

164th ANNUAL REPORT

FRIDAY 29th OCTOBER, 2021

Maryborough Highland Society



2021 HIGHLAND GATHERING

Board of Management 2020 - 2021



Bruce Kaye
Vice President



Andrew Rae
President



Anthony Anderson
Treasurer



Lachlan Robinson
Deputy Vice President



Malcolm Blandthorn
General Manager



Alan Muggridge



Peter Egan



Jim Dewar

MARYBOROUGH HIGHLAND SOCIETY Inc.

164th Annual Report

President

Andrew Rae

Vice President

Bruce Kaye

Deputy Vice President

Lachlan Robinson

Treasurer

Anthony Anderson

Board Members

Peter Egan

Jim Dewar

Alan Muggridge

General Manager

Malcolm Blandthorn

***P*RESIDENT'S REPORT**

Andrew Rae



This being my final report as President of the Highland Society, I would like to say what an honour it has been to represent this great club for the last three years. Although we have been in lock down a number of times over the last 18 months, I wanted to take this opportunity to sincerely thank all of our valued members for your support during my time as President, it is very much appreciated. We have once again taken the opportunity during lock down to complete some renovations, there is new carpet in both the gaming room and members lounge and we've also put a new floating floor in the high street entrance. Early in the New Year we will be starting the kitchen renovations which are well overdue. The improvements will be more than welcomed by Jenna and her staff.

Sadly, we as a board had to make the difficult decision in October 2020 to cancel the 160th Highland Gathering. This was only the second time this has happened since it began in 1857.

On the front cover you will notice myself with Darky Duncan, standing in front of the grandstand on New Year's Day, at the time the games would have been opened. Although missing a crowd, we felt it was important to record the moment that we hoped wouldn't happen again.

This time last year we were hoping the 2022 Gathering would be bigger and better than ever. Covid19 had other ideas, and we have had to cancel the Gathering once again.

Let's keep our fingers crossed for 2023.

Closed doors certainly didn't stop our dedicated staff from coming in and doing whatever needed to be done. I would like to thank Malcolm and Shaun for all the hard work they have done during the year. It was no doubt quite a headache at times with so many different changes happening every few weeks. The relationship that Senior Management and the Board have is fantastic, thank you both for always being available to take my calls- even when the Cats or Storm are playing.

Thank you to the board of management for all your hard work over the past 12 months.

Bruce Kaye has been a great support during his time as Vice-President and Tony Anderson continues his great work as Treasurer.

Lachlan Robinson (Deputy Vice-President) Peter Egan, Alan Muggridge and Jim Dewar, your support and input is also very much appreciated.

The board of management has now increased its numbers from seven to nine following the constitution changes during the year. I would like to welcome new board members Janine Stock and Garry Coburn to the board and look forward to working with you both.

I would like to offer condolences to all Maryborough Highland Society members who have lost loved ones, family or friends this year, especially the family of Harold Hubble, life member of the Highland Society.

I would like to wish the board, all members and staff of the Highland Society the very best for 2021 -2022.

Andrew Rae
President
Maryborough Highland Society



***G*ENERAL MANAGER'S REPORT**

Malcolm Blandthorn



Over the past 12 months we have jumped out of the pot and into the fire. Having thought we had already endured the worst of lockdowns and uncertainty, 2021 brought more of the same. However, this time around we were a little more prepared with systems in place to offer online takeaway and deliveries, plans for reduced offering and hours within Government restrictions, stronger staff financial support and a greater understanding from staff relating to maintaining high levels of service despite having minimal customers.

I would like to make a special mention to our management team for their support over this time. Shaun Dewhirst (Operations Manager) sent countless emails to staff relating to disaster payments, updates on restrictions and management expectations. This showed the staff how valuable they are to the Society with great support in both their emotional and financial wellbeing that helped them navigate the mountains of red tape with ease.

Jenna Townsend (Head Chef) again for coming up with some great takeaway menus that kept the tills ticking over when we had no other income streams. This welcomed cash flow has kept the society viable where a lot of other venues have struggled.

To Pauline and Julie for just doing what they always do. Ensuring that every angle is covered in a time of uncertainty, picking up the forgotten pieces and making sure the Highland can run at its optimum, and to all the staff who have managed to adapt to the ever-changing landscape of duties, protocols and procedures in these turbulent times is a credit to culture of staff at the Highland.

The Society has used these shutdowns to refurbish areas within the Society that could be done within our tight budget including the construction of a new cleaner's cupboard ready for the kitchen extension and renovation in February next year, new carpet in the gaming and members lounge, revamping the front garden and laying a floating floor at the High Street entrance.

The Society was also lucky enough to be named a finalist in 4 categories for the Community Clubs Victoria awards for 2019 – 2020. These categories are Community Service Awards (Team Rewards), Best Club renovation (Sports Bar), Best Club Entertainment Program and Best Regional Club Bistro. Winners will be announced on the 22nd November 2021.

This year we also took the Maryborough and District Pipe Band under our wing as a new sub-club. Setup the way as the Maryborough Bowling Club, the Board of the Society believe that this is a great fit for the Society and will help bring stability and viability to the Pipe Band, securing this wonderful community organisation for many more years to come.

To all the members that have supported us throughout this time, thank you. Whether it was paying for your membership despite the doors being closed, buying a take-away meal, or attending a show, it is the members that make this club one of the best in Regional Victoria and without your support, the Highland would be facing a great deal of uncertainty in its future, like so many other clubs around the state currently are.

With the support of the Board, the Highland has managed to ride the financial and emotional wave that has been 2020 – 2021. We are in a strong financial position to be able to bounce back when restrictions finally ease and with the support of the members, we have a lot to look forward to over the coming years.

Malcolm Blandthorn

General Manager
Maryborough Highland Society



MARYBOROUGH HIGHLAND SOCIETY INC

MINUTES OF ANNUAL GENERAL MEETING THURSDAY 3RD DECEMBER 2020

Meeting Commenced at 6:00pm (via Zoom due to Covid 19 Restrictions).

A link to this meeting can be found via YouTube -

<https://www.youtube.com/watch?v=jTT1VsRn97Y>

Welcome:- President Mr Andrew Rae

Annual Meeting commenced

President to open the meeting and due to the structure of the meeting there were no apologies

Motion: That the minutes of the Annual General Meeting held on Friday 11h October 2019 be accepted

Moved: Lachlan Robinson

Seconded: Peter Egan

- Carried

Annual Reports: -

President Report. Mr Andrew Rae

President Andrew thanked the members for their continued support, despite the issues surrounding Covid 19. It was disappointing that we have had to cancel the upcoming 2021 Maryborough Highland Gathering and the Australian Pipe Band Championships.

Covid 19 restrictions saw the Highland Society shut for 7 months of the year and President Andrew Rae thanked the Management of the Society for keeping the club running.

President Andrew also thanked the Board of Management for their support over a turbulent year.

Treasurer Report. Mr Anthony Anderson

Treasurer Anthony Anderson reported on the Financial Year 2019 – 2020. Whilst our objectives remain the same in that we maintain strong gaming revenue, increase our sports bar revenue and ensure that the Bistro remains in profit, the lockdowns over this period have seen this hard to achieve.

Covid saw the Society go into survival mode with all loans and leases placed on hold, ATO Payments were halted and a payment plan negotiated.

The majority of staff were put on Job keeper allowance, however The Society had to get a new Bank loan to cover the Jobkeeper payments due to the lag between paying staff and reimbursement.

As much stock as possible was returned to suppliers.

Despite being closed for 3 months, there were some positives. Bar sales were up compared to the previous year, Jobkeeper provided \$390,000 in wages paid directly to staff.

Opening for takeaway and delivery provided the Society with a welcomed cash flow of approximately \$10,000 per week.

The Society recorded a loss of \$390,658 however when the deprecation amount of \$682,754 is removed the Society had an operating profit of \$292,096.

Treasurer Anthony thanked the Board for their support, the Managements team and staff for their loyalty in seeing the Society through this uncertain time.

Motion: That the reports be accepted

Moved: Bruce Kaye

Seconded: Alan Muggridge

- Carried

President Anne Rae announced the results for the Board Elections for the upcoming 2021-2022 year.

- President: Andrew Rae
- Vice President: Bruce Kaye
- Treasurer: Anthony Anderson
- Deputy Vice President: Lachlan Robinson
- Board Members: Peter Egan
James Dewar
Alan Muggridge

General Business.

There was no General Business

With there being no further business the Meeting was declared closed at 6:10

This is a true and correct record of the minutes of the meeting held on the 3rd December 2020



Signed Andrew Rae
President

23/12/2020
Date



MARYBOROUGH HIGHLAND SOCIETY INC.

MINUTES OF SPECIAL GENERAL MEETING HELD 6TH JULY 2021.

Please note that this meeting was originally scheduled for the 28th June 2021 at 7:00pm however had to be postponed to a week later due to not having a quorum of members present

The Meeting held in the Function Room commencing at 7.00 p.m. The Chairman welcomed those present.

1. PRESENT:

Bruce Kaye (Vice President/Chairman), Malcolm Blandthorn (General Manager), Lachlan Robinson, Alan Muggridge, Andrew Brumby, Gordon Leyton, Tony Anderson, Jim Dewar, Lowen Clarke, Bruce Duncan, Peter Egan, Val Pearce, Harley Pearce, Robyn Wagstaff, Anne Canterbury, Sharron Hare, Lisa Cumming, Lawrence Barry,

2. APOLOGIES

Andrew Rae (President), Jean Bovell, Emma Wallis, Kerry Higgins, Narelle Marland, Adrian Masterman-Smith

3. ITEMS OF BUSINESS

To vote on a special resolution to adopt a new constitution.

All in attendance were given a copy of the proposed new constitution and a discussion paper.

A. NEW RULES

RULE 2.1 VOTING MEMBER DEFINITION

Rule 2.1 r) "Voting Member" means a member who:

- i) Is in a category of membership that is entitled to vote at general meetings; and
- ii) has paid their annual subscription by 31 July in the relevant year.

Discussion: This new definition describes what a voting member is. Under the current constitution you can't vote in the election unless you have paid your membership by 31st of July but you can vote on any general business at the AGM the following week. This rule clarifies that to vote in either you need to have paid your membership by the 31st July

Motion: That new rule 2.1 r) be accepted

Moved: Andy Brumby

Seconded: Lachlan Robinson

- Carried

RULE 4.9 PIPE BAND MEMBERS

Discussion: Rule 4.9 has been brought in as a new membership category to bring in the Maryborough and District Highland Pipe Band (MDHPB) as a “sub-club” of the Maryborough Highland Society.

The MDHPB has struggled in recent times to attract new members, has been the subject of some infighting and whilst financially solvent approached the Board of the Maryborough Highland Society to discuss joining the Highland Society.

It was the view of the Board of the Maryborough Highland Society, that as per our Constitution - Statement of Purposes Section 1.2 that states

1.2 The purposes for which the Society is established are:

(a) to encourage an understanding of and appreciation for the literature, music and sports of Scotland and Australia;

That such a request should be investigated and brought to the members.

A Memorandum of Agreement that has been agreed upon that will set up the MDHPB as a sub club of the Society in the same way the Bowls section is currently set up. In brief the agreement will work in the following way;

- a) All members of the MDHPB will become members of the Society*
- b) The Highland Society will become custodians of MDHPB property*
- c) A new MDHPB subcommittee will be set up for the MDHPB of which the Society will have an appointed member*
- d) The MDHPB will report directly to the Board of Management of the Society*
- e) Both the MDHPB and the Society will have access to a new MDHPB Bank account.*
- f) If the MDHPB requires funding above what is in their bank account, they will make an application to the Society Board of Management*
- g) This is a transitional arrangement that either party can cancel after years 3, 6 or 9.*
- h) If this agreement works for both parties after year 9, the Society will take ownership of the MDHPB Assets and the MDHPB will cease to exist as an incorporated association and continue to be a sub-club of the Maryborough Highland Society*

Motion: ***That new rule 4.9 be accepted***

Moved: ***Andy Brumby***

Seconded: ***Gordon Leyton***

- Carried

RULE 5.2 FEES AND SUBSCRIPTIONS

The Bowls Sub-Committee and the Pipe-Band Sub-Committee may, with the Board’s approval (which will not be unreasonably withheld) impose other annual fees on Bowls Members and Pipe-Band Members

Discussion: This new rule allows the sub-clubs of the Society to impose extra fees to members to help with the running costs of these two sub clubs.

Motion: *That new rule 5.2 be accepted*
Moved: *Gordon Leyton* **Seconded:** *Jim Dewar* **- Carried**

RULE 8.3 CESSATION OF MEMBERSHIP

The Board may allow an extension of time for the payment of any fess or subscriptions and may impose a late fee.

Discussion: This rule allows for an extension of time for members that haven't paid by the 1st July – As is currently practiced

Motion: *That new rule 8.3 be accepted*
Moved: *Lisa Cumming* **Seconded:** *Jim Dewar* **- Carried**

RULE 12.3 MANAGEMENT

The Board may exercise all the powers and functions as may be exercised by the Society other than those powers and functions that are required by these Rules or the Act to be exercised by the Members in general meetings.

Discussion: This rule clarifies that the Board of Management can run the Society and make decisions on behalf of the Society except for where it requires input from the members as per the constitution.

Motion: *That new rule 12.3 be accepted*
Moved: *Lachlan Robinson* **Seconded:** *Gordon Leyton* **- Carried**

RULE 15.8 and RULE 15.9 CONDUCT OF THE BALLOT FOR ELECTION OF BOARD MEMBERS

15.8 Voters will be required to place a cross in the box opposite to the names of the candidates for whom they wish to vote.

15.9 The number of crosses on each ballot paper should correspond to the number of vacancies available at the election.

Discussion: This clarifies the voting process for election of Board Members

Motion: *That new rules 15.8 and 15.9 be accepted*
Moved: *Alan Muggridge* **Seconded:** *Lisa Cumming* **- Carried**

RULE 22 PIPE BAND SUBCOMITTEE

Discussion: Rule 22 acknowledges the Pipe Band Subcommittee and references the by laws for further information on how the subcommittee will operate. It also references that the by-laws under which the Pipe Band subcommittee operate must not be changed without consultation with the Pipe Band subcommittee

Motion: *That new rule 22 be accepted*
Moved: *Lowen Clarke* **Seconded:** *Gordon Leyton* **- Carried**

RULE 24.10 and RULE 24.11 MEETINGS OF THE BOARD

24.10 If the number of Board Members falls below 5, the remaining Board Members may act to restore the number of Board Members to 5.

24.11 If number of Board members falls to 3, the General Manager may convene a special general meeting for the sole purpose of holding an election for the vacant Board positions.

Discussion: This rule gives the Board and General Manager abilities to increase the Board numbers in a scenario where a numbers Board Members resign, fall sick or are disciplined and as such cant hold meetings without a quorum of 5 members

Motion: *That new rules 24.10 and 24.11 be accepted*

Moved: *Jim Dewar*

Seconded: *Sharon Hare*

- Carried

RULE 36 PROXIES

Discussion: Rule 36 relates to allowing proxies to speak and vote at Meetings. In the past the constitution of the Society has not allowed proxy voting, however with over 2,400 financial members, it can't be expected that every member can attend all meetings and subsequently allows members to vote and have a say on important topics in their absence

Motion: *That new rule 36 be accepted*

Moved: *Gordon Leyton*

Seconded: *Peter Egan*

- Carried

B. RULE CHANGES

RULE 13.1 MANAGEMENT

In relation to Board members the rule currently states

The affairs of the Society shall be managed by a Board of Management consisting of 7 Board Members elected in accordance with these Rules.

This has been changed to rule 12.1 to

The affairs of the Society shall be managed by a Board of Management consisting of 9 Board Members elected in accordance with these Rules.

Discussion: This Rule change increases the number of Board Members from 7 to 9 to help with succession planning and ensure that the Society has a quorum of 5 members at all meetings

Motion: *That the changes to rule 13.1(now rule 12.1) be accepted*

Moved: *Alan Muggridge*

Seconded: *Jim Dewar*

- Carried

RULE 15.2 ELECTION OF BOARD MEMBERS

Rule 15.2 currently states

Candidates for election to the Board must have been a Member entitled to vote for not less than twelve months over the preceding ten years to be eligible for election to the Board.

This now becomes Rule 14.2

Candidates for election to the Board must have been a Voting Member for not less than twenty-four consecutive months immediately prior to Ballot Day.

Discussion: This change ensures prospective Board Members have been a financial member over the past 2 years and have a current understanding of the Highland Society's direction and community ethos

Motion: *That the rule change to rule 15.2 (now rule 14.2) be accepted*
Moved: *Andrew Brumby* **Seconded:** *Lachlan Robinson* **- Carried**

RULE 24.2 MEETINGS OF THE BOARD

The rule 21.2 (b) has been changed from

Once the minutes have been confirmed, the General Manager shall cause these minutes and financial statements submitted to the meeting to be:-

- (i) posted on a noticeboard within the Society, and*
- (ii) made available upon a request for a copy from any Member.*

To omit rule 21.2 (b) (i) pertaining to the notice board.

Discussion This is due to all areas of the Society now being open to the public and with minutes containing sensitive information relating to members' behaviour, members still have every right to view these minutes but at least we can ensure that only members are reading it.

Motion: *That rule 21.2 (b) (i) be omitted*
Moved: *Peter Egan* **Seconded:** *Sharon Hare* **- Carried**

RULE 35.15 PROCEEDINGS AT MEETINGS

Rule 35.15 currently states;

A Member is not entitled to vote at any general meeting unless all subscriptions and fees due and payable to the Society have been paid.

This now becomes rule 36.15

Discussion: Currently the 5% of membership required is hard to ascertain as it varies vary from week to week. Currently 5% of our membership is 120 members but next week could be 125 dependent on new members joining. This gives clarity to the requirements for members to call a special general meeting

Motion: *That the rule change to rule 33.4 be accepted*
Moved: *Peter Egan* **Seconded:** *Alan Muggridge* **- Carried**

RULE 35.4 PROCEEDINGS AT MEETINGS

Rule 35.4 Currently states

Not less than five per cent of Members personally present (being Members entitled to vote) constitutes a quorum for the transaction of the business of a general meeting.

This has been changed to

40 Voting Members personally present (being Members entitled to vote) constitutes a quorum for the transaction of the business of a general meeting.

Discussion: The current rule states that we need to have 5% of membership in attendance, however with membership numbers rising by over 300% in the past 10 years, this has proven to be very difficult.

Motion: *That the rule change to rule 35.4 be accepted*
Moved: *Gordon Leyton* **Seconded:** *Jim Dewar* **- Carried**

RULE 43 COMMON SEAL

This rule currently states

43.1 The Common Seal of the Society shall be kept in the custody of the General Manager.

43.2 The Common Seal shall not be affixed to any instrument except by the authority of the Board and the affixing of the Common Seal shall be attested by the signatures of two Board Members.

This has been changed to Rule 44 – Common Seal

The Society does not have a common seal.

Discussion: This has been changed as most business documents are signed electronically and the common seal is no longer required.

Motion: *That the rule change to rule 43 (now Rule 44) be accepted*
Moved: *Gordon Leyton* **Seconded:** *Bruce Duncan* **- Carried**

There being no further business the Chairman declared the Meeting closed at 7.45 p.m.

This is a true and correct record of the minutes of the meeting held on the 6th July 2021



Signed Bruce Kaye

Vice President

22/07/21

Date



***T*REASURER'S REPORT**

Anthony Anderson



I am pleased to present to the Members my second Treasurer's Report for the Maryborough Highland Society which covers the period from 01 July 2020 to 30 June 2021.

Goals for 2020 – 2021

- a) Ensuring as rapid as possible recovery from Covid lockdowns and restrictions
- b) Maintaining our Gaming Revenue

Just a note that these goals were adopted when we thought that Covid was mostly behind us and things would rapidly return to normal, unfortunately as everyone is well aware Covid returned with a vengeance in 2021.

Gaming was closed until mid-November and when it reopened it was only 50% of our gaming machines available for the rest of the financial year (apart from when we were back in lockdown).

On a positive note, the Society finished the year with an overall profit of \$48,883 compared to a loss of \$390,658 the previous year.

Receivables were down from \$156,087 (2020) to \$17,501 (2021) as last year included Jobkeeper payment

Included in our income of \$5,491,540 is the following government subsidies

- Jobkeeper \$1,013,200 (this was paid directly to staff despite staff not working during the majority of this)
- Cashflow Boost (reduction in ATO debt - \$37,500)
- Victorian Government Grants- \$25,000

Depreciation of Assets totalled \$670,230 which is a paperwork figure that we don't need to find money for

Liabilities

- Paid off \$250,000 Bridging Loan
- Reduced Sports Bar Loan by \$230,643
- Reduced Lease liabilities by \$17,5983
- Bus loan paid out- \$25,570
- However ATO liability increased by \$298,364 to \$627,633 however we are paying this off over 24 months (interest free)
- ANZ Loan in advance by \$188,866.48 however this was extended for 6 months yet payments were made.
- Staff Leave entitlements increased by \$91,989 as staff were still entitled to accrue leave despite being on Jobkeeper.

As of August 2022, the next 10 year licences for gaming machines will start to become payable. We are hoping that due to the lockdown this may be extended July 2023.

Assets – Bank holdings were \$696,747 as at 30.06.21

I would like to thank all the Board members for their ongoing support throughout the year. As in previous years I have relied heavily on the financial skills and dedication of our General Manager Malcolm Blandthorn and Operations Manager Shaun Dewhurst probably more so than normal due to only having restricted access for much of the year so thank you both. Once again, I would like to pass on a huge thank you to all our wonderful staff who have stayed loyal to the Society during what I know has been a very uncertain and worrying period for you all and finally I would also like to thank all our dedicated and passionate members who have stuck by the club during this period.

Thank you all

Anthony Anderson
Treasurer



Independent Audit Report to the Members of
MARYBOROUGH HIGHLAND SOCIETY INC.

Unqualified Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Maryborough Highland Society Inc., which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes comprising a summary of the significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position of the Association.

In our opinion, the financial report of the Maryborough Highland Society Inc. is in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* including:

- i. Giving a true and fair view of the Association's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- ii. That the financial records kept by the Association are such as to enable the financial statements to be prepared in accordance with Australian Accounting Standards.

Information Other Than the Financial Report and Auditor's Report Thereon

The Committee of the Association is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The Committee of the Association are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Reform Act 2012 (Vic)*, and for such internal control as the Committee determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Liability limited by a scheme approved under Professional Standards Legislation

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ACCOUNTING & AUDIT SOLUTIONS BENDIGO

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis on this financial report. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

ACCOUNTING AND AUDIT SOLUTIONS BENDIGO



Bradley Dowsey CA

Dated this 27th day of September, 2021.

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MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150
REPORT OF THE MEMBERS OF THE COMMITTEE

The Members of the Committee herewith submit the financial report of Maryborough Highland Society Inc. for the financial year ended 30 June 2021.

COMMITTEE MEMBERS

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

President:	Andrew Rae	Peter Egan
Vice President:	Bruce Kaye	Alan Muggridge
Treasurer:	Anthony Anderson	James Dewar
Deputy Vice President:	Lachlan Robinson	

PRINCIPAL ACTIVITIES

The principal activities of the association during the course of the financial year were Social and Bowling Activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 11 March 2020, the World Health Organisation (WHO) declared the Coronavirus Disease (COVID-19) a Pandemic. Following the declaration, the Australian Government enforced bans on all non-essential travel and various levels of community lockdowns and forced closures throughout specific economic sectors, with these restrictions being ongoing throughout the last year. The financial market reactions and community lockdowns have had significant economic and social consequences which have directly affected both the current and future operations as well as current and future financial results of the Association.

As a result of the ongoing Government Enforced Shutdowns, the Association has been intermittently closed for all trade and when trading, subject to capacity limitations.

Due to the nature of the Association, several financial assistance measures available to combat the financial impacts of the COVID-19 Pandemic have been received such as PAYGW liability relief, JobKeeper, and various State Government grants and payments. As a result, these statements have been directly impacted by the pandemic.

At the date of this report, the Committee are aware of the financial impact the COVID-19 Pandemic has had on the reported financial position and performance of the Association for the year ended 30 June 2021. The Committee is wholly of the opinion that the Association will continue as a going concern. The rapid and ongoing nature of the changing economic and social conditions due to the COVID-19 pandemic makes the measurement of their impact impossible to determine and report.

OPERATING RESULTS

The net operating result amounted to income of \$48,883. (2020 net operating loss \$390,658)

Signed in accordance with a resolution of the Committee.



Andrew Rae
President



Anthony Anderson
Treasurer

Dated this 30th Day of September 2021

MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150

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

		2021	2020
	Note	\$	\$
Revenues from ordinary activities	2	5,491,540	5,632,334
Cost of goods sold	3	(816,409)	(923,002)
Salaries & employee benefits expense		(2,523,364)	(2,624,020)
Depreciation and amortisation expense	3	(670,230)	(682,754)
Administration & other expenses from ordinary activities	3, 4	(1,432,654)	(1,793,216)
Net Result from transactions		<u>48,883</u>	<u>(390,658)</u>
Other Comprehensive Income			
Other comprehensive income items that will not be classified to			
Surplus or Deficit in future periods		-	-
Total Other Comprehensive income		-	-
 Comprehensive Result for the Year		 <u>48,883</u>	 <u>(390,658)</u>



MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150

The above Statement should be read in conjunction with the Notes to the Accounts.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash Assets	5	696,747	70,399
Receivables	6	17,501	156,087
Inventories	7	68,024	50,024
Other Assets		3,383	5,075
TOTAL CURRENT ASSETS		785,655	281,585
NON-CURRENT ASSETS			
Right of Use Assets	8	93,348	266,072
Property, Plant and Equipment	9	6,539,345	6,554,285
Intangible Assets	10	428,317	706,992
TOTAL NON-CURRENT ASSETS		7,061,010	7,527,349
TOTAL ASSETS		7,846,665	7,808,934
CURRENT LIABILITIES			
Payables	11	1,017,360	540,125
Provisions	12	482,897	378,407
Interest Bearing Liabilities	13	472,514	578,222
TOTAL CURRENT LIABILITIES		1,972,771	1,496,754
NON-CURRENT LIABILITIES			
Provisions	12	40,544	60,664
Interest Bearing Liabilities	13	1,210,293	1,677,342
TOTAL NON-CURRENT LIABILITIES		1,250,837	1,738,006
TOTAL LIABILITIES		3,223,608	3,234,760
NET ASSETS		4,623,057	4,574,174
EQUITY			
Retained Profits	14	3,936,269	3,887,386
Asset Revaluation Reserve		686,788	686,788
TOTAL EQUITY		4,623,057	4,574,174
Contingent assets and liabilities	18		
commitments for expenditure	19		

The above Statement should be read in conjunction with the Notes to the Accounts.

MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from club and gaming activities		5,331,384	5,822,953
Receipts from Government - COVID 19		1,078,700	302,000
Payments to suppliers and employees		(5,305,519)	(5,694,299)
Interest received		46	73
Net GST paid to ATO		298,385	(425,803)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	15b	<u>1,402,996</u>	<u>4,924</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	16,460
Purchase of intangible assets		-	-
Purchase of property, plant and equipment		(203,893)	(302,865)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		<u>(203,893)</u>	<u>(286,405)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from/(repayment of) borrowings		(572,755)	(70,266)
NET CASH FROM FINANCIAL ACTIVITIES		<u>(572,755)</u>	<u>(70,266)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>626,348</u>	<u>(351,747)</u>
Cash at the beginning of the financial year		70,399	422,146
CASH AT THE END OF THE FINANCIAL YEAR	15a	<u><u>696,747</u></u>	<u><u>70,399</u></u>

The above Statement should be read in conjunction with the Notes to the Accounts.



MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150

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

	Asset Reval Reserve \$	Retained Earnings \$	Total Equity \$
As at 1 July 2019	686,788	4,278,044	4,964,832
Net Result for the Year	-	(390,658)	(390,658)
Other Comprehensive Income	-	-	-
As at 30 June 2020	<u>686,788</u>	<u>3,887,386</u>	<u>4,574,174</u>
	Asset Reval Reserve \$	Retained Earnings \$	Total Equity \$
As at 1 July 2020	686,788	3,887,386	4,574,174
Net Result for the Year	-	48,883	48,883
Other Comprehensive Income	-	-	-
As at 30 June 2021	<u>686,788</u>	<u>3,936,269</u>	<u>4,623,057</u>

The above Statement should be read in conjunction with the Notes to the Accounts.



MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, Accounting Interpretations and the requirements of 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.

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

(a) Going Concern

COVID-19 has had a significant impact on the Association in the financial year.

As at 30 June 2021, the Association had Equity of \$4,623,057 (\$4,574,174 in 2020) and a working capital deficit of \$1,187,116 (Deficit of \$1,215,169 in 2020). The Association recorded an Operating income after capital & specific items, for the year of \$48,883 compared to an Operating Loss of \$390,658 in 2020. The Association had a positive Net Cash Flow from Operating Activities in 2021 (Positive in 2020) and an overall increase in cash of \$626,348 in 2021 (Decrease in 2020) after paying down debt of \$572,755.

Whilst this represents a significant improvement on 2020, the continuing viability of the Association and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Association being successful in:

- increase in trade 'post COVID'
- continuing to achieve sufficient future cash flows from its operations

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

At this time, the Board 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 June 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 classification of liabilities that might be necessary should the Association not continue as a going concern.

(b) Goods and services tax

Revenues, 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Receivables and payables are stated inclusive of GST.

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

(c) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other 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.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(d) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation. Employee provisions are measured based on remuneration rates expected to be paid when the liability is expected.

MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Plant and Equipment

Plant and equipment are brought to account at cost or fair value, less where applicable, any accumulated depreciation or amortisation.

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their useful life to the entity commencing from the date of acquisition/revaluation. All property, plant and equipment is depreciated using the straight line method.

Class of Asset	Rate	Class of Asset	Rate
Bowling Greens	10%	Gaming Machine Licences	10%
Motor vehicles	20%	Electronic Gaming Machines	20-25%
Furniture & fittings	5%-25%	Land	0%
Plant & equipment	5% - 20%	Buildings	2.5%-5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalue assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(f) Revaluations of Non-current Physical Assets

Non-Current physical assets measured at fair value are revalued with sufficient regularity to ensure that fair values do not differ materially from their carrying value. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

(g) Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

(h) Revenue and Other Income

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.

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.

Bar

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

Memberships

Membership income is recognised when the cash is received.

Other Income

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

MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 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);
- term deposits; and

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
- other liabilities

(j) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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 assets belongs.

Critical Accounting Estimates and Judgements

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

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

(k) Poker Machine Entitlements

Poker Machine Entitlements, which are essentially permits allowing the Club to operate poker machines, have been valued at cost and taken up in the Association's books at 30 June 2013. Poker Machine Entitlements are tradeable, have a finite life and will be carried at cost, less any impairment losses. They will be assessed annually for any impairment

MARYBOROUGH HIGHLAND SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Income tax

Maryborough Highland Society Inc. is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(m) Leases

Under AASB 16 *Leases*, at inception of a contract, the Association 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 Association, where the Association 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 Association 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 Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.



MARYBOROUGH HIGHLAND SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE FROM ORDINARY ACTIVITIES	2021 \$	2020 \$
Operating activities		
- Club Revenue	130,574	204,391
- Bar Revenue	982,826	1,200,796
- Bistro Revenue	1,115,275	1,177,321
- Bowls Revenue	27,259	37,599
- Gathering	114	48,250
- Gaming Revenue	2,156,746	2,506,944
Non-operating activities:		
- interest received	46	73
- profit on disposal of plant & equipment	-	16,460
- JobKeeper Payments	1,013,200	378,000
- Government Grants	28,000	-
- Cashflow Boost	37,500	62,500
TOTAL REVENUE	5,491,540	5,632,334
NOTE 3: EXPENSES	2021 \$	2020 \$
Cost of goods sold		
- Bar Cost of Goods Sold	373,117	466,098
- Bistro Cost of Goods Sold	443,292	456,904
	816,409	923,002
Depreciation & Amortisation		
- building and improvements	128,584	126,619
- motor vehicles	6,323	6,222
- office equipment	7,954	18,386
- furniture & fittings	62,558	25,004
- plant and equipment	43,561	49,213
- gaming machine entitlements - amortisation	278,675	279,441
- electronic gaming machines	65,420	88,500
- right of use assets	77,155	89,369
	670,230	682,754
Administration & other expenses		
- administration		
- advertising & sponsorships	81,364	102,674
- building and equipment	126,640	135,419
- finance, legal and licensing	230,517	220,865
- office costs	46,033	42,405
- personnel	42,076	29,256
- utilities	123,914	136,395
- other	51,913	50,803
- total administration	702,457	717,817
- bar	44,536	56,417
- bingo	14,463	35,782
- bistro	38,855	27,617
- bowling	13,268	29,880
- cleaning	7,327	11,644
- functions	42,415	100,617
- gaming		
- personnel	4,427	6,319
- finance, legal and licensing	52,011	54,824
- maintenance and service	134,913	171,514
- promotions	186,360	175,842
- sponsorship	20,554	36,162
- other	14,432	26,026
- total gaming	412,697	470,687
- gathering	531	110,584
- members	147,518	225,271
	1,424,067	1,786,316

MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4: AUDITORS' REMUNERATION

	2021	2020
	\$	\$
Amounts received or due and receivable by the auditor for:		
- Audit or review of the financial report of the association	8,587	6,900
	<u>8,587</u>	<u>6,900</u>

NOTE 5: CASH ASSETS

	2021	2020
	\$	\$
Cash at bank and on hand	696,747	70,399
	<u>696,747</u>	<u>70,399</u>

NOTE 6: RECEIVABLES

	2021	2020
	\$	\$
Trade debtors	1,446	2,895
COVID Monies Due	-	138,500
Sundry debtors & prepayments	16,055	14,692
	<u>17,501</u>	<u>156,087</u>

NOTE 7: INVENTORIES

	2021	2020
	\$	\$
Stock on Hand - Bar	33,811	19,936
Stock on Hand - Bistro	34,213	30,088
	<u>68,024</u>	<u>50,024</u>

NOTE 8: RIGHT OF USE ASSETS

	2021	2020
	\$	\$
Frymaster & Combi Oven	27,500	77,310
Motor Vehicle	-	57,948
Electronic Gaming Machines	115,276	276,742
Electronic Gaming Machines - Support Systems	133,164	133,164
Less Accumulated Depreciation	(182,592)	(279,092)
Total Right of Use Assets	<u>93,348</u>	<u>266,072</u>

Reconciliations of the carrying amounts of Right of Use Assets at the beginning and end of the current year is set out below.

Right of Use Assets were previously disclosed as Leased Assets under AASB 117. However, as at 1 July 2019 the

Association has adopted AASB 16.

Carrying Amount at Start of Year	266,072	-
Plus Additions	20,952	89,663
Plus Reclassifications	(116,521)	265,778
Less Depreciation	(77,155)	(89,369)

Carrying Amount at End of Year	93,348	266,072
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MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
<i>"A" + "B" Green</i>		
At cost	12,129	4,545
Less accumulated depreciation	(790)	(86)
Total "A + B" green	<u>11,339</u>	<u>4,459</u>
<i>Land</i>		
At Valuation	850,000	850,000
Less accumulated depreciation	-	-
Total Land	<u>850,000</u>	<u>850,000</u>
<i>Buildings</i>		
At Valuation	5,115,410	5,085,813
Less accumulated depreciation	(254,413)	(126,533)
Total Buildings	<u>4,860,997</u>	<u>4,959,280</u>
<i>Office Equipment</i>		
At cost	260,423	254,481
Less accumulated depreciation	(241,272)	(233,318)
Total Office Equipment	<u>19,151</u>	<u>21,163</u>
<i>Motor vehicles</i>		
At cost	167,783	109,835
Less accumulated depreciation	(162,865)	(98,593)
Total Motor Vehicles	<u>4,918</u>	<u>11,242</u>
<i>Plant and Equipment</i>		
At cost	1,386,486	1,271,942
Less accumulated depreciation	(1,086,397)	(1,026,527)
Total Plant and Equipment	<u>300,089</u>	<u>245,415</u>
<i>Furniture and fittings</i>		
At cost	1,160,922	1,085,836
Less accumulated depreciation	(792,386)	(729,829)
Total Furniture and Fittings	<u>368,536</u>	<u>356,007</u>
<i>Electronic Gaming Machines</i>		
At cost	1,134,209	951,791
Less accumulated depreciation	(1,009,894)	(845,072)
Total Electronic Gaming Machines	<u>124,315</u>	<u>106,719</u>
 Total Property Plant and Equipment	 <u>6,539,345</u>	 <u>6,554,285</u>

An independent valuation of the Club's land and building was performed by PP & E Valuations Pty Ltd (Melbourne) to determine the fair value of the land, improvements and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2019.



MARYBOROUGH HIGHLAND SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9: PROPERTY, PLANT AND EQUIPMENT	2021 \$	2020 \$
Movements in carrying amounts		
<i>"A" + "B" green</i>		
Carrying amount at beginning of year	4,459	-
Additions	7,584	4,545
Disposals	-	-
Depreciation expense	(704)	(86)
Carrying amount at end of year	<u>11,339</u>	<u>4,459</u>
<i>Land</i>		
Carrying amount at beginning of year	850,000	850,000
Revaluation Increment	-	-
Disposals	-	-
Carrying amount at end of year	<u>850,000</u>	<u>850,000</u>
<i>Buildings</i>		
Carrying amount at beginning of year	4,959,281	5,020,000
Additions	29,596	65,814
Revaluation Increment	-	-
Depreciation expense	(127,880)	(126,533)
Carrying amount at end of year	<u>4,860,997</u>	<u>4,959,281</u>
<i>Office Equipment</i>		
Carrying amount at beginning of year	21,163	79,805
Additions	5,942	1,643
Reclassifications	-	(41,899)
Depreciation expense	(7,954)	(18,386)
Carrying amount at end of year	<u>19,151</u>	<u>21,163</u>
<i>Plant & equipment</i>		
Carrying amount at beginning of year	245,414	289,380
Additions	64,733	65,096
Reclassifications	33,503	(59,849)
Depreciation expense	(43,561)	(49,213)
Carrying amount at end of year	<u>300,089</u>	<u>245,414</u>
<i>Furniture and fittings</i>		
Carrying amount at beginning of year	356,008	312,909
Additions	75,086	68,103
Disposals	-	-
Depreciation expense	(62,558)	(25,004)
Carrying amount at end of year	<u>368,536</u>	<u>356,008</u>
<i>Motor vehicles</i>		
Carrying amount at beginning of year	11,241	37,981
Additions	-	-
Reclassifications	-	(20,517)
Depreciation expense	(6,323)	(6,222)
Carrying amount at end of year	<u>4,918</u>	<u>11,241</u>
<i>Electronic Gaming Machines</i>		
Carrying amount at beginning of year	106,717	330,730
Additions	-	8,000
Reclassifications	83,018	(143,513)
Depreciation expense	(65,420)	(88,500)
Carrying amount at end of year	<u>124,315</u>	<u>106,717</u>



MARYBOROUGH HIGHLAND SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10: INTANGIBLE ASSETS

	2021	2020
	\$	\$
<i>Gaming Machine Licences</i>		
At cost	2,905,769	2,905,769
Less accumulated amortisation	(2,477,452)	(2,198,777)
Total Gaming Machine Licences	<u>428,317</u>	<u>706,992</u>
Total Intangible Assets	<u>428,317</u>	<u>706,992</u>
Movements in carrying amounts	\$	\$
<i>Gaming Machine Licences</i>		
Carrying amount at beginning of year	706,992	986,433
Additions	-	-
Disposals	-	-
Amortisation expense	(278,675)	(279,441)
Carrying amount at end of year	<u>428,317</u>	<u>706,992</u>

NOTE 11: PAYABLES

	2021	2020
	\$	\$
Trade creditors	139,917	69,589
Amounts due to ATO	627,633	329,269
Accrued Expenses	100,656	68,019
Employee Entitlements	-	5,238
State taxes	149,154	68,010
	<u>1,017,360</u>	<u>540,125</u>

NOTE 12: PROVISIONS

	2021	2020
	\$	\$
<i>Current</i>		
Annual leave	294,931	202,942
Long service leave at nominal value	187,966	175,465
	<u>482,897</u>	<u>378,407</u>
<i>Non-Current</i>		
Long service leave at present value	<u>40,544</u>	<u>60,664</u>

NOTE 13: INTEREST BEARING LIABILITIES

	2021	2020
	\$	\$
<i>Current</i>		
Finance Leases	101,938	130,069
Finance Charges Unexpired	(7,825)	(15,259)
Vehicle Finance	-	10,464
ANZ Loan	378,401	202,948
Government Guaranteed Loan	-	250,000
	<u>472,514</u>	<u>578,222</u>
<i>Non Current</i>		
Finance Leases	23,288	79,312
Finance Charges Unexpired	(719)	(10,896)
Vehicle Finance	-	15,106
ANZ Loan	1,187,724	1,593,820
	<u>1,210,293</u>	<u>1,677,342</u>

The ANZ Loan is secured by a Registered Mortgage over the properties situated at 47 High St and 35-37 Clarendon St, Maryborough, Vic.

Finance Leases have a general lien over the equipment being leased.



MARYBOROUGH HIGHLAND SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: RETAINED PROFITS	2021	2020
	\$	\$
(a) Retained profits/(losses)	3,936,269	3,887,386
Movement in retained profits		
Balance at beginning of year	3,887,386	4,278,044
Net profit/(loss) attributable to Association	48,883	(390,658)
Balance at end of year	3,936,269	3,887,386
(b) Reserves	686,788	686,788
Movement in reserves		
Balance at beginning of year	686,788	686,788
Other Comprehensive Income	-	-
Balance at end of year	686,788	686,788
 NOTE 15: CASH FLOW STATEMENT	 2021	 2020
	\$	\$
(a) Reconciliation of cash		
Cash on Hand		
Operating accounts (Refer Note 5)	696,747	70,399
	696,747	70,399
(b) Reconciliation of profit from ordinary activities after tax to net cash from/(used in) operating activities		
Profit/(loss) from ordinary activities after income tax	48,883	(390,658)
Non cash items		
- Depreciation and amortisation	670,230	682,754
- (Profit)/loss on disposal of asset	-	(16,460)
Changes in assets and liabilities		
- (Increase) decrease in receivables	138,586	(141,579)
- (Increase) decrease in Inventories	(18,000)	763
- (Increase) decrease in other assets	1,692	1,691
- Increase (decrease) in payables	477,235	(149,341)
- Increase (decrease) in provisions	84,370	17,754
Net cashflows from/(used in) operating activities	1,402,996	4,924



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

NOTE 16: RELATED PARTY DISCLOSURES

No remuneration or retirement benefits are payable to members of the Committee as the positions are voluntary.

There were no loans to or transactions with members of the Committee during the year.

NOTE 17: SUBSEQUENT EVENTS

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.

NOTE 18: CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or contingent liabilities at the date of this report to affect the financial statements.

NOTE 19: COMMITMENTS FOR EXPENDITURE

There are no commitments for expenditure as at 30 June 2021.

NOTE 20: SEGMENT REPORTING

The Association operates in the hospitality sector in the Maryborough and surrounding regions.

NOTE 21: REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of business is 35 High Street, Maryborough, Victoria.



MARYBOROUGH HIGHLAND SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 22: FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

Maryborough Highland Society Inc'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 2021 \$	Carrying Amount 2020 \$
Financial Assets			
Cash & Cash Equivalents	(5)	696,747	70,399
Trade & Other Receivables	(6)	1,446	2,895
Total Financial Assets		698,193	73,294
Financial Liabilities			
At amortised cost			
Trade & Other Payables	(10)	139,917	74,827
Interest Bearing Liabilities	(12)	1,682,807	2,255,564
Total Financial Liabilities		1,822,724	2,330,391

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 Maryborough Highland Society.

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.



MARYBOROUGH HIGHLAND SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 22: FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that Maryborough Highland Society Inc might encounter difficulty in settling its debts or otherwise its obligations related to financial liabilities. Maryborough Highland Society 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 Maryborough Highland Society 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	139,917	74,827	-	-	-	-	139,917	74,827
Interest Bearing Liabilities	472,514	578,222	1,210,293	1,677,342	-	-	1,682,807	2,255,564
Other Financial Liabilities	-	-	-	-	-	-	-	-
Total contractual outflows	612,431	653,049	1,210,293	1,677,342	-	-	1,822,724	2,330,391
Total expected outflows	612,431	653,049	1,210,293	1,677,342	-	-	1,822,724	2,330,391
Financial assets - Cash flow realisable								
Cash & Cash Equivalents	696,747	70,399	-	-	-	-	696,747	70,399
Trade & Other Receivables	1,446	2,895	-	-	-	-	1,446	2,895
Total anticipated inflows	698,193	73,294	-	-	-	-	698,193	73,294
Net (outflow)/inflow on financial instruments	85,762	(579,755)	(1,210,293)	(1,677,342)	-	-	(1,124,531)	(2,257,097)

(c) Market Risk

(i) Interest rate risk

The financial assets of Maryborough Highland Society 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.

Maryborough Highland Society Inc is exposed to insignificant foreign currency risk and other price risks.

MARYBOROUGH HIGHLAND SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 22: FINANCIAL RISK MANAGEMENT (continued)

(c) Market Risk (Continued)

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 & Cash Equivalents	696,747	(13,935)	(13,935)	6,967	6,967
Trade & Other Receivables	1,446	-	-	-	-
Financial liabilities:					
Trade & Other Payables	139,917	-	-	-	-
Interest Bearing Liabilities	1,682,807	33,657	33,657	(16,828)	(16,828)

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 2021 \$	Fair Value 2021 \$	Carrying Amount 2020 \$	Fair Value 2020 \$
Financial Assets				
Cash & Cash Equivalents	696,747	696,747	70,399	70,399
Trade & Other Receivables	1,446	1,446	2,895	2,895
Total Financial Assets	698,193	698,193	73,294	73,294
Financial Liabilities				
Trade & Other Payables	139,917	139,917	74,827	74,827
Interest Bearing Liabilities	1,682,807	1,682,807	2,255,564	2,255,564
Total Financial Liabilities	1,822,724	1,822,724	2,330,391	2,330,391



MARYBOROUGH HIGHLAND SOCIETY INC.
ABN: 37 631 550 150
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23: FAIR VALUE MEASUREMENT

The Association measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition

- land
- Buildings

The Association does not subsequently measure any liabilities at fair value on a recurring basis, or any asset or liabilities at fair value on a non-recurring basis.

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- quoted prices in active markets for identical assets or liabilities **(Level 1)**.
- inputs other than quoted process included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) **(Level 2)**.
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) **(Level 3)**.

The following tables provide the fair values of the Association's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

2021	Level 1	Level 2	Level 3	Total
Non-financial assets				
Buildings	-	-	4,860,997	4,860,997
Land	-	-	850,000	850,000
Total non-financial assets recognised at fair value	-	-	5,710,997	5,710,997

2020				
Non-financial assets				
Buildings	-	-	4,959,280	4,959,280
Land	-	-	850,000	850,000
Total non-financial assets recognised at fair value	-	-	5,809,280	5,809,280



***B*OWLS PRESIDENT REPORT**

Tony Lacey



I am very pleased to present my annual report for the last bowls season.

What an interesting year it has been.

Unfortunately, due to the covid19 pandemic, many of our activities had to be curtailed especially over the first half of the bowls year. We were not able to hold any winter bowls and the summer season was quite late starting. As a result, the Saturday pennant competition did not get underway until the beginning of November.

Indoor bowls, opening day and our usual practice matches all had to be cancelled. Hopefully all of these activities will take place next year.

Unfortunately, due to the decline in numbers, some of the ladies events had to be curtailed. Thanks to all who took part in the events, which went ahead, and congratulations to the winners and runners up, especially Jan Turner, the ladies club champion.

The men's events ran smoothly due to the match committee making sure that the various games were completed on time. Those events which could not be completed from the previous year were also finished. Congratulations to Harvey Pearce, the men's club champion.

This year we had many members who won their way through to regional and state level. Congratulations to these bowlers. You have shown that with dedication and hard work you can match it with bowlers who constantly play in higher competitions.

Pennant this year was very different from that experienced in the past. Teams only had to play 21 ends instead of 25 and there was no break for afternoon tea. Part of this was due to pandemic rules that afternoon tea could not be served. I believe all bowlers were very accepting of the shorter format and the earlier finish.

To our pennant teams, this year we had six teams in Saturday and midweek pennant with three of those teams making it to the finals. Unfortunately the Saturday Tartans had to play the Reds in the first semifinal. The Tartans won through but were defeated in the preliminary final. The midweek Tartans won their way into the grand final but were defeated as well. Congratulations to all the bowlers who took part in pennant this year. Whether you are in the top or the bottom team, you have always strived to give of your best.

Our Monster Triples event had to be cancelled due to the uncertainty of the pandemic, however our monthly jackpot triples event went ahead from November onwards.

Our greens have been well used and we had had very favorable comments and reports about them. Many regional and state events were held, including the Complete Bowls Shield competition with teams from Ballarat and Central as well as our own Goldfields divisions.

Over the year, we had many sub-committees, which have ensured that bowls at the Maryborough Highland Society has run smoothly over the last season. These committees include Greens / Ladies and Men's Match and Tournament / Welfare / Media / Selection Mid-week and Saturday and also members who looked after the School/social and Fun groups throughout the year. A big thank you to all those who helped in any way, especially Rhonda Watkins our welfare officer who looks after the buying of cards, flowers, etc.

To my committee Thank you for a job well done to Alan Muggridge my hard working secretary who kept me on my toes and who always seems to come up with some new ideas, Gordon Leyton for his fundraising efforts on Wednesday and Friday nights and at other opportune times. To the other committee members Marj, Shirley, Roger, Lachy and Tilley who have all filled their role well, a big thank you.

The pandemic has really affected our bowls for the season. Unfortunately we were unable to hold any open meetings this year because of a restriction on numbers. We also had to curtail any social events until the very end of the season.

The new Bowls region called The Bendigo Campaspe Goldfields Bowls Region will take over on July 1st this year. Our playing area will remain as it is for the time being. However there will be new regional committees which will look after pennant and regional events. The pennant committee will be made up of two delegates from each playing area (a total of 6). They will be responsible for the conduct of pennant including , the number of ends to be played, whether it be three rinks or four, the number of rounds to be played. They will be responsible for both the Saturday and midweek competitions. It is going to be a very interesting time ahead.

On a sad note, we were unfortunate to lose Bill Mennen. Bill was very keen with his bowls and felt that if he wasn't bowling well it was not because of him, but his bowls. Hence he went through quite a few sets of bowls.

In conclusion, It has been a very up and down year and I wish all bowlers well and to keep your chins up. We are slowly getting back to what we know as "normal".

Tony Lacey



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NOTES





January 1st, 2023

STATEMENT OF PURPOSES OF MARYBOROUGH HIGHLAND SOCIETY INC.

Revised - December 5th, 2012

The purposes for which the Society is established are:

- (a) to encourage an understanding of and appreciation for the literature, music and sports of Scotland and Australia;
- (b) to promote the Annual Sporting Gathering of the Society to be held on New Year's Day at Maryborough;
- (c) to support such patriotic, charitable or wider community objectives as the Society may determine;
- (d) to achieve and maintain the highest possible standard of bowling and sporting facilities to meet the current and future needs of all Members, guests and the wider provincial community; and
- (e) to achieve and maintain the highest possible standard of entertainment and dining facilities for Members, guests and the wider provincial community.

