MCC Glen Iris Valley Tennis Club Limited
(a Company Limited by Guarantee)

ABN 71 534 190 089

Annual Report – 31 December 2021

MCC Glen Iris Valley Tennis Club Limited
Financial report
For the year ended 31 December 2021

Contents

General information

The financial report covers MCC Glen Iris Valley Tennis Club Limited as an individual entity. The financial report is presented in Australian dollars, which is MCC Glen Iris Valley Tennis Club Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The directors have the power to amend and reissue the financial report.

The Financial statements were authorised for issue, in accordance with a resolution of directors, on 13 April 2022.

The directors present their report, together with the financial statements, on the Company for the year ended 31 December 2021.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report unless otherwise stated:

C Mukerjea	PJ Gillieron
R Chawla	RL Johnson
J Dymond	D Rowler
A Wilson	M Bradbury – resigned 31 May 2021

Principal activities

The principal activity of MCC Glen Iris Valley Tennis Club during the financial year was to provide and facilitate the opportunity for members of the club to participate in the sporting game of tennis.

No significant changes in the nature of the Company's activity occurred during the financial year.

Objectives

Short term objectives

The Company's short-term objectives are to:

- Increase membership across all categories;
- Increase coaching numbers;
- Increase competition participation in all categories; and
- Maintain the Club's facilities at the highest possible standard.

Long term objectives

The Company's long-term objectives are to:

- Fund and undertake a continuing capital works program to ensure that the Club's facilities are at the highest standard;
- Continue to maintain relationships with the peak associations in tennis, e.g. Tennis Australia, Tennis Victoria; and
- Continue to provide sustainable member services at an affordable level.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Agreed on terms and conditions for a new 3-year management agreement with VIDA tennis;
- Promote and support “open days” in conjunction with Tennis Victoria;
- Maintain affiliation with Tennis Victoria and other tennis associations;
- Improve communications with club members; and
- Continue to make the Club’s facilities available to tennis associations, educational institutions and to the public.

Review of results and operations

The net result made by the Company for the year ended 31 December 2021 was a deficit of $37,057 (2020 deficit $48,820).

Information on directors

Name:	C Mukerjea	J Dymond
Title:	Director	Director
Qualifications:	Bachelor of Economics, Postgraduate Diploma in Marketing Management	Bachelor of Arts (Honours)/Bachelor of Law
Special responsibilities:	President / Chair	Secretary
Name:	R Chawla	PJ Gillieron
Title:	Director	Director
Qualifications:	Bachelor of Commerce, member of the Institute of Chartered Accountants, Registered Tax Agent	Master of Business (Property), Associate of the Australian Property Institute. Graduate Diploma of Accounting, Fellow of the Institute of Public Accountants
Special responsibilities:	Treasurer	Director
Name:	RL Johnson	A Wilson
Title:	Director	Director
Qualifications:	Bachelor of Electronic and Communications Engineering (RMIT)	
Special responsibilities:	Director	Marketing
Name:	D Rowler	
Title:	Director	
Qualifications:	Bachelor of Commerce (Monash University), Chartered Accountant (CA), Member of Chartered Accountants (CAANZ), Registered Tax Agent	
Special responsibilities:	Director	

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2021 and the number of meetings attended by each director were:

Board Member	Number eligible to attend	Number attended
C. Mukerjea	14	14
R. Chawla	14	13
J. Dymond	14	12
P.J. Gillieron	14	14
R.L. Johnson	14	13
M. Bradbury	5	3
D. Rowler	14	14
A Wilson	14	12

MCC Glen Iris Valley Tennis Club Limited
Directors' report (continued)
For the year ended 31 December 2021

Members guarantee
MCC Glen Iris Valley Tennis Club is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding-up, is limited to $ NIL for members that are corporations and $ NIL for all other members, subject to the provisions of the Company's constitution.

As at 31 December 2021, the collective liability of members was $ NIL (2020: $ NIL).

Likely developments
The Company expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Significant events after the balance date
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future years.

Directors' benefits
Since the end of the previous financial year, no director has received or become entitled to receive a benefit.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Indemnification of officers and auditors
During or since the end of the financial year, the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Corporate information
MCC Glen Iris Valley Tennis Club Limited is a not-for-profit unlisted public company limited by guarantee, incorporated on 16/08/1923 and domiciled in Australia.

The principal place of business and registered office of the Company is:

MCC Glen Iris Valley Tennis Club Limited
270 High Street Rd
MOUNT WAVERLEY VIC 3149

Non-audit services
There is no non-audit service provided by the entity's auditor, DFK Collins Chartered Accountants.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

C Mukerjea	R Chawla
Director	Director
13 April 2022	13 April 2022
Melbourne	Melbourne

DFK Collins Pty Ltd
Principal: Simon Bragg FCA

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Richmond VIC 3121
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ACN 115 470 598

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: The Directors of MCC Glen Iris Valley Tennis Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the year ended 31 December 2021 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DFK Collins

DFK Collins

Simon Bragg
Principal

13 April 2022
Melbourne

MCC Glen Iris Valley Tennis Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	2021 $	2020 $
Revenue	3	**239,336**	179,828
		239,336	179,828
Expenses			
Administration		**(39,341)**	(23,988)
Competition and tournament expenses		**(26,929)**	(16,102)
Depreciation and amortisation	4	**(97,403)**	(101,099)
Employee benefit expenses	4	**(628)**	(592)
Finance costs – Lease interest	4	**(38,440)**	(39,548)
Other expenses from ordinary activities		**(20,951)**	(3,967)
Repairs and maintenance		**(37,487)**	(27,905)
Services		**(15,214)**	(15,447)
		(276,393)	(228,648)
(Deficit) before income tax expense		**(37,057)**	(48,820)
Income tax expense		**-**	-
Net result after income tax expense for the year attributable to the members of MCC Glen Iris Valley Tennis Club Limited		**(37,057)**	(48,820)
Other comprehensive income for the year		**-**	-
Total comprehensive (deficit) for the year attributable to the members of MCC Glen Iris Valley Tennis Club Limited		**(37,057)**	(48,820)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

MCC Glen Iris Valley Tennis Club Limited
Statement of financial position
As at 31 December 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	5	**198,365**	163,873
Trade and other receivables	6	**11,539**	3,087
Other assets	8	**7,228**	7,460
Total current assets		**217,132**	174,420
Non-current assets			
Property, plant and equipment	7	**1,571,900**	1,667,339
Other assets	8	**142,622**	77,694
Total non-current assets		**1,714,522**	1,745,033
Total assets		**1,931,654**	1,919,453
Liabilities			
Current liabilities			
Trade and other payables	9	**123,113**	52,394
Lease liabilities	10	**28,458**	26,487
Total current liabilities		**151,571**	78,881
Non-current liabilities			
Lease liabilities	10	**799,284**	827,741
Total non-current liabilities		**799,284**	827,741
Total liabilities		**950,855**	906,622
Net assets		**980,799**	1,012,831
Equity			
Reserves	13	**1,228,160**	1,223,134
Accumulated losses		**(247,361)**	(210,303)
Total equity		**980,799**	1,012,831

The above statement of financial position should be read in conjunction with the accompanying notes

MCC Glen Iris Valley Tennis Club Limited
Statement of changes in equity
For the year ended 31 December 2021

	Retained earnings $	General reserves $	Financial assets reserve $	Revaluation reserve $	Total $
Balance at 1 January 2020	(161,483)	74,058	6,904	1,145,000	1,064,479
Loss attributable to members of the entity	(48,820)	-	-	-	(48,820)
Revaluation increment of available for sale investment	-	-	(2,828)	-	(2,828)
Balance at 31 December 2020	(210,303)	74,058	4,076	1,145,000	1,012,831
Loss attributable to members of the entity	**(37,057)**	**-**	**-**	**-**	**(37,057)**
Revaluation increment of available for sale investment	**-**	**-**	**5,026**	**-**	**5,026**
Balance at 31 December 2021	**(247,360)**	**74,058**	**9,102**	**1,145,000**	**980,800**

The above statement of changes in equity should be read in conjunction with the accompanying notes

MCC Glen Iris Valley Tennis Club Limited
Statement of cash flows
For the year ended 31 December 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from members and visitors (inclusive of GST)		**213,356**	222,209
Payments to suppliers and employees (inclusive of GST)		**(161,509)**	(184,472)
Grants received		**44,480**	31,250
Interest received		**31**	407
Net cash from / (used in) operating activities	12	**96,358**	69,394
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,964)**	-
Net cash (used in) / from investing activities		**(1,964)**	-
Cash flows from financing activities			
Payments for investments		**(59,902)**	(6,685)
Net cash (used in) / from financing activities		**(59,902)**	(6,685)
Net increase / (decrease) in cash and cash equivalents		**34,492**	62,709
Cash and cash equivalents at the beginning of the financial year		**163,873**	101,164
Cash and cash equivalents at the end of the financial year	5	**198,365**	163,873

The above statement of cash flows should be read in conjunction with the accompanying notes

The financial statements are for MCC Glen Iris Valley Tennis Club as an individual entity, incorporated and domiciled in Australia. MCC Glen Iris Valley Tennis Club is a not-for-profit Company limited by guarantee.

The functional and presentation currency of MCC Glen Iris Valley Tennis Club Limited is Australian dollars.

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)
The company has adopted the revised Conceptual Framework from 1 January 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The company has adopted AASB 1060 from 1 January 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties. As permitted by AASB 1053 for early adoption of AASB 1060, comparative information has not been provided for these new disclosures.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

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

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Revenue recognition

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Note 1. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grants
Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purpose, it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
As the Company is a not-for-profit company limited by guarantee it is exempt from the income tax under Division 50 of the Income Tax Assessment Act 1997.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets
Term deposits held for greater than three months are classified as financial assets.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment
Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Leasehold Improvements
Leasehold Improvements are measured using the revaluation model.

Note 1. Significant accounting policies (continued)

Plant, Equipment and Furnishings
Plant, equipment and furnishings are measured using the cost model. Plant, equipment furnishings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation
Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation / amortisation rates used for each class of depreciable asset are shown below:

Plant, Equipment and Furnishings	5 years
Leasehold improvements	25 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Right-of-use asset comprising of lease-hold land has been recognised in the financial statements under AASB 16 Leases modified retrospective method and are amortised on a straight-line basis over the remaining lease period. Refer Note 11.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies (continued)

Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of 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 instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;
(b) less principal repayments;
(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
(d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Note 1. Significant accounting policies (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.
Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.
If during the period the Company sold or reclassified more than an insignificant amount of the held- to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Note 1. Significant accounting policies (continued)

IFRS 16 'Leases'
IFRS 16 'Leases' replaces IAS 17 'Leases'. The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The new Standard has been applied using the modified retrospective approach, with the right-of-use asset is recognised at the date of initial application as an amount equal to the lease liability, using the prevailing incremental borrowing rate at the date of initial application. This was adjusted for any prepaid or accrued lease payments relating to that lease that were recognised in the statement of financial position immediately before the date of initial application. The lease liability is net present value of the remaining (i.e. future) lease payments using incremental borrowing rate at the date of initial application.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 4.5%.

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Impairment of non-financial assets
At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets. Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Note 1. Significant accounting policies (continued)

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets
The Company determines the estimated useful lives and related depreciation and charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

IFRS 16 requires entities to make certain judgements and estimations, and those that are significant should be disclosed here or within the asset and liability notes within the financial statements. Critical judgements are often required when an entity is, for example:

• determining whether or not a contract contains a lease;
• establishing whether or not it is reasonably certain that an extension option will be exercised;
• considering whether or not it is reasonably certain that a termination option will not be exercised;
• determining whether or not variable leased payments are truly variable, or in-substance fixed; and
• for lessors, determining whether the lease should be classified as an operating or finance lease.

Examples of key sources of estimation and uncertainty include:

• calculating the appropriate discount rate to use;
• estimating the lease term; and
• estimating variable lease payments dependant on an index or rate.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

	2021 $	2020 $

Note 3. Revenue and other income

	2021 $	2020 $
Sales revenue		
- other revenue	**133,481**	98,617
- subscriptions	**61,344**	49,554
Interest income	**31**	407
Other revenue		
- MCC grant	**25,300**	25,000
- Other grants	**19,180**	6,250
Total revenue	**239,336**	179,828

Note 4. Result of the year

The result for the year includes the following specific expenses:

	2021 $	2020 $
Depreciation and amortisation	**97,403**	101,099
Employee benefit expenses	**628**	592
Finance Costs – lease interest	**38,440**	39,548

Note 5. Cash and cash equivalents - current assets

	2021 $	2020 $
Cash at bank and on hand	**198,365**	163,873

Note 6. Trade and other receivables - current assets

	2021 $	2020 $
GST receivable /(payable)	**8,134**	2,739
Sundry debtors	**1,560**	-
Trade receivables	**1,845**	348
Total trade and other receivables	**11,539**	3,087

	2021 $	2020 $

Note 7. Property, plant and equipment - non-current assets

	2021 $	2020 $
Right-of-use asset – Leasehold land	**901,658**	901,658
Less: Accumulated depreciation	**(137,184)**	(91,456)
	764,474	810,202
Plant and equipment – at cost	**70,577**	68,612
Less: Accumulated depreciation	**(41,751)**	(35,875)
	28,826	32,737
Office equipment – at cost	**35,218**	35,218
Less: Accumulated depreciation	**(35,218)**	(35,218)
	-	-
Leasehold improvements – at independent valuation	**1,145,000**	1,145,000
Less: Accumulated depreciation	**(366,400)**	(320,600)
	778,600	824,400
Total property plant and equipment	**1,571,900**	1,667,339

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment $	Furnishings $	Leasehold improvements at independent valuation $	Right-of-use asset Leasehold land	Total $
Balance at 1 January 2020	42,308	-	870,200	855,930	1,768,438
Additions	-	-	-	-	-
Depreciation expense	(9,570)	-	(45,800)	(45,728)	(101,098)
Balance at 31 December 2020	32,736	-	824,400	810,202	1,667,338
Additions	**1,965**	**-**	**-**	**-**	**1,965**
Depreciation expense	**(5,875)**	**-**	**(45,800)**	**(45,728)**	**(97,403)**
Balance at 31 December 2021	**28,826**	**-**	**778,600**	**764,474**	**1,571,900**

	2021 $	2020 $
Note 8. Other assets		
Current assets		
Prepaid expenses	**5,611**	4,732
Inventory	**1,617**	2,728
	7,228	7,460
Non-current assets		
Investment	**142,622**	77,694

Note 9. Trade and other payables - current liabilities

	2021 $	2020 $
Accrued expenses – deferred lease payments	**96,312**	-
Accrued expenses	**26,801**	52,394
	123,113	52,394

Note 10. Lease liabilities

	2021 $	2020 $
Current lease liability	**28,458**	26,487
Non-current lease liability	**799,284**	827,741
	827,742	854,228

Leases
The Company holds a lease for the land on which the club's tennis courts and associated buildings are present. This lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classified its right-of-use asset in a consistent manner to its property, plant and equipment.

The following information describes the nature of the Company's leasing activities by the type of right-of-use asset recognised in the statement of financial position.

Right-of-use asset	- leasehold land
Lease period	- 25 years
Remaining period of lease	- 17 years and 8 months
Extension option	- Nil

The right-of-use asset is included in the same line item as where the corresponding underlying assets would be presented if they were owned.

Lease liabilities – excluding deferred lease payments	**Current**	**Non-current**	**2021**	**2020**
Total lease commitments	65,706	1,275,989	**1,341,695**	1,275,988
Less: Future finance charges	(37,248)	(476,705)	**(513,953)**	(421,760)
Net commitment recognised as liabilities	28,458	799,284	**827,742**	854,228

There are no lease liabilities and amounts in respect of possible future lease termination options not recognised as a liability.

	2021	2020
	$	$

Note 11. Remuneration of auditors

	2021	2020
Audit services	**2,900**	2,750
Other services	**1,900**	3,361
	4,800	6,114

Note 12. Reconciliation of results for the year to cash flows from operating activities

	2021	2020
(Deficit) / Surplus for the year	**(37,057)**	(48,820)
Cashflows excluded from profit attributable to operating activities		
Adjustments for:		
Depreciation	**97,403**	101,099
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	**(5,395)**	67,965
(Increase) / decrease in other assets	**(2,826)**	5,820
(Decrease) / increase in lease liabilities	**(22,819)**	(24,609)
Increase / (decrease) in trade and other payables	**67,052**	(32,061)
Cash flows from / (used in) from operations	**96,358**	69,394

Note 13. Reserves

	2021 $	2020 $
General reserve	**74,058**	74,058
Financial assets at fair value through other comprehensive income reserve (“OCI”)	**9,102**	4,076
Revaluation surplus reserve	**1,145,000**	1,145,000
	1,228,160	1,223,134

General reserve
The reserve is created not for a specific purpose.

Financial assets at fair value through other comprehensive income reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of leasehold improvements.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	General reserve $	Financial assets at fair value through OCI $	Revaluation surplus reserve $	Total $
Balance at 1 January 2020	74,058	6,904	1,145,000	1,225,962
Revaluation - gross	-	(2,828)	-	(2,828)
Balance at 31 December 2020	74,058	4,076	1,145,000	1,223,134
Revaluation - gross	**-**	**5,026**	**-**	**5,026**
Balance at 31 December 2021	**74,058**	**9,102**	**1,145,000**	**1,228,160**

Note 14. Financial risk management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Market risk - currency risk, interest rate risk and price risk;
- Credit risk; and
- Liquidity risk.

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables;
- Cash at bank; and
- Trade and other payables.

Objectives, policies and processes

Risk management is carried out by the Company's risk management committee under the delegated power from the Board of Directors. The Treasurer has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Market risk

Price risk

The Company is exposed to equity securities price risk. This arises from listed investments held by the Company and classified as available-for-sale on the statement of financial position.

Equity instruments are held for strategic rather than trading purposes and the Company does not actively trade these investments.

Note 14. Financial risk management (continued)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Company.

The balances of receivables that remain within initial trade terms) are considered to be of high credit quality.

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

Note 15. Fair value measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets.

Fair value estimation

The fair values of financial assets and financial liabilities are similar to the 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.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted, and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Note 16. Related party transactions

Key management personnel

The names of the personal who were directors of the Company during the year are listed in the director's report. The directors receive no remuneration. During the financial year the directors had the following types of transactions with the Company, where applicable:

- Payment of annual fees;
- Payment of rental items; and
- Use of facilities.

Transactions with related parties
There were no transactions other than member and facility usage transactions listed above with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 17. Contingent liabilities

The company had no contingent liabilities as at 31 December 2021 and 31 December 2020.

Note 18. Commitments

The company had no commitments for expenditure as at 31 December 2021 and 31 December 2020.

Note 19. Events occurring after the reporting date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 20. Company details

The registered office and principal place of business of the Company is:

The MCC Glen Iris Valley Recreation Club
270 High Street Road
MOUNT WAVERLEY VIC 3149

MCC Glen Iris Valley Tennis Club Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements,
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001

On behalf of the directors

C Mukerjea
Director

13 April 2022
Melbourne

R. Chawla
Director

13 April 2022
Melbourne

DFK Collins Pty Ltd
Principal: Simon Bragg FCA

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MCC GLEN IRIS VALLEY TENNIS CLUB LIMITED

Opinion
We have audited the financial report of MCC Glen Iris Valley Tennis Club Limited (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and the and the declaration by those charged with governance.

In our opinion, the accompanying financial gives a true and fair view of the Company's financial position as at the 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report
Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

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Auditor's Responsibilities for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 [my] 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 registered entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.

- Conclude on the appropriateness of responsible entities' 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 registered entity's ability to continue 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 such 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 registered entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with responsible entities 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.

DFK Collins

DFK Collins
Chartered Accountants

Simon Bragg

Simon Bragg
Principal

Melbourne
13 April 2022