

Scotts Head Bowling & Recreation Club Ltd

ABN: 85 001 056 775

Financial Statements

For the Year Ended 30 June 2022

Scotts Head Bowling & Recreation Club Ltd

ABN: 85 001 056 775

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For the Year Ended 30 June 2022

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Scotts Head Bowling & Recreation Club Ltd

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Directors' Report

30 June 2022

The directors present their report on Scotts Head Bowling & Recreation Club Ltd for the financial year ended 30 June 2022.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Nathan Evelyn	Resigned 5/12/2021
Qualifications	Van Park Manager
Experience	Previous Director and Deputy Chairperson

Laura Peisley	
Qualifications	Teacher
Experience	Previous Director
Special responsibilities	Chairperson

Victor Mankin	
Qualifications	Business Owner
Experience	Previous Director
Special responsibilities	Deputy Chairperson

Denis Declauzel	Resigned 5/12/2021
Qualifications	Harness Racing Administrator
Experience	Previous Director

Zak Agah	Resigned 5/12/2021
Qualifications	Diploma Management
Experience	Insurance Specialist

Glenn Taylor	Appointed 11/5/2022
Experience	Retired military

Mitchell Neill	Appointed 13/5/2022
Experience	Carpenter

Melissa Gilmour	Appointed 5/12/2021
Experience	Human Resources

Hans Petersen	Appointed 5/12/2021
Experience	Retiree

Carmen Kerr	Appointed 5/12/2021
Experience	Self-employed land developer

John Gilroy	Appointed 28/4/2022 / Resigned 7/6/2022
Experience	Manager

Scotts Head Bowling & Recreation Club Ltd

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Directors' Report

30 June 2022

1. General information

Information on directors

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Scotts Head Bowling & Recreation Club Ltd during the financial year was as a Registered Sporting and Recreation Club. No significant changes in the nature of the entity's activity occurred during the financial year.

Short and Long term objectives

The Company's short term and long-term objectives focus on:

- The delivery and development of profitable, desirable facilities and services to members and guests; and
- The growth and development of the profitability of the Club's operating areas and sub clubs; and
- The growth of membership and the number of guests

Strategy for achieving the objectives

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

- Grow the existing business and increase revenue on operating activities whilst controlling and minimising related expenses; and
- Defend market share by investing in appropriate technology available within expenditure constraints; and
- Monitor cash flows to enable funding of forecast business activity and plans; and
- Enable staff to maintain up to date capabilities and qualifications

Performance measures

The following measures are used within the Company to monitor performance:

- The level of commercial activity of the key operating areas and sub clubs; and
- The level of surplus/loss generated by each of the key operating areas and sub clubs
- EBITDA and Working Capital, Solvency and Liquidity ratios; and
- The improvement to Club facilities and services

Scotts Head Bowling & Recreation Club Ltd

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Directors' Report

30 June 2022

1. General information

Members' guarantee

Scotts Head Bowling & Recreation Club Ltd 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 \$2 for members that are corporations and \$2 for all other members, subject to the provisions of the company's constitution.

At 30 June 2022 the collective liability of members was \$ 2,406 (2021: \$ 2,684).

2. Other items

Property Classification

In accordance with the Registered Club's Amendment Regulations 2007, the Board has previously determined that the Club's entire property is considered core property, as defined in the relevant Acts and Regulations.

Scotts Head Bowling & Recreation Club Ltd

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Directors' Report

30 June 2022

Meetings of directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Nathan Evelyn	5	5
Laura Peisley	14	13
Victor Mankin	14	14
Denis Declauzel	5	5
Zak Agah	5	5
Glenn Taylor	3	2
Mitchell Neill	3	3
Melissa Gilmour	9	8
Hans Petersen	9	9
Carmen Kerr	9	9
John Gilroy	3	3

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:
Laura Peisley

Director:
Mitchell Neill

Dated this day of 2022



Auditors Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Scotts Head Bowling and Recreation Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, 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.

HLV Audit Pty Ltd

Angela Holladay
Director

Macksville NSW

11 October 2022

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Scotts Head Bowling & Recreation Club Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Sales revenue	4	1,204,387	1,402,621
Cost of sales		(347,786)	(380,336)
Gross profit		856,601	1,022,285
Other income	4	492,259	257,709
Depreciation and amortisation expense		(165,055)	(130,696)
Employee benefits expense		(493,323)	(575,312)
Repairs and maintenance expenses		(104,063)	(90,151)
Raffle and bingo expenses		(26,852)	(44,027)
Entertainment and promotions		(26,762)	(43,898)
Sub-club expenses		(9,177)	(12,677)
Other operating expenses	6	(230,030)	(255,934)
Finance expenses		(10,936)	(8,141)
Profit before income tax		282,662	119,158
Income tax expense	2(b)	-	-
Profit for the year		282,662	119,158
Revaluation changes for land and buildings	17	1,874,300	-
Other comprehensive income for the year, net of tax		1,874,300	-
Total comprehensive income for the year		2,156,962	119,158

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

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Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	575,348	315,218
Trade and other receivables	8	57,909	6,258
Inventories	9	40,224	37,346
Other assets	11	51,949	25,904
TOTAL CURRENT ASSETS		725,430	384,726
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,890,984	1,832,275
TOTAL NON-CURRENT ASSETS		3,890,984	1,832,275
TOTAL ASSETS		4,616,414	2,217,001
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	96,537	104,562
Lease liabilities	13	93,405	66,886
Employee benefits	16	65,587	46,318
Contract liabilities	14	192,086	82,022
Other liabilities	15	56,946	6,145
TOTAL CURRENT LIABILITIES		504,561	305,933
NON-CURRENT LIABILITIES			
Lease liabilities	13	127,071	77,662
Employee benefits	16	6,955	12,541
TOTAL NON-CURRENT LIABILITIES		134,026	90,203
TOTAL LIABILITIES		638,587	396,136
NET ASSETS		3,977,827	1,820,865
EQUITY			
Reserves		3,041,773	1,167,473
Retained earnings		936,054	653,392
TOTAL EQUITY		3,977,827	1,820,865

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

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Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	653,392	1,167,473	1,820,865
Profit for the year	282,662	-	282,662
Revaluation increment (decrement)	-	1,874,300	1,874,300
Balance at 30 June 2022	936,054	3,041,773	3,977,827

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	534,233	1,167,473	1,701,706
Profit for the year	119,159	-	119,159
Balance at 30 June 2021	653,392	1,167,473	1,820,865

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

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Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and government subsidies	1,946,195	2,021,881
Payments to suppliers and employees	(1,375,934)	(1,698,056)
Interest received	1,922	-
Interest paid	(10,936)	(8,141)
Net cash provided by/(used in) operating activities	<u>561,247</u>	<u>315,684</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	25,000	-
Purchase of property, plant and equipment	(191,381)	(17,941)
Deposits for property, plant and equipment	(46,744)	-
Net cash provided by/(used in) investing activities	<u>(213,125)</u>	<u>(17,941)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(87,992)	(86,609)
Net cash provided by/(used in) financing activities	<u>(87,992)</u>	<u>(86,609)</u>
Net increase/(decrease) in cash and cash equivalents held	260,130	211,134
Cash and cash equivalents at beginning of year	<u>315,218</u>	<u>104,084</u>
Cash and cash equivalents at end of financial year	7 <u>575,348</u>	<u>315,218</u>

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Scotts Head Bowling & Recreation Club Ltd as an individual entity. Scotts Head Bowling & Recreation Club Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2022 were the provision of a bowling and recreational club in Scotts Head, NSW.

The functional and presentation currency of Scotts Head Bowling & Recreation Club Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 11 October 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(f) 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.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the revaluation model.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(f) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model.

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.

Fixed asset class

Buildings	4%
Plant and Equipment	10% - 33.3%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(h) 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 an indicator exists and regardless for 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.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(j) Leases

At inception of a contract, the Company assesses whether a lease exists.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - employee benefits provision

As discussed in note 2(k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flow to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
- sale of goods – bar	707,305	901,651
- sale of goods - bistro	25,600	-
- sales - poker machines	471,482	500,970
Total Revenue	1,204,387	1,402,621

	2022	2021
	\$	\$
Other Income		
- commissions	30,468	27,040
- green fees	19,495	30,731
- rent - restaurant and other	31,226	29,162
- member subscriptions	13,060	17,902
- recoveries - insurance	-	11,797
- raffles and bingo	33,746	40,887
- government stimulus - jobkeeper	88,290	63,000
- sub-club income	15,393	14,307
- interest income	1,922	-
- gaming tax rebate	17,180	17,180
- sundry income	5,516	5,703
- net gain on disposal of property, plant and equipment	19,162	-
- grants	216,801	-
	492,259	257,709
Total Revenue and Other Income	1,696,646	1,660,330

5 Finance Income and Expenses

Finance expenses

	2022	2021
	\$	\$
Interest expense	10,936	8,141
Total finance expenses	10,936	8,141

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

6 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
Other expenses:		
Employee benefit expenses	493,323	575,312
Other operating expenses:		
- Administration and management expenses	3,319	4,969
- Advertising	933	266
- Auditor's fees	14,000	13,720
- Auditor's remuneration - other	11,720	6,770
- Bad debts	886	-
- Bank charges	8,290	9,267
- Cleaning	5,512	7,132
- Computer expenses	279	8,630
- Donations	1,648	4,657
- Electricity and gas	58,866	62,914
- Equipment purchases < \$1,000	963	3,261
- Fees and permits	304	504
- Insurance	52,008	38,531
- loss on disposal of property, plant and equipment	-	10,567
- Office equipment	-	4,448
- Poker machine CMS and software support	22,030	14,009
- Postage	1,002	2,337
- Printing and stationery	3,965	5,439
- Professional consulting fees	1,136	2,500
- Rates and water	12,575	17,182
- Registration fees	281	2,421
- Security costs	6,488	9,750
- Staff amenities	2,238	2,565
- Subscriptions	12,460	6,809
- Sponsorship expenses	2,259	-
- Sundry expenses	1,979	13,154
- Telephone and internet	3,656	1,759
- Uniforms	499	2,373
- Travel and accommodation	734	-
	230,030	255,934

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

7 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	575,348	315,218
	<u>575,348</u>	<u>315,218</u>

8 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	1,009	1,994
Deposits	46,744	-
Other receivables	10,156	4,264
Total current trade and other receivables	<u>57,909</u>	<u>6,258</u>

9 Inventories

	2022	2021
	\$	\$
CURRENT		
At cost:		
Bar stock	40,224	37,346
	<u>40,224</u>	<u>37,346</u>

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

10 Property, plant and equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At directors' valuation	1,200,000	600,000
Total Land	<u>1,200,000</u>	<u>600,000</u>
Buildings and Greens		
At directors' valuation	2,200,000	1,051,700
Accumulated depreciation	-	(84,000)
Total buildings	<u>2,200,000</u>	<u>967,700</u>
Total land and buildings	<u>3,400,000</u>	<u>1,567,700</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	739,425	549,738
Accumulated depreciation	(495,768)	(449,375)
Total plant and equipment	<u>243,657</u>	<u>100,363</u>
Furniture, fixtures and fittings		
At cost	114,080	110,116
Accumulated depreciation	(111,827)	(109,472)
Total furniture, fixtures and fittings	<u>2,253</u>	<u>644</u>
Poker machines		
At cost	697,350	654,402
Accumulated depreciation	(452,276)	(490,834)
Total poker machines	<u>245,074</u>	<u>163,568</u>
Total plant and equipment	<u>490,984</u>	<u>264,575</u>
Total property, plant and equipment	<u>3,890,984</u>	<u>1,832,275</u>

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

10 Property, plant and equipment (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Poker Machines \$	Total \$
Year ended 30 June 2022						
Balance at the beginning of year	600,000	967,700	100,363	644	163,568	1,832,275
Additions	-	-	188,812	2,569	163,920	355,301
Disposals	-	-	(5,837)	-	-	(5,837)
Depreciation expense	-	(42,000)	(51,095)	(960)	(71,000)	(165,055)
Reclassification of assets	-	-	11,414	-	(11,414)	-
Revaluation increase	600,000	1,274,300	-	-	-	1,874,300
Balance at the end of the year	1,200,000	2,200,000	243,657	2,253	245,074	3,890,984

(b) Fair Value Measurement

The Company measures the following property, plant and equipment at fair value on a recurring basis:

Property, plant and equipment

Basis for determining value

Freehold Land

Freehold land was revalued at 30 June 2022 by independent valuers. Valuations were made on the basis of open market value in an arms length transaction based on similar properties and available sales data. Valuations were performed by independent valuers with appropriate qualifications and experience.

Buildings and Greens

Buildings and Greens were revalued at 30 June 2022 by independent valuers. Valuations were made on the basis of open market value in an arms length transaction based on similar properties and available sales data. Valuations were performed by independent valuers with appropriate qualifications and experience.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

11 Other non-financial assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	51,949	25,904
	<u>51,949</u>	<u>25,904</u>

12 Trade and Other Payables

	2022	2021
Note	\$	\$
CURRENT		
Trade payables	50,407	37,580
ATO payables	36,959	53,723
Superannuation payable	-	3,703
Accrued expenses	3,545	3,099
Other payables	5,626	6,457
	<u>96,537</u>	<u>104,562</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

13 Leases

Company as a lessee

The Company has leases over a range of assets including Poker machines licenses and plant and equipment.

Terms and conditions of leases

The Company leases Poker machines and their associated type 4 licenses and plant and equipment. The leases are generally between 1-4 years.

Right-of-use assets

The Company has elected to measure the right of use asset arising from the leases at cost which is based on the associated lease liability. The lease liabilities are secured by the underlying right-of-use assets, which are included in the property, plant and equipment amount in the statement of financial position and Note 10 of these financial statements. The right-of-use assets are depreciated on a straight-line basis over the useful life of the assets.

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease liabilities	104,363	131,731	-	236,094	220,476
2021					
Lease liabilities	70,010	83,199	-	153,209	144,548

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2022	2021
	\$	\$
Interest expense on lease liabilities	5,953	8,140
	<u>5,953</u>	<u>8,140</u>

Scotts Head Bowling & Recreation Club Ltd

ABN: 85 001 056 775

Notes to the Financial Statements For the Year Ended 30 June 2022

14 Contract Liabilities

Unspent grant funds	<u>192,086</u>	82,022
	<u>192,086</u>	<u>82,022</u>

15 Other Liabilities

	2022	2021
	\$	\$
CURRENT		
Affiliation fees	1,072	-
Loan - premium funding	51,394	-
Memberships in advance	4,480	6,145
	<u>56,946</u>	<u>6,145</u>

16 Employee Benefits

	2022	2021
	\$	\$
CURRENT		
Long service leave	22,592	16,721
Annual leave	42,995	29,597
	<u>65,587</u>	<u>46,318</u>

	2022	2021
	\$	\$
NON-CURRENT		
Long service leave	6,955	12,541
	<u>6,955</u>	<u>12,541</u>

17 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on land, buildings and land improvements held under the revaluation model.

Scotts Head Bowling & Recreation Club Ltd

ABN: 85 001 056 775

Notes to the Financial Statements For the Year Ended 30 June 2022

18 Financial Risk Management

	2022	2021
	\$	\$
Financial assets		
Held at amortised cost:		
Cash and cash equivalents	575,348	315,218
Trade and other receivables	57,909	6,258
Total financial assets	633,257	321,476
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade payables	96,537	104,562
Lease liabilities	220,476	144,548
Total financial liabilities	317,013	249,110

19 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the number of members was 1,203 (2021: 1,342).

20 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 195,930 (2021: \$ 298,665).

21 Auditors' Remuneration

Remuneration of the auditor HLV Audit, for:

- audit of the financial statements	14,000	13,720
- other remuneration of the auditor	11,720	6,770
Total	25,720	20,490

Other services include the GL conversion from MYOB to XERO, assistance with the preparation of the financial statements and BAS lodgements.

Scotts Head Bowling & Recreation Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021:None).

23 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 20.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members. The owner of the Swell Bistro is the daughter of one of the company's key management personnel.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

24 Events after the end of the Reporting Period

The financial report was authorised for issue on 11 October 2022 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

25 Statutory Information

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

Scotts Head Bowling & Recreation Club Ltd
26 West Street
Scotts Head NSW 2447

Scotts Head Bowling & Recreation Club Ltd

ABN: 85 001 056 775

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.
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.

Director
Laura Peisley

Director
Mitchell Neill

Dated this day of 2022

Independent Audit Report to the members of Scotts Head Bowling & Recreation Club Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Scotts Head Bowling & Recreation Club Ltd, which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards- Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as 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 auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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

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

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in grey ink that reads 'HLV Audit'.

HLV Audit Pty Ltd

A handwritten signature in grey ink that reads 'Angela Holladay'.

Angela Holladay
Director

Macksville NSW

11 October 2022