

Scotts Head Bowling & Recreation Club Ltd

ABN: 85 001 056 775

Financial Statements

For the year ended 30 June 2023

Scotts Head Bowling & Recreation Club Ltd

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Scotts Head Bowling & Recreation Club Ltd

Directors' report

30 June 2023

The directors present their report on Scotts Head Bowling & Recreation Club Ltd for the financial year ended 30 June 2023.

Information on directors

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

Laura Peisley - Resigned 17/07/2023

Qualifications	Teacher
Experience	Previous Director
Special responsibilities	Chairperson

Mitchell Neill

Experience	Carpenter
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Victor Mankin

Qualifications	Business Owner
Experience	Previous Director
Special responsibilities	Deputy Chairperson

Glen Taylor - Resigned 23/01/2023

Experience	Retired military
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Melissa Gilmour - Resigned 15/09/2023

Experience	Human Resources
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Hans Petersen - Resigned 24/11/2022

Experience	Retiree
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Carmen Kerr - Resigned 18/09/2023

Experience	Self-employed land developer
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Bianca Hussey - Appointed 25/05/2023, Resigned 18/09/2023

Experience	Bachelor of Arts Education, Bachelor of Naturopathy
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Nathan Evelyn - Appointed 03/10/2023

Experience	Semi-retired Manager
Special responsibilities	Director

Scotts Head Bowling & Recreation Club Ltd

Directors' report

30 June 2023

Lynnette Narris - Appointed 03/10/2023

Experience Retired Accountant

Special responsibilities Director

Gregory Herbert - Appointed 03/10/2023

Experience Retired Concrete developer

Special responsibilities Director

Colin Moore - Appointed 03/10/2023

Experience Handyman

Special responsibilities Director

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

Meetings of directors

During the financial year, 13 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Laura Peisley	13	13
Mitchell Neill	13	11
Victor Mankin	13	12
Glen Taylor	7	5
Melissa Gilmour	13	12
Hans Petersen	5	5
Carmen Kerr	13	10
Bianca Hussey	2	2

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 Company's activity occurred during the financial year.

Scotts Head Bowling & Recreation Club Ltd

Directors' report
30 June 2023

Short and Long term objectives

The Company's short 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

Operating results

The profit/(loss) of the Company after providing for income tax amounted to \$926,929 (2022: \$282,662)

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

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

Directors' report
30 June 2023

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 other 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.


Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Scotts Head Bowling & Recreation Club Ltd.

Signed in accordance with a resolution of the Board of directors.

Victor Mankin
Director

Dated:


21/10/23.

Auditor's Independence Declaration

To the Directors of Scotts Head Bowling & Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 307C of 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.

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

HLV Audit Pty Ltd

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

Angela Holladay
Director

Nambucca Heads, NSW

9 October 2023

MACKSVILLE

18 Wallace Street
PO Box 27
MACKSVILLE NSW 2447

P 02 6568 3000
E macksville@hlv.com.au

NAMBUCCA HEADS

46 Bowra Street
PO Box 8
NAMBUCCA HEADS NSW 2448

P 02 6568 6197
E nambucca@hlv.com.au

URUNGA

15 Bonville Street
URUNGA NSW 2455

P 02 6655 5530
E urunga@hlv.com.au

HLV AUDIT

ABN 70 606 296 431
AAC 478051
W www.hlv.com.au

E info@hlv.com.au
Liability limited by a Scheme approved
under Professional Standards Legislation.

Scotts Head Bowling & Recreation Club Ltd

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	5	1,703,398	1,204,387
Cost of sales	7	(493,318)	(347,786)
Gross profit		1,210,080	856,601
Finance income	6	-	1,922
Other income	5	1,102,709	490,339
Employee benefits expense	7	(541,678)	(493,324)
Repairs and maintenance expenses		(116,851)	(104,063)
Finance expenses	6	(9,343)	(10,936)
Raffle expenses		(47,628)	(26,853)
Entertainment and promotions		(70,920)	(26,762)
Sub-club expenses		(8,085)	(7,169)
Depreciation and amortisation	7	(254,869)	(165,055)
Loss on disposal of assets		(851)	-
Other operating expenses	7	(335,635)	(232,038)
Profit (loss) before income taxes		926,929	282,662
Income tax	3.b	-	-
Profit (loss) from continuing operations		926,929	282,662
Profit (loss) for the year		926,929	282,662
Total comprehensive income for the year		926,929	282,662

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

Statement of financial position

As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	8	470,172	575,348
Trade and other receivables	9	111,475	57,909
Inventories	10	46,270	40,224
Other assets	12	54,736	51,949
Total current assets		682,653	725,430
Non-current assets			
Property, plant and equipment	11	4,579,210	3,890,984
Total assets		5,261,863	4,616,414
Liabilities			
Current liabilities			
Trade and other payables	13	65,749	96,537
Employee benefits	16	49,209	65,587
Contract liabilities	14	19,709	192,086
Lease liabilities	15	94,416	93,405
Other liabilities	17	64,093	56,946
Total current liabilities		293,176	504,561
Non-current liabilities			
Employee benefits	16	7,853	6,955
Lease liabilities	15	56,078	127,071
Total non-current liabilities		63,931	134,026
Total liabilities		357,107	638,587
Net assets		4,904,756	3,977,827
Equity			
Retained earnings		1,862,983	936,054
Reserves	19	3,041,773	3,041,773
Total equity		4,904,756	3,977,827

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

Statement of changes in equity
For the year ended 30 June 2023

2022	Retained	Asset	Total equity
	earnings	Revaluation	
	\$	Reserve	\$
Opening balance	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
Closing balance	936,054	3,041,773	3,977,827

2023	Retained	Asset	Total equity
	earnings	Revaluation	
	\$	Reserve	\$
Opening balance	936,054	3,041,773	3,977,827
Profit for the year	926,929	-	926,929
Closing balance	1,862,983	3,041,773	4,904,756

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

Statement of cash flows
For the year ended 30 June 2023

	2023	2022
	\$	\$
Cash flows from operating activities:		
Receipts from customers	2,026,123	1,641,104
Receipts from government subsidies	859,615	305,091
Payments to suppliers and employees	(1,949,810)	(1,375,934)
Interest received	-	1,922
Interest paid	(9,343)	(10,936)
Net cash flows from/(used in) operating activities	926,585	561,247
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	-	25,000
Purchase of property, plant and equipment	(911,263)	(191,381)
Deposits for property, plant and equipment	(26,565)	(46,744)
Net cash provided by/(used in) investing activities	(937,828)	(213,125)
Cash flows from financing activities:		
Repayment of borrowings	(93,933)	(87,992)
Net increase/(decrease) in cash and cash equivalents	(105,176)	260,130
Cash and cash equivalents at beginning of year	575,348	315,218
Cash and cash equivalents at end of financial year	470,172	575,348

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

1. Introduction

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

The principal activities of the Company for the year ended 30 June 2023 were the provision of a bowling and recreational club in Scotts Head, NSW.

The financial report was authorised for issue by the Directors on 09 October 2023.

Comparatives are consistent with prior years, unless otherwise stated.

2. 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.

3. Summary of significant accounting policies

a. Revenue

i. 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.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant income

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Other income

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

iii. 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.

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.

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.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

d. 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.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

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.

i. Land and buildings

Land and buildings are measured using the revaluation model.

ii. Plant and equipment

Plant and equipment are measured using the cost model.

iii. Depreciation

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

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Land	- %
Buildings and greens	4%
Plant and equipment	10% - 33.3%
Poker machines	20% - 33.3%
Furniture, fixtures and fittings	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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

g. Leases

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

i. 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.

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.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

i. 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.

j. 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).

i. 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.

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, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

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

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 and contract assets 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 contract asset and multiplied this by the amount of the expected loss arising from default.

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.

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.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2023

ii. 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, loans and lease liabilities.

k. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2023, refer to the Change in accounting policy note, for details of the changes due to standards adopted.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

4. Critical accounting estimates and judgements

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.

a. 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.

b. Key estimates - estimation of useful lives of assets

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

c. Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on during the year ended 30 June 2022. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

d. Key estimates - employee benefits provision

As discussed in note 2(i), 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.

e. Key judgments - lease classification

The Company is a party to a number of lease arrangements in relation to their Poker machine licenses and plant and equipment. Review of the minimum lease payments, lease term, other terms and conditions in the lease have caused the lease to be classified as right-of-use assets arising from the leases at cost which is based on the associated lease liability.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

5. Revenue and other income

a. Revenue from continuing operations

	2023	2022
	\$	\$
Revenue from contracts with customers		
Sale of goods - bar	1,062,015	707,305
Sale of goods - bistro	-	25,600
Sales - poker machines	641,383	471,482
	1,703,398	1,204,387
	1,703,398	1,204,387

b. Other income

	2023	2022
	\$	\$
Commissions	53,154	30,469
Green fees	21,899	19,495
Rent - restaurant and other	67,569	31,226
Member subscriptions	14,900	13,060
Raffles	56,098	33,746
Net gain on disposal of property, plant and equipment	-	19,162
Sub-club income	7,872	15,393
Gaming tax rebate	17,180	17,180
Sundry income	4,422	5,517
Grant income	859,615	216,801
Government stimulus - jobkeeper	-	88,290
	1,102,709	490,339

6. Finance income and expenses

	2023	2022
	\$	\$
Finance income		
Interest income		
Other interest income	-	1,922
	-	1,922
Finance expenses		
Interest expense		
Interest expense	9,343	10,936

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2023

7. Result for the year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Employee benefit expenses	541,678	493,324
Cost of sales	493,318	347,786
Depreciation expenses	254,869	165,055
Other operating expenses		
Administration and management expenses	3,986	3,319
Advertising	3,899	933
Affiliation fees	1,275	-
Auditor's fees	16,700	14,000
Auditor's remuneration - other	1,547	11,720
Accounting fees	6,139	-
Bad debts	-	886
Bank charges	12,022	8,290
Cleaning	11,691	5,512
Computer expenses	655	279
Donations	735	1,648
Electricity and gas	79,404	58,866
Equipment purchases < \$1,000	7,141	963
Fees and permits	-	304
Insurance	54,241	52,008
Poker machine CMS and software support	25,038	22,030
Postage	1,699	1,002
Printing and stationary	5,611	3,965
Professional and consulting fees	33,268	1,136
Rates and water	16,833	12,575
Registration fees	1,927	281
Security costs	4,631	6,488
Staff amenities	5,530	2,238
Subscriptions	15,376	12,460
Sponsorship expenses	7,609	2,259
Sundry expenses	4,972	1,979
Telephone and internet	3,081	3,656
Uniforms	1,347	499
Travel and accommodation	1,327	734
	327,684	230,030

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

8. Cash and cash equivalents

a. Cash and cash equivalent details

	2023	2022
	\$	\$
Cash at bank and on hand	470,172	575,348

9. Trade and other receivables

Current	2023	2022
	\$	\$
Trade receivables	3,481	1,009
Deposits	73,309	46,744
Other receivables	34,685	10,156
	111,475	57,909

10. Inventories

a. Inventory details

Current	2023	2022
	\$	\$
At cost		
Bar Stock	46,270	40,224

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

11. Property, plant and equipment

a. Property, plant and equipment details

Summary	2023 \$	2022 \$
Land and Buildings		
Freehold land		
Freehold Land - At directors' valuation	1,200,000	1,200,000
Buildings and Greens		
Buildings and Greens - At directors' valuation	3,023,416	2,200,000
Buildings and Greens- Accumulated Dep'n	(103,111)	-
Total Buildings and Greens	2,920,305	2,200,000
Total	4,120,305	3,400,000
Plant and equipment		
Plant and Equipment - At Cost	672,924	739,425
Accumulated depreciation	(420,646)	(495,768)
Total Plant and equipment	252,278	243,657
Poker machines		
Poker Machines - At Cost	673,645	697,350
Accumulated depreciation	(485,814)	(452,276)
Total Poker machines	187,831	245,074
Furniture, fixtures and fittings		
Furniture and Fittings - At Cost	122,887	114,080
Accumulated depreciation	(104,091)	(111,827)
Total Furniture, fixtures and fittings	18,796	2,253
	4,579,210	3,890,984

2023	Land \$	Buildings \$	Plant and equipment \$	Poker machines \$	Furniture, fixtures and fittings \$	Total \$
Opening balance	1,200,000	2,200,000	243,657	245,074	2,253	3,890,984
Additions	-	823,416	77,503	23,951	19,076	943,946
Disposals	-	-	(851)	-	-	(851)
Depreciation	-	(103,111)	(68,031)	(81,194)	(2,533)	(254,869)
Closing balance	1,200,000	2,920,305	252,278	187,831	18,796	4,579,210

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

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.

12. Other assets

Current	2023	2022
	\$	\$
Prepayments		
Prepayments	54,736	51,949

13. Trade and other payables

Current	2023	2022
	\$	\$
Trade payables	56,189	50,407
ATO (refundable)/payables	(15,008)	36,959
Superannuation payable	2,140	-
Accrued expenses	17,330	3,545
Other payables	5,098	5,626
	65,749	96,537

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

Notes to the financial statements
For the year ended 30 June 2023

14. Contract liabilities

The Company has recognised the following contract liabilities from contracts with customers:

Current contract liabilities	2023	2022
	\$	\$
Unspent grant funds	19,709	192,086

15. Leases

a. Company as a lessee

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

i. 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.

ii. 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 11 of these financial statements. The right-of-use assets are depreciated on a straight-line basis over the useful life of the assets.

The carrying amount of the underlying right-of-use assets at 30 June 2023 is \$169,218, which is included in the total plant and equipment and poker machine balances in Note 11 of these financial statement.

iii. Lease liabilities

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

	2023	2022
	\$	\$
< 1 year	98,432	104,363
1 - 5 years	55,516	131,731
Total undiscounted lease liabilities	153,948	236,094
Lease liabilities included in the statement of financial position	150,494	220,476

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

16. Employee benefits

a. Employee benefit details

Current	2023	2022
	\$	\$
Long service leave	-	22,592
Annual leave	49,209	42,995
	49,209	65,587
Non-current	2023	2022
	\$	\$
Long service leave	7,853	6,955

17. Other liabilities

Current	2023	2022
	\$	\$
Affiliation fees	-	1,072
Loan - premium funding	54,527	51,394
Memberships in advance	9,566	4,480
	64,093	56,946

18. Financial risk management

Financial assets	2023	2022
	\$	\$
Held at amortised cost		
Cash and cash equivalents	470,172	575,348
Trade and other receivables	111,475	57,909
	581,647	633,257
Financial liabilities	2023	2022
	\$	\$
Financial liabilities measured at amortised cost		
Trade Payables	65,749	96,537
Lease liabilities	150,494	220,476
	216,243	317,013

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

19. Reserves

	2023	2022
	\$	\$
Revaluation surplus	3,041,773	3,041,773

a. Asset revaluation reserve

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

20. Members' guarantee

The Company is registered with 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 2023 the number of members was 924 (2022: 1203).

21. Auditor's remuneration

	2023	2022
	\$	\$
Remuneration of the auditor of the Company, HLV Audit, for:	-	-
- audit of the financial statements	16,700	14,000
- other remuneration of the auditor	1,547	11,720
Total	18,247	25,720

Other services include assistance with xero payroll setup.

22. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 2023 (2022: None).

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

23. Related parties

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

The remuneration paid to key management personnel of the Company is \$199,058 (2022: \$195,930).

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.

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.

Victor Mankin is the owner of the Studio Finishing Touches. During the year an amount of \$2,466 plus GST was paid for the supply and installation of blinds.

Carmen Kerr is the Director of Kerr Earthworks & Road Construction. During the year an amount of \$575 plus GST was paid for labour and equipment hire in relation to clean up and waste disposal.

The owner of the Swell Bistro (Jordan Barbour) is the daughter of one of the company's key management personnel. During the year an amount of \$24,750 (incl GST) was payable for rent and \$44,905 for reimbursement of gas, oil and expenses to the Club. At 30 June 2023 the balance receivable from Swell Bistro for rent and reimbursements of expenses totalled \$16,073 (incl GST). During the year \$21,689 (incl GST) was payable by the Club to Swell Bistro for members discounts, promotional meals and reimbursements of costs. At 30 June 2023, the balance due from the Club to Swell Bistro was \$4,265 (incl GST).

24. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements
For the year ended 30 June 2023

	2023	2022
	\$	\$
Profit for the year	926,929	282,662
Add / (less) non-cash items:		
(Profit) / loss on sale of assets	851	(19,162)
Depreciation and amortisation	254,869	165,055
Changes in assets and liabilities:		
(increase) / decrease in receivables	(27,001)	(4,907)
(increase) / decrease in inventories	(6,046)	(2,878)
(increase) / decrease in other assets	(2,787)	(26,045)
increase / (decrease) in payables	(39,519)	(8,046)
increase / (decrease) in employee benefits	(15,480)	13,682
increase / (decrease) in other liabilities	7,146	50,801
increase / (decrease) in contract liabilities	(172,377)	110,085
Cash flows from operations	926,585	561,247

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2023

25. Events occurring after the reporting date

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

26. 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 Australia

2447

Scotts Head Bowling & Recreation Club Ltd

Directors' declaration

The directors of the Company declare that:

The financial statements and notes for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards - Simplified Disclosures; and
- give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.

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 with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.

Victor Mankin
Director

Dated:



21/10/23

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 2023, 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.

MACKSVILLE

18 Wallace Street
PO Box 27
MACKSVILLE NSW 2447

P 02 6568 3000
E macksville@hlv.com.au

NAMBUCCA HEADS

46 Bowra Street
PO Box 8
NAMBUCCA HEADS NSW 2448

P 02 6568 6197
E nambucca@hlv.com.au

URUNGA

15 Bonville Street
URUNGA NSW 2455

P 02 6655 5530
E urunga@hlv.com.au

HLV AUDIT

ABN 70 606 296 431
AAC 478051
W www.hlv.com.au
E info@hlv.com.au

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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.

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

Nambucca Heads NSW

9 October 2023