



ANNUAL REPORT

FOR THE YEAR ENDING 28 FEBRUARY 2022



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CHAIRMAN OF THE BOARD REPORT

Dear members,

It has, as you will certainly remember been another COVID impact filled year. With ACT lockdowns, restricted number of visitors to venues, and mask wearing. Considering all this the club has been as strong as ever. I believe this can be attributed to good direction, strong management, hardworking staff and loyal members. COVID isn't over yet, but I see that people are getting adjusted to knowing it is with us but now getting out and about, socialising and being involved in club life again.

We have now completed, phase 1 and 2 of the refurbishment work at the club. Part of a 5 phase master plan to ensure that the club remains modern and relevant without losing its charm and history. Patronage in the club has really been really encouraging since opening up the front of the club, we have received very positive feedback from old and new members alike.

The Board and CEO have worked extremely hard and put in many hours over many months, with solicitors, banks, and the ACT Government to find a solution where the HGC could be involved in keeping the Austrian Australian Club alive and trading in some form.

Unfortunately to date we haven't reached a satisfactory resolution that would benefit both associations. We will do everything we can to help our Austrian counterparts while being steadfastly focused the future of the Harmonie German Club

The newly launched Zeppelin Room (HGC Auditorium) is heavily booked until the end of 2022 as a live music venue and function room. This is great for the club's income, as well as exposure to the wider community. But also, for the functions, groups and performing arts community to have this treasured asset that boasts a fantastic soul and is steeped in history.

I would like to take a moment to remember members and friends of the club who are no longer with us. We will miss you, but you will live on in our memories. I would like to also like to thank all the club staff for their constant hard work and adjusting to the new club layout as well as the increased number of people being served every day. This isn't going unnoticed. Finally, I would like to thank our members for supporting the club. What we do every day is to make your membership experience better, for without our members there is no club. So, thank you.

Vielen Grüße

CHAIRMAN OF THE BOARD
And CLUB PRESIDENT

Michael Fuller



CEO REPORT

It gives me great pleasure to present the members with another record financial result in this ground-breaking year of major improvements and renovations.

In this second consecutive year of covid disruption we managed to navigate our way through, to finish off the year in a strong economic position and standing tall in the community as a leader in our field.

I would like to thank the Board of Directors for their unwavering support over the last twelve months. Particularly the leadership group that provide valuable counsel and support but including the entire Board of Directors. The huge amount of volunteer hours, effort and expertise from our Building Sub Committee and Cultural Sub Committee is setting the Club us for a strong future and building a legacy that will ensure ongoing success.

I am hugely appreciative of my staff and the contractors at the Harmonie German Club. Our customer service is brilliant, our food offering is the backbone of the organisation, our commitment to culturally aligned fully imported beverages, diverse entertainment offerings do not just happen without commitment and hard work. I would like to thank each and every one of the Club staff and the Catering staff for your hard work. We are a fantastic team with commitment and ethics. Please do not underestimate how hard your club staff are working to make the Club what it is today.

We now find ourselves on the other side of the Covid crest. It is now more important than ever that we build on our Clubs resilience and forge a successful future. These times are unprecedented in our industry, we are constantly working at building consumer confidence and trying hard to provide a safe and attractive hospitality environment for our members and guests. We need our members' support more than ever. Thank you for your ongoing commitment to the Club, we love what we do, and its only with your support that we can keep doing it. I look forward to seeing you around the Club very soon.

CEO

Paul Berger





COMMITTEE REPORT

Harmonie German Club Canberra Incorporated
 ABN: 84 868 259 776

Committee's Report For the Year Ended 28 February 2022

The Committee Members submit the financial report of the Association for the financial year ended 28 February 2022.

1. General information

Committee Members

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

Michael Fuller (President and Chairman of the Board)
 Stephan Walter (Vice- President and Deputy Chair)
 Nick Xirakis (Treasurer)
 Oliver Buecher (Member of the Board)
 Ron Farmer (Member of the Board)
 Roger Royal (Member of the Board)
 Angelika Fuller (Member of the Board)

Principal activities

The principal activity of the Association during the financial year is the operation of a licensed social club in Canberra, ACT.

Significant changes

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

2. Operating results

The surplus of the Association for the financial year after providing for income tax amounted to \$ 379,500 (2021: \$209,487).

3. Sign off information - Associations

Signed in accordance with a resolution of the Members of the Committee:

Committee Member:

Dated:

24/05/2022

Nicholas Xirakis

Committee Member:

OLIVER BUECHER
 PUBLIC OFFICER



FINANCIAL SUMMERY

Harmonie German Club Canberra Incorporated

ABN: 84 868 259 776

Statement of Profit or Loss and Other Comprehensive Income**For the Year Ended 28 February 2022**

		2022	2021
	Note	\$	\$
Sales revenue	4	2,042,565	1,703,294
Cost of sales	5	<u>(608,131)</u>	<u>(528,001)</u>
Gross profit		1,434,434	1,175,293
Other revenue	4	596,586	651,120
Administrative expenses		(566,362)	(427,767)
Depreciation expense	11(a)	(161,192)	(157,848)
Employment costs		(680,321)	(770,168)
Finance costs	5	(44,616)	(48,904)
Other expenses		<u>(193,527)</u>	<u>(203,235)</u>
Surplus before income tax		385,002	218,491
Income tax expense	2(a)	<u>(5,502)</u>	<u>(9,004)</u>
Surplus for the year		<u>379,500</u>	<u>209,487</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>379,500</u>	<u>209,487</u>

Harmonie German Club Canberra Incorporated

ABN: 84 868 259 776

Statement of Changes in Equity**For the Year Ended 28 February 2022****2022**

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 March 2021	661,505	904,372	1,565,877
Surplus for the year	379,500	-	379,500
Balance at 28 February 2022	<u>1,041,005</u>	<u>904,372</u>	<u>1,945,377</u>

2021

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 March 2020	452,018	904,372	1,356,390
Surplus for the year	209,487	-	209,487
Balance at 28 February 2021	<u>661,505</u>	<u>904,372</u>	<u>1,565,877</u>

BALANCE SHEET

Harmonie German Club Canberra Incorporated

ABN: 84 868 259 776

Statement of Financial Position**As At 28 February 2022**

	2022	2021
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8 533,553	659,062
Trade and other receivables	9 117,527	15,143
Inventories	10 35,922	34,889
TOTAL CURRENT ASSETS	<u>687,002</u>	<u>709,094</u>
NON-CURRENT ASSETS		
Property, plant and equipment	11 2,635,776	1,729,631
Deferred tax assets	7(a) 21,492	18,118
TOTAL NON-CURRENT ASSETS	<u>2,657,268</u>	<u>1,747,749</u>
TOTAL ASSETS	<u>3,344,270</u>	<u>2,456,843</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	12 206,922	247,787
Borrowings	13 142,747	67,696
Employee benefits	15 82,456	44,756
Other liabilities	14 121,666	-
TOTAL CURRENT LIABILITIES	<u>553,791</u>	<u>360,239</u>
NON-CURRENT LIABILITIES		
Borrowings	13 819,658	500,417
Deferred tax liabilities	7(b) 24,229	15,352
Employee benefits	15 1,215	14,958
TOTAL NON-CURRENT LIABILITIES	<u>845,102</u>	<u>530,727</u>
TOTAL LIABILITIES	<u>1,398,893</u>	<u>890,966</u>
NET ASSETS	<u>1,945,377</u>	<u>1,565,877</u>
EQUITY		
Asset revaluation surplus	904,372	904,372
Retained earnings	1,041,005	661,505
TOTAL EQUITY	<u>1,945,377</u>	<u>1,565,877</u>

CASHFLOW

Harmonie German Club Canberra Incorporated

ABN: 84 868 259 776

Statement of Cash Flows**For the Year Ended 28 February 2022**

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,126,565	2,740,658
Payments to suppliers and employees	(2,531,570)	(2,247,181)
Interest received	1,094	-
Interest paid	(44,616)	(48,904)
Net cash provided by operating activities	21 <u>551,473</u>	<u>444,573</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	11(a) <u>(1,071,274)</u>	<u>(72,548)</u>
Net cash (used in) investing activities	<u>(1,071,274)</u>	<u>(72,548)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds/repayment of borrowings	<u>394,292</u>	(10,401)
Net cash provided by/(used in) financing activities	<u>394,292</u>	<u>(10,401)</u>
Net (decrease)/increase in cash and cash equivalents held	(125,509)	361,624
Cash and cash equivalents at beginning of year	<u>659,062</u>	297,438
Cash and cash equivalents at end of financial year	8 <u><u>533,553</u></u>	<u>659,062</u>

KEY NOTES TO FINANCIAL STATEMENTS

Notes not published in the annual report can be obtained from the office on request.

4 Revenue and Other Income

	Note	2022 \$	2021 \$
Sales revenue			
- Bar		1,161,037	934,620
- Poker Machines	23	602,112	498,078
- Special event trading		256,698	227,199
- Member subscriptions		16,670	15,847
- Club shop		6,048	27,550
		<u>2,042,565</u>	<u>1,703,294</u>
Other revenue			
- Grant income		252,008	23,408
- Rebates/commission received		33,326	47,718
- Pre-ticket eventbrite sale		109,123	59,422
- Insurance recovery		89,410	30,558
- Covid 19 Business Support Grant		75,000	-
- Other Income		13,171	30,928
- Restaurant lease income		23,454	13,636
- Interest income		1,094	-
- JobKeeper subsidy		-	345,450
- Cash flow boost		-	100,000
		<u>596,586</u>	<u>651,120</u>
Total Revenue and other income		<u>2,639,151</u>	<u>2,354,414</u>

13 Borrowings

	Note	2022 \$	2021 \$
CURRENT			
Bank loans		142,747	67,696
	17	<u>142,747</u>	<u>67,696</u>
NON-CURRENT			
Bank loans		819,658	500,417
	17	<u>819,658</u>	<u>500,417</u>

INDEPENDENT AUDITOR'S REPORT



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Independent Audit Report to the members of Harmonie German Club Canberra Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Harmonie German Club Canberra Incorporated (the Association), which comprises the statement of financial position as at 28 February 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 28 February 2022 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with the Associations Incorporation Act (ACT) 1991.

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 Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (ACT) 1991, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management 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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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





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Independent Audit Report to the members of Harmonie German Club Canberra Incorporated

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 this financial report.

As part of an audit in accordance with the 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 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 of the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's 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 of the Association'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, if such disclosures and inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, if future events or conditions may cause the Association to cease as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matter, 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.

Hardwickes
Chartered Accountants

Robert Johnson FCA
Partner

Canberra



PROFIT AND LOSS ACCOUNT

Harmonie German Club Canberra Incorporated

ABN: 84 868 259 776

For the Year Ended 28 February 2022**Profit and Loss Account**

	2022	2021
	\$	\$
Income		
Bar Trading	702,946	480,274
Poker Machine Trading	482,325	385,413
Special Events	79,026	81,183
Member subscriptions	16,670	15,847
Other	246,124	190,512
Restaurant lease income	23,454	13,636
Job Keeper Subsidy	-	345,450
ATO Cash Flow Boost	-	100,000
Covid19 Business Support Grant	75,000	-
Grant received	252,008	-
Total Income	1,877,553	1,612,315
Less: Expenses		
Advertising	41,427	37,354
Audit & other service fees	20,350	19,200
Bookkeeping	32,853	5,606
Cleaning, laundry & Waste removal	39,834	33,254
Community contributions	5,741	6,473
Computer expenses	19,731	34,594
Depreciation expense	137,251	127,926
Electricity, gas & water	63,996	54,140
Employment costs	678,674	342,713
Employment costs - Jobkeeper	-	342,646
Entertainment	125,935	71,155
Equipment rental	79,095	57,412
Fees and Permits	22,924	18,542
Finance costs	44,616	48,904
General expenses	6,659	4,311
Income tax expense	-	9,004
Insurance	45,816	55,382
Legal fees	11,070	8,260
Members Amenities	34,649	24,081
Pest control	3,207	3,139
Printing, postage & Stationery	8,578	11,475
Repairs and maintenance	24,885	58,230
Subscriptions	21,556	11,806
TAB & Keno expenses	9,359	11,563
Telephone and fax	7,256	4,947
Other	3,152	711
Loss on asset sale	3,937	-
Total Expenses	1,492,551	1,402,828
Surplus before income tax	385,002	209,487

CONTACT INFORMATION



Paul Berger

CEO/ Club Secretary

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