335</u>	<u>684,770</u>

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 4: OPERATIONAL EXPENSES

	2022	2021
	\$	\$
Sporting Expenses	553,555	408,198
Other Operational Expenses		
Administration Expenses		
Advertising & Club Promotions	182,308	62,659
Bank Charges	16,338	23,755
Donations	18,848	3,622
Printing, Postage & Stationery	10,507	8,224
Licences & Golf Cart Rentals	10,285	24,897
Computer Expenses	22,608	5,640
Other Expenses	44,801	49,371
	305,695	178,168
Occupancy Expenses		
Light, Heat & Power	54,425	35,750
Cleaning	86,860	54,544
Insurance	33,176	24,891
Rates (including water)	21,079	19,464
Rent (including grounds)	(2,000)	(4,000)
Interest on ROU Asset	2,680	3,771
Telephone & Internet	18,502	16,802
Repair & Maintenance	35,131	59,246
Security	1,399	3,786
Other Expenses	-	179
	251,252	214,433
Direct Expenses		
Gaming Expenses	661,251	364,839
Other Bar Expenses	3,301	4,317
TAB Terminal & Consumable Charges	26,850	18,364
Sky channel	16,068	12,542
Entertainment	15,290	6,434
	722,760	406,496
Sundry Expenses	130	75
Total Other Operational Expenses	1,279,837	799,172
TOTAL OPERATIONAL EXPENSES	1,833,392	1,207,370
NOTE 5: DEPRECIATION & AMORTISATION		
Depreciation Expenses	64,119	52,511
Amortisation Expenses	145,719	163,234
TOTAL DEPRECIATION & AMORTISATION	209,838	215,745

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 6: CASH & CASH EQUIVALENTS	2022	2021
	\$	\$
Cash at Bank	519,519	628,801
Cash on Hand	129,377	97,617
TOTAL CASH & CASH EQUIVALENTS	<u>648,896</u>	<u>726,418</u>
NOTE 7: TRADE & OTHER RECEIVABLES		
Trade Debtors	16,821	26,995
Other Debtors	36,880	36,880
ATM Reimbursements Due	13,280	7,390
TOTAL TRADE & OTHER RECEIVABLES	<u>66,981</u>	<u>71,265</u>
NOTE 8: INVENTORIES		
Lara Club Bar Stock on Hand	16,389	10,264
Bistro Stock on Hand	5,698	5,254
TOTAL INVENTORIES	<u>22,087</u>	<u>15,518</u>
NOTE 9: PROPERTY, PLANT & EQUIPMENT		
Leasehold Improvement at Cost	220,000	220,000
less Accumulated Depreciation	<u>(220,000)</u>	<u>(220,000)</u>
	-	-
Building at Cost	895,916	895,917
less Accumulated Depreciation	<u>(366,569)</u>	<u>(344,166)</u>
	529,347	551,751
Plant & Equipment at Cost	63,443	606,462
less Accumulated Depreciation	<u>(27,704)</u>	<u>(252,255)</u>
	35,739	354,207
Fixtures & Fittings at Cost	-	433,809
less Accumulated Depreciation	<u>(2,547)</u>	<u>(364,152)</u>
	69,657	72,204
Venue Renovations at Cost	890,794	241,683
less Accumulated Depreciation	<u>(39,695)</u>	<u>(28,229)</u>
	851,099	213,454
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>1,804,310</u>	<u>1,155,877</u>

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 9: PROPERTY, PLANT & EQUIPMENT (CONT)

Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current financial year is set out below:

	Venue Renovations	Buildings	Plant & Equipment	Furniture & Fittings	Total
	\$	\$	\$	\$	\$
Balance at 1 October 2020	204,857	574,154	292,798	73,850	1,145,659
Additions	14,640	-	47,201	888	62,729
Disposals at WDV	-	-	-	-	-
Depreciation Expense (Note 5)	(6,042)	(22,403)	(21,532)	(2,534)	(52,511)
Transfers Out	-	-	-	-	-
Balance at 30 September 2021	213,455	551,751	318,467	72,204	1,155,877
Additions	649,110	-	63,443	-	712,553
Disposals at WDV	-	-	-	-	-
Depreciation Expense (Note 5)	(11,466)	(22,404)	(27,703)	(2,547)	(64,120)
Transfers Out	-	-	-	-	-
Balance at 30 September 2022	851,099	529,347	354,207	69,657	1,804,310

NOTE 10: INTANGIBLE ASSETS

	2022	2021
	\$	\$
Gaming Machine Entitlements	1,419,587	1,419,587
Less Accumulated Amortisation	(1,419,587)	(1,295,142)
TOTAL INTANGIBLE ASSETS	-	124,445

The Club purchased gaming machine entitlements for 50 machines in 2009/10, via the Victoria State Government's pre auction club offer and a subsequent auction process. The initial entitlements took effect from 16 August 2012 and are for a ten year period.

Reconciliations of the carrying amounts of Intangible Assets at the beginning and end of the current year is set out below:

Carrying Amount at Start of Year	124,445	266,405
Plus Additions	-	-
Less Disposals	-	-
Less Amortisation	(124,445)	(141,960)
Carrying amount at End of Year	-	124,445

NOTE 11: RIGHT OF USE ASSET

At Cost	104,598	104,598
Less: accumulated depreciation	(63,822)	(42,548)
TOTAL RIGHT OF USE ASSET	40,776	62,050

The Organisation's lease portfolio relates to Land and buildings only. Lease terms are for just under 10 years. Options to extend or terminate are contained in the property leases of the Association. These clauses provide the Association opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Association. The extension or termination options which were probable to be exercised have been included in the calculation of the Right of Use Asset.

Related amounts recognised in the Statement of Comprehensive Income

Depreciation charge related to right-of-use asset	21,247	21,247
Interest expense on lease liabilities	2,680	3,771
Short-term leases expense	24,000	24,000

NOTE 12: TRADE & OTHER CREDITORS

Trade Creditors	79,921	30,019
Accrued Expenses	24,060	14,390
Amount Payable to ATO	63,111	30,845
Other Creditors	4,328	4,993
TOTAL TRADE & OTHER CREDITORS	171,420	80,247

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 13: EMPLOYEE ENTITLEMENTS	2022	2021
	\$	\$
Current Employee Entitlement Provisions		
Annual Leave Provisions	42,135	43,849
Long Service Leave Provisions	5,091	30,678
Total Current Employee Entitlement Provisions	<u>47,226</u>	<u>74,527</u>
Non Current Employee Entitlement Provisions		
Long Service Leave Provisions	16,896	15,739
Total Non Current Employee Entitlement Provisions	<u>16,896</u>	<u>15,739</u>
TOTAL EMPLOYEE ENTITLEMENTS	<u>64,122</u>	<u>90,266</u>

NOTE 14: INTEREST BEARING LIABILITIES

Current		
Bank Overdraft	4,432	(7,238)
Leases	11,811	11,088
Other Loans	107,547	7,527
	<u>123,790</u>	<u>11,377</u>
Non Current		
Leases	17,405	29,939
Bendigo Bank Loan	31,469	71,717
	<u>48,874</u>	<u>101,656</u>
TOTAL INTEREST BEARING LIABILITIES	<u>172,664</u>	<u>113,033</u>

NOTE 15: LEASE LIABILITY

Current	22,410	21,320
Non Current	21,500	43,910
TOTAL LEASE LIABILITY	<u>43,910</u>	<u>65,230</u>

NOTE 16: OTHER BORROWINGS

Current		
PVS Loan - unsecured	74,568	74,568
	<u>74,568</u>	<u>74,568</u>
Non Current		
PVS Loan - unsecured	671,115	745,683
	<u>671,115</u>	<u>745,683</u>
TOTAL OTHER BORROWINGS	<u>745,683</u>	<u>820,251</u>

Included within the Other Borrowings is the following PVS Loan:

\$745,683 which is being repaid at a rate of \$6,214 per month and had a relief period of 6 months during 2020 due to COVID-19 preventing the use of Gaming Machines. Loan will be repaid by March 2032.

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 17: EQUITY & CONTRIBUTED CAPITAL

	2022	2021
	\$	\$
Retained Earnings		
Retained Earnings at the Beginning of the Reporting Period	991,546	464,392
Net Result for the Year	398,705	527,154
Retained Earnings at the End of Reporting Period	1,390,251	991,546

NOTE 18: CONTINGENT ASSETS & CONTINGENT LIABILITIES

There are no known contingent assets and liabilities for the organisation

NOTE 19: CAPITAL & LEASING COMMITMENTS

a) Operating Lease Commitments

All lease commitments are recorded under the AASB 16 Leasing Standards.

b) Capital Commitments - Property, Plant & Equipment

There are no finance capital commitments for the organisation.

NOTES 20: EVENTS OCCURING AFTER BALANCE DATE

No significant transactions or activities have occurred since 30 September 2022.

NOTE 21: AUDITORS REMUNERATION

Remuneration of the auditor of the association for:
- Auditing and reviewing the financial report

	9,330	9,100
	9,330	9,100

NOTE 22: RECONCILIATION OF CASH

a) *For the purpose of the Statement of Cash Flows, cash assets include cash on hand and 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		
Cash & Cash Equivalents - Operational Funds of the Club	6	648,896	726,418
Less Bank Overdraft	14	(4,432)	7,238
		644,464	733,656

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 22: RECONCILIATION OF CASH (Cont.)

b) Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities:

	2022 \$	2021 \$
Net Result for the Period	398,705	527,154
Depreciation & Amortisation	209,838	215,745
(Gain)/Loss on Disposal of Assets	-	-
(Increase)/decrease in Trade & Other Receivables	4,284	(6,941)
(Increase)/decrease in Inventories	(6,568)	(3,848)
Increase/(decrease) in Trade & Other Payables	91,173	41,786
Increase/(decrease) in Employee Entitlements	(26,144)	5,983
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>671,288</u>	<u>779,879</u>

NOTE 23: RELATED PARTY TRANSACTIONS

a) No Board Members received remuneration during the year

b) Key management personnel compensation:

- short term employee benefits	103,952	104,107
- post-employment benefits	13,501	12,191
	<u>117,453</u>	<u>116,298</u>

c) Related Party Transactions

There were no transactions with related parties during the year.

NOTE 24: FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

Lara Sporting Club's principal financial instruments comprise of deposits with banks, accounts receivable and payable and interest bearing liabilities and other financial liabilities.

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	Carrying Amount 2022 \$	Carrying Amount 2021 \$
Financial Assets			
Cash at Bank	6	519,519	628,801
Trade & Other Receivables	7	66,981	71,265
Total Financial Assets		<u>586,500</u>	<u>700,066</u>
Financial Liabilities			
At amortised cost			
Trade & Other Payables	12	171,420	80,247
Interest Bearing Liabilities	14	172,664	113,033
Lease Liability	15	43,910	65,230
Other Borrowings	16	745,683	820,251
Total Financial Liabilities		<u>1,133,677</u>	<u>1,078,761</u>

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 24: FINANCIAL INSTRUMENTS (Cont.)

Specific Financial Risk Exposures and Management

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 Lara Sporting Club.

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

b) Liquidity Risk

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

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

The table below discloses the contractual maturity analysis for Lara Sporting Club's financial liabilities.

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities Due for Payment								
Trade & Other Payables	171,420	80,247	-	-	-	-	171,420	80,247
Interest Bearing Liabilities	123,790	11,377	49,597	101,656	-	-	173,387	113,033
Lease Liabilities	22,410	21,320	21,500	43,910	-	-	43,910	65,230
Other Borrowings	74,568	74,568	298,273	211,935	372,842	533,748	745,683	820,251
Total contractual outflows	392,188	187,512	369,370	357,501	372,842	533,748	1,134,400	1,078,761
Total expected outflows	392,188	187,512	369,370	357,501	372,842	533,748	1,134,400	1,078,761
Financial Assets - Cash Flow Realisable								
Cash at Bank	519,519	628,801	-	-	-	-	519,519	628,801
Trade & Other Receivables	66,981	71,265	-	-	-	-	66,981	71,265
Total anticipated inflows	586,500	700,066	-	-	-	-	586,500	700,066
Net (outflow)/inflow on financial instruments	194,312	512,554	(369,370)	(357,501)	(372,842)	(533,748)	(547,900)	(378,695)

c) Market Risk

i) Interest rate risk

The financial assets of Lara Sporting Club are not exposed to any significant interest rate risk since cash balances are maintained at various fixed interest rates.

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 24: FINANCIAL INSTRUMENTS (Cont.)

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instruments 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.

Lara Sporting Club 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).

2022	\$	Interest rate risk			
		-2% - 200 basis points		1% + 100 basis points	
		Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets:					
Cash at Bank	519,519	(10,390)	(10,390)	5,195	5,195
Trade & Other Receivables	66,981	-	-	-	-
Financial Liabilities:					
Trade & Other Payables	171,420	-	-	-	-
Interest Bearing Liabilities	172,664	(3,453)	(3,453)	1,727	1,727
Other Financial Liabilities	43,910	(878)	(878)	439	439
Other Borrowings	745,683	(14,914)	(14,914)	7,457	7,457

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

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	Carrying Amount 2022 \$	Net Fair Value 2022 \$	Carrying Amount 2021 \$	Net Fair Value 2021 \$
Financial Assets				
Cash at Bank	519,519	519,519	628,801	628,801
Trade & Other Receivables	66,981	66,981	71,265	71,265
Total financial Assets	586,500	586,500	700,066	700,066

LARA SPORTING CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 24: FINANCIAL INSTRUMENTS (Cont.)

Net Fair Value	Carrying Amount 2022 \$	Net Fair Value 2022 \$	Carrying Amount 2021 \$	Net Fair Value 2021 \$
Financial Liabilities				
Trade & Other Payables	171,420	171,420	80,247	80,247
Interest Bearing Liabilities	172,664	172,664	113,033	113,033
Other Financial Liabilities	43,910	43,910	65,230	65,230
Other Borrowings	745,683	745,683	820,251	820,251
Total Financial Liabilities	<u>1,133,677</u>	<u>1,133,677</u>	<u>1,078,761</u>	<u>1,078,761</u>

