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## To the Chairman of the Board of Directors Independent Gaming Corporation

### Opinion

I have audited the financial report of the Independent Gaming Corporation Ltd (the company) for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2022 and its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report comprises:

- an Income Statement for the year ended 30 June 2022
- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Directors' Declaration.

### Basis for opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Independent Gaming Corporation Ltd, would be in the same terms if given to the directors as at the time of this auditor's report. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of the directors for the financial report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 75 of the *Gaming Machines Act 1992*, I have audited the financial report of the Independent Gaming Corporation Ltd for the financial year ended 30 June 2022.

My 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 my 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 of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 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 company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- conclude on the appropriateness of the company'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 on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the directors about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson  
**Auditor-General**

30 August 2022

INDEPENDENT GAMING CORPORATION LIMITED  
A.B.N. 62 054 282 183

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>REVENUES</b>	4	10,155,677	10,097,474
<b>EXPENSES</b>			
Employee benefits expense		1,578,642	1,452,193
Depreciation and amortisation expense	11, 12	2,779,114	2,751,827
Gamblers' rehabilitation contribution expense		1,999,998	1,999,998
Sponsorship and charity donation expense		335,749	99,089
Early intervention agencies expense		2,047,108	2,007,051
Administration & other expenses	5	2,677,276	3,047,634
<b>TOTAL EXPENSES</b>		<u>11,417,887</u>	<u>11,357,792</u>
<b>(LOSS)/PROFIT BEFORE INCOME TAX EXPENSE</b>		( 1,262,210)	( 1,260,318)
Income tax expense	3	-	-
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<u>( 1,262,210)</u>	<u>( 1,260,318)</u>
<b>(LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>		<u>( 1,262,210)</u>	<u>( 1,260,318)</u>

**OTHER COMPREHENSIVE INCOME**

<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>( 1,262,210)</u>	<u>( 1,260,318)</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>		<u>( 1,262,210)</u>	<u>( 1,260,318)</u>

The accompanying notes form part of these financial statements

INDEPENDENT GAMING CORPORATION LIMITED

A.B.N. 62 054 282 183

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 2022

<b>ASSETS</b>	<b>NOTE</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	2,696,930	3,057,859
Financial Assets	9	4,000,000	5,000,000
Accounts Receivable and Other Debtors	7	141,435	169,761
Prepayments		147,873	166,844
Inventory	8	63,276	73,168
<b>TOTAL CURRENT ASSETS</b>		<u>7,049,514</u>	<u>8,467,632</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	11	2,203,179	3,795,308
Intangible Assets	12	4,920,448	5,775,593
<b>TOTAL NON-CURRENT ASSETS</b>		<u>7,123,627</u>	<u>9,570,901</u>
<b>TOTAL ASSETS</b>		<u>14,173,141</u>	<u>18,038,533</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Other Payables	14	932,703	3,588,508
Provision for Employee Benefits	15	252,997	211,218
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,185,700</u>	<u>3,799,726</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for Employee Benefits	15	91,651	80,807
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>91,651</u>	<u>80,807</u>
<b>TOTAL LIABILITIES</b>		<u>1,277,351</u>	<u>3,880,533</u>
<b>NET ASSETS</b>		<u>12,895,790</u>	<u>14,158,000</u>
<b>EQUITY</b>			
Reserves	2( c )	12,895,790	14,158,000
Retained Earnings		-	-
<b>TOTAL EQUITY</b>		<u>12,895,790</u>	<u>14,158,000</u>

The accompanying notes form part of these financial statements

INDEPENDENT GAMING CORPORATION LIMITED  
A.B.N. 62 054 282 183

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

	Retained Earnings \$	Capital Replacement Reserve \$	Total \$
<b>Balance at 1 July 2020</b>	318	15,418,000	15,418,318
<b>Comprehensive Income</b>			
Profit (Loss) attributable to the entity	( 1,260,318)	-	( 1,260,318)
Other comprehensive Income	-	-	-
<b>Total Comprehensive Income</b>	<u>( 1,260,318)</u>	<u>-</u>	<u>( 1,260,318)</u>
Transfers from Capital Replacement Reserve to Retained Earnings	1,260,000	( 1,260,000)	-
<b>Balance at 30 June 2021</b>	<u>-</u>	<u>14,158,000</u>	<u>14,158,000</u>
<b>Comprehensive Income</b>			
Profit (Loss) attributable to the entity	( 1,262,210)	-	( 1,262,210)
Other comprehensive Income	-	-	-
<b>Total Comprehensive Income</b>	<u>( 1,262,210)</u>	<u>-</u>	<u>( 1,262,210)</u>
Transfers from Capital Replacement Reserve to Retained Earnings	1,262,210	( 1,262,210)	-
<b>Balance at 30 June 2022</b>	<u>-</u>	<u>12,895,790</u>	<u>12,895,790</u>

The accompanying notes form part of these financial statements

INDEPENDENT GAMING CORPORATION LIMITED  
A.B.N. 62 054 282 183

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		10,150,482	9,833,125
Payments to suppliers and employees		( 4,085,795)	( 3,643,270)
Payments to Gamblers' Rehabilitation Fund		( 3,999,996)	-
Payments to Early Intervention Agencies		( 2,047,108)	( 2,007,051)
Sponsorship and charity donation payments		( 263,679)	( 68,995)
Interest received/sundry income		20,400	207,444
Other payments		( 7,764)	( 3,309)
GST payments/refunds to ATO		( 808,751)	95,449
Net Cash provided by/(used in) operating activities	18 (b)	( 1,042,211)	4,413,393
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		( 332,056)	( 83,143)
Payments for intangible assets		( 21,545)	( 1,176,399)
Proceeds from sale of plant and equipment		34,500	-
Proceeds/(purchases) of non-financial assets		1,000,383	( 3,499,997)
Net cash provided by/(used in) investing activities		681,282	( 4,759,539)
Net increase(decrease) in cash held		( 360,929)	( 346,146)
Cash and cash equivalents at beginning of the financial year		3,057,859	3,404,005
Cash and cash equivalents at the end of the financial year	6, 18(a)	2,696,930	3,057,859

The accompanying notes form part of these financial statements

INDEPENDENT GAMING CORPORATION LIMITED  
A.B.N. 62 054 282 183

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1 COMPANY DETAILS**

The Independent Gaming Corporation Limited is a company limited by guarantee. It is incorporated and operates in South Australia. The registered office and principal place of business is located at 80 Greenhill Road, Wayville SA 5034.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are general-purpose financial statements, which have been prepared in accordance with the *Corporations Act 2001*, and Australian Accounting Standards, including Australian Accounting Interpretations. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

The financial statements were approved by the Board of Directors on the 26 August 2022.

**Basis of Preparation**

The financial statements have been prepared on a going concern basis. IGC's strong cash reserves will underwrite the on-going financial viability of the company.

The company's Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual and historical cost basis. The Statement of Cash Flows has been prepared on a cash basis.

These financial statements, which include the above-mentioned statements, have been prepared based upon a twelve month operating cycle and presented in Australian currency.

In the application of the company's accounting policies, which are described herein, management is required to make judgments, estimates and assumptions about the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and any revisions to accounting estimates are recognised in the period in which the estimate is revised.

## **Accounting Policies**

### **(a) Goods and Services Tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) when the amount of GST incurred is not recoverable from the Australian Taxation Office, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense or
- (ii) for receivables and payables which are recognised inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and finance activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

### **(b) Leases**

The Company has adopted AASB 16 Leases from 1 July 2019. Right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.

### **(c) Capital Replacement Reserve**

The purpose of the Capital Replacement Reserve is to enable the accumulation of sufficient funds for the replacement of the Gaming Machine Monitoring System, associated hardware and software without excessive borrowings.

### **(d) Financial Instruments**

The company's financial instruments consist of deposits at bank, accounts receivable and other debtors, accounts payable and other payables. The company does not have any derivative instruments as at 30 June 2022.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value less transactions costs.

Held-to-maturity investments 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. Receivables and payables are subsequently measured at amortised cost.

### **(e) Comparative Figures**

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

### **(f) New Accounting Standards**

The company has assessed the impact of Australian Accounting Standards implemented, but not yet effective as immaterial.

### NOTE 3 INCOME TAX

The Australian Taxation Office in a Private Ruling dated 29 June 2021 granted IGC exemption from income tax up until 30 June 2026.

<b>NOTE 4 REVENUES</b>	<b>NOTE</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
Licensed gaming machine sites		9,819,002	9,637,329
Interest earned		17,358	14,215
Game testing		298,610	265,010
Other		20,707	54,920
Job Keeper PAYG Payment Scheme		-	126,000
Total Revenue		<u>10,155,677</u>	<u>10,097,474</u>

Revenue from the rendering of monitoring and game testing services is recognised upon the delivery of the service to customers.

Interest revenue is recognised using the effective interest rate method.

Job Keeper PAYG Payment Scheme revenue is recognised upon receipt.

<b>NOTE 5 ADMINISTRATION &amp; OTHER EXPENSES</b>		<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
Directors' fees and expenses		288,448	280,320
Telecommunication expense		788,411	1,168,652
Monitoring system maintenance expense		731,430	749,165
Occupancy expense		158,544	153,036
Insurance		64,990	57,110
Gaming site equipment maintenance expense		337,981	312,967
Disaster site operating expense		49,891	77,214
Auditor fees	10	95,500	84,200
Other expenses		162,081	164,970
Total Administration & Other Expenses		<u>2,677,276</u>	<u>3,047,634</u>

<b>NOTE 6 CASH AND CASH EQUIVALENTS</b>		<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
Deposits at call		2,130,000	2,800,000
Cash at bank		565,530	256,459
Cash on hand		1,400	1,400
Total Cash and Cash Equivalents		<u>2,696,930</u>	<u>3,057,859</u>

<b>NOTE 7 ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Monitoring fees- Licensed gaming machines sites	110,069	131,329
Accrued Interest	8,040	3,496
Other receivables	23,326	34,936
Total Current Accounts Receivable and other Debtors	<u>141,435</u>	<u>169,761</u>

**(i) Credit Risk – Accounts Receivable and Other Debtors**

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The balances of receivables that remain within initial trade terms, i.e. 30 days from invoice date (as detailed in the table) are considered to be of high credit quality.

<b>2022</b>	Gross amount \$	Past due but not impaired				Within initial trade terms \$
		Past due & Impaired \$	< 30 days \$	31-60 days \$	61-90 days \$	
Accounts receivable	110,069	-	-	-	-	110,069
Accrued Interest	8,040	-	-	-	-	8,040
Other debtors	23,326	-	6,050	3,453	-	13,823
<b>Total</b>	<b>141,435</b>	<b>-</b>	<b>6,050</b>	<b>3,453</b>	<b>-</b>	<b>131,932</b>
<b>2021</b>						
Accounts receivable	131,329	-	-	-	-	131,329
Accrued Interest	3,496	-	-	-	-	3,496
Other debtors	34,936	-	9,295	9,460	-	16,181
<b>Total</b>	<b>169,761</b>	<b>-</b>	<b>9,295</b>	<b>9,460</b>	<b>-</b>	<b>151,006</b>

There are balances within other debtors that contain assets that are past due but not impaired. It is expected that these balances will be received.

**NOTE 8 INVENTORY**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Inventory	63,276	73,168
Total Inventory	<u>63,276</u>	<u>73,168</u>

Inventories include goods held for use in the ordinary course of business. Inventories are measured at the lower of cost or their net realisable value.

**Inventory Expense****NOTE 9 FINANCIAL ASSETS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Term Deposits ( up to 12 months to maturity)	4,000,000	5,000,000
Total Current Financial Assets	<u>4,000,000</u>	<u>5,000,000</u>

**NOTE 10 AUDITORS' REMUNERATION**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Audit Fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987. No other services were provided by the Auditor-General's Department.	50,700	48,000
Remuneration paid to CyberCX Pty Ltd for the internal audit of IGC's information systems.	44,800	36,200
Total Auditors' Remuneration	<u>95,500</u>	<u>84,200</u>

<b>NOTE 11 PROPERTY, PLANT AND EQUIPMENT</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>NON-CURRENT</b>		
<b>Land and Building (Greenhill Road)</b>		
Freehold land at cost	288,000	288,000
Total Land	<u>288,000</u>	<u>288,000</u>
Building at cost	1,198,141	1,198,141
Accumulated depreciation	( 449,301)	( 425,339)
Total Building	<u>748,840</u>	<u>772,802</u>
Total Land and Building	<u>1,036,840</u>	<u>1,060,802</u>
<b>Plant and Equipment</b>		
Plant and equipment at cost	11,039,514	10,774,016
Accumulated depreciation	( 9,873,175)	( 8,039,510)
Total Plant and Equipment	<u>1,166,339</u>	<u>2,734,506</u>
<b>Total Property, Plant and Equipment</b>	<u>2,203,179</u>	<u>3,795,308</u>

Movement in carrying amount for Non-Current Assets:

	<b>Land</b>	<b>Building</b>	<b>P &amp; E</b>	<b>Total</b>
Balance at 1 July 2020	288,000	796,764	4,559,763	5,644,527
Additions at cost	-	-	83,072	83,072
Depreciation expense	-	( 23,962)	( 1,908,329)	( 1,932,291)
Balance at 30 June 2021	288,000	772,802	2,734,506	3,795,308
Additions at cost	-	-	332,056	332,056
Disposals	-	-	( 21,762)	( 21,762)
Depreciation expense	-	( 23,962)	( 1,878,461)	( 1,902,423)
Carrying amount at 30 June 2022	<u>288,000</u>	<u>748,840</u>	<u>1,166,339</u>	<u>2,203,179</u>

### **Non Current Assets**

(i) **Property, Plant and Equipment**

Property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment loss. The carrying amount of property, plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets' employment and subsequent disposal. 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.

(ii) Depreciation

Depreciation on property, plant and equipment (excluding land) is calculated on a straight-line basis over their respective useful lives.

The classes of property, plant and equipment and their expected useful lives are as follows:

Class of Fixed Asset	Expected Useful Life Years
Building	50
Plant and Equipment	2 – 7
Monitoring System	5 - 10
Office Fit-out	10

The assets' useful lives are reviewed, and adjusted if applicable, at each annual reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**NOTE 12 INTANGIBLE ASSETS**

	2022	2021
	\$	\$
Computer Software at cost	8,773,442	8,758,785
Accumulated Amortisation	( 3,852,994)	( 2,983,193)
Total Intangible Assets	<u>4,920,448</u>	<u>5,775,593</u>

**Movement in carrying amount for Intangible Assets:**

Balance at 1 July 2020	5,418,663
Additions	1,176,466
Amortisation expense	( 819,536)
Balance at 30 June 2021	<u>5,775,593</u>
Additions	21,545
Amortisation expense	( 876,690)
Carrying amount at 30 June 2022	<u>4,920,448</u>

**Intangible Assets**

(i) Intangibles – Computer Software

Computer software is recorded at cost. Computer software has a finite life and is carried at cost less any accumulated amortisation and impairment losses.

(ii) Amortisation of Intangible Assets

Amortisation on intangibles is calculated on a straight-line basis over their respective useful lives. The estimated useful life is between three and ten years. It is assessed annually for impairment.

**NOTE 13 CAPITAL WORKS IN PROGRESS**

There are no new Capital Works in Progress, all prior Capital Works in Progress have been transferred to either Plant & Equipment or Intangible Assets.

<b>NOTE 14 ACCOUNTS PAYABLE AND OTHER PAYABLES</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Accounts payable	757,080	3,447,577
Accrued expenses	175,623	140,931
Total Accounts Payable and Other Payables	<u>932,703</u>	<u>3,588,508</u>

<b>NOTE 15 PROVISIONS FOR EMPLOYEE BENEFITS</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Accrued salaries and wages	53,987	39,686
Liability for annual leave	121,177	104,693
Liability for long service leave	77,833	66,839
Total Current Provisions for Employee Benefits	<u>252,997</u>	<u>211,218</u>
<b>NON-CURRENT</b>		
Liability for long service leave	91,651	80,807
Total Non-Current Provisions for Employee Benefits	<u>91,651</u>	<u>80,807</u>
Total Provisions for Employee Benefits	<u>344,648</u>	<u>292,025</u>

(i) Salaries and Wages, Annual Leave

A liability is recognised in respect of benefits relating to accrued salaries and wages, annual leave (and related on-costs) arising from services rendered by employees to balance date.

These benefits are anticipated to be settled within one year and are measured at the amount expected to be paid when the liability is settled.

(ii) Long Service Leave

Liabilities arising in respect of long service leave expected to be settled within twelve months of balance date are measured at their nominal rates. All other long service leave entitlements are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Current long service leave reflects the portion of leave expected to be settled within the next twelve months, based on previous experience and known applications for leave. The remaining portion of the long service leave provision is classified as non-current.

(iii) Superannuation

Contributions are made by the company to the employee superannuation fund and are charged as expenses when incurred. The company has no legal obligation to provide benefits to employees on retirement.

## NOTE 16 RELATED PARTY TRANSACTIONS

### (a) Key Management Personnel

Key management personnel include Directors and the General Manager, who have responsibility for the strategic direction and management of the company.

Key management personnel compensation	2022	2021
	\$	\$
- short term benefits	515,028	500,329
- post employment benefits	47,948	44,508
- other long term benefits	6,519	2,248
Total Compensation	<u>569,495</u>	<u>547,085</u>

### (b) Other information pertaining to material related party transactions

#### (i) Members

During the 2021-22 financial year, no expenses were incurred by KMP at hotels or clubs that are Members of the Australian Hotel Association or the Licenced Club's Association of South Australia.

#### (ii) Directors

During the year, Mr D Basheer and Mr M Binns had a direct financial interest in one or more hotels that have a contract for monitoring services with the company. The value of those services provided by the company was \$66,785 and \$80,770 respectively. Mr C Taylor is a senior employee of a licensed club that has a contract for monitoring services with the company. The value of those services provided by the company was \$36,958. Mr J Kernahan is a Director of Club One that has 93 entitlements assigned to gaming machines. The value of those services provided by the company is estimated to be \$85,646.

The contracts are on normal commercial terms and on the same basis as the contracts for monitoring services that are in place for all gaming machine sites. All fees quoted above in relation to Directors' related party transactions are inclusive of GST.

No Director has received or become entitled to receive, during or since the financial year, a benefit as a result of a contract made by the company, controlled entity or a related body corporate with the Director, a firm of which the Director is a Member or an entity in which the Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Key Management Personnel as shown in the company's accounts as Note 16(a) to the accounts.

**NOTE 17 UNRECOGNISED COMMITMENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
(a) <u>Disaster Recovery Services Agreement</u>		
Payable		
- not later than one year	-	13,360
- later than one year but not later than three years	-	-
	<u>-</u>	<u>13,360</u>

IGC entered into a disaster recovery services agreement with New Era Technology effective 1 October 2018 for a period of 36 months. The annual base cost of the service agreement for 2020/2021 is \$48,473 with an annual adjustment of 5% per annum.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
(b) <u>Maintenance Monitoring Systems</u>		
Payable		
- not later than one year	501,046	501,047
- later than one year but not later than three years	1,503,140	1,503,140
- later than three years	-	501,046
	<u>2,004,186</u>	<u>2,505,233</u>

IGC has entered into a systems maintenance agreement with SG Gaming ANZ for the SG-Video Monitoring System which expires on 30 June 2026.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
(c) <u>Automated Risk Monitoring (ARM) Systems</u>		
<u>Maintenance Agreement</u>		
Payable		
- not later than one year	67,436	67,436
- later than one year but not later than three years	202,308	202,308
- later than three years	-	67,436
	<u>269,744</u>	<u>337,180</u>

IGC has entered into a systems maintenance agreement with SG Gaming ANZ for the ARM maintenance agreement with expires on 30 June 2026.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
(d) <u>Maintenance BNA/TiTo Systems</u>		
<u>Maintenance Agreement</u>		
Payable		
- not later than one year	120,000	170,000
- later than one year but not later than three years	360,000	360,000
- later than three years	-	120,000
	<u>480,000</u>	<u>650,000</u>

IGC has entered into a systems maintenance agreement with SG Gaming ANZ for the BNA/TiTo maintenance agreement with expires on 30 June 2026.

(e) Gamblers' Rehabilitation Fund Budget

Although there is no contractual requirement, an amount of \$2 million has been allowed for in 2022/23 to be paid to the Gamblers' Rehabilitation Fund. An amount of \$2 million has been paid to the fund in 2021/22.

(f) Programme for Problem Gambling Early Intervention

Although there is no contractual requirement, IGC has committed to fund the initiatives of the AHA and LCA for their respective early intervention programmes for problem gamblers. The Board approved an amount of \$2,118,756 to be paid during the 2022/2023 year to the Industry's Early Intervention for Problem Gambler's Initiative Programme.

**NOTE 18 CASH FLOW INFORMATION**

	<b>Inflow (Outflow) 2022 \$</b>	<b>Inflow (Outflow) 2021 \$</b>
For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents include cash on hand, cash at bank and deposits at call.		
(a) Cash at end of year as shown in the Statement of Cash Flows is represented in the Statement of Financial Position as follows:		
Cash and Cash Equivalents per Statement of Cash Flows	2,696,930	3,057,859
Total Cash and Cash Equivalents per Statement of Financial Position	<u>2,696,930</u>	<u>3,057,859</u>
(b) Reconciliation of Cash Flow from Operations with Profit after income Tax		
(Loss)/Profit after income tax	( 1,262,210)	( 1,260,318)
<u>Non-cash flows</u>		
Depreciation and Amortisation	2,779,114	2,751,827
Gain on disposal of Non-Current Assets	( 13,121)	-
<u>Changes in assets and liabilities</u>		
(Increase) decrease in accounts receivable and other debtors	28,326	42,386
Increase (decrease) in accounts payable and other payables	( 2,655,805)	2,949,950
Increase (decrease) in employee benefits	52,623	44,813
(Increase) decrease in prepayments	18,971	( 82,234)
(Increase) decrease in inventory	9,891	( 33,031)
Net Cash provided by/(used in) Operating Activities	<u>( 1,042,211)</u>	<u>4,413,393</u>

## NOTE 19 FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivables and payables.

The total for each category of financial instrument are as follows:

	Note	2022 \$	2021 \$
<b>Financial Assets</b>			
Cash and cash equivalents	6	2,696,930	3,057,859
Accounts receivable and other debtors *	7	141,435	169,761
Held-to-maturity investments (at cost)	9	4,000,000	5,000,000
<b>Total Financial Assets</b>		<u>6,838,365</u>	<u>8,227,620</u>
<b>Financial Liabilities</b>			
Financial liabilities (at cost)			
Accounts payable and other payables *	14	699,656	3,534,221
<b>Total Financial Liabilities</b>		<u>699,656</u>	<u>3,534,221</u>

\* Receivables and payables amounts disclosed have excluded amounts relating to rights or obligations that have their source in legislation such as levy recoverables/payables, audit fees, tax equivalents and Commonwealth tax including Goods & Services Tax (GST).

### Specific Financial Risk Exposure and Management

The main risks exposed through the company's financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

#### *Credit Risk*

The company does not have any material credit risk exposure as the major source of revenue is the receipt of monitoring fees. These fees are received weekly which minimises credit risk.

The company has no significant concentration of credit risk exposure to any single receivable under financial instruments.

#### *Liquidity Risk*

The company manages liquidity risk by monitoring forecast cash flows. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed.

## Financial liability and financial asset maturity analysis

	Within 1 year		1-5 years		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
<b>Financial Liability due for payment</b>						
Accounts payable and other payables	699,656	3,534,221	-	-	699,656	3,534,221
<b>Total Financial Liability</b>	<u>699,656</u>	<u>3,534,221</u>	<u>-</u>	<u>-</u>	<u>699,656</u>	<u>3,534,221</u>
<b>Financial Assets</b>						
Cash and cash equivalents	2,696,930	3,057,859	-	-	2,696,930	3,057,859
Accounts receivable and other debtors	141,435	169,761	-	-	141,435	169,761
Other financial assets	4,000,000	5,000,000	-	-	4,000,000	5,000,000
<b>Total Financial Assets</b>	<u>6,838,365</u>	<u>8,227,620</u>	<u>-</u>	<u>-</u>	<u>6,838,365</u>	<u>8,227,620</u>
<b>Total Financial Instruments</b>	<u>6,138,709</u>	<u>4,693,399</u>	<u>-</u>	<u>-</u>	<u>6,138,709</u>	<u>4,693,399</u>

### *Market Risk - Interest rate risk*

Exposure to interest rate risks arise on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rate will affect future cash flows or the fair value of fixed rate financial instruments.

### *Hedging Risk*

The systems maintenance agreement with Scientific Games for IGC's GMMS includes a foreign exchange clause which provides for a 10% increase or decrease in maintenance fees should the \$US/\$AUS fluctuate beyond 10% either side of the exchange rate which existed at the time the agreement was executed.

### **Sensitivity analysis**

Due to the nature and value of the financial instruments held by the company, sensitivity analysis has not been provided. Financial instruments are secured at fixed rates and therefore not sensitive to rate variables.

### **Net Fair Values**

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and the notes to the Financial Statements. The carrying amounts of the following financial assets and financial liabilities as disclosed in the Statement of Financial Position at balance date represent fair value.

<b>Statement of Financial Position Item</b>	<b>Category of Financial Instrument</b>
Cash and Cash Equivalents	Cash and Cash Equivalents
Other Financial Assets	Held-to-maturity Investments (at cost)
Accounts Receivable and Other Debtors	Loans and Receivables
Accounts Payable and Other Payables	Financial Liabilities (at cost)*

\*Cost does not materially differ from amortised cost.

## **NOTE 20 CAPITAL MANAGEMENT**

The Board and management effectively manage the entity's capital by assessing the entity's financial risks and responding to changes in these risks.

As at 30 June 2022, the company had no borrowings.

There have been no changes to the strategy adopted by the Board and management to control the capital of the entity since the previous year.

## **NOTE 21 EVENTS AFTER THE REPORTING YEAR**

There are no known events after balance date that affect these financial statements.

INDEPENDENT GAMING CORPORATION LIMITED  
A.B.N. 62 054 282 183

**DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2022**

The Directors of the company declare that:

1. the financial statements and notes, as set out on pages 15 to 32, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date
2. in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



.....  
B. Doyle  
Chairman

Dated this            26 day of August 2022