

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Financial Statements

For the Year Ended 30 June 2021



Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Contents

For the Year Ended 30 June 2021

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	29
Independent Audit Report	30

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Directors' Report

30 June 2021

The directors present their report on Gerringong Bowling & Recreation Club Limited ("the Club") for the financial year ended 30 June 2021.

Information on directors

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

Name	Position	Qualifications, experience and responsibilities
Cherie Burton	Chairperson	Representative in State Parliament
Nicole Vernon-Rogers	Treasurer	Certified Practising Accountant
Kelvin Bassett	Director	Business Owner
Gloria Carmichael	Director	Primary P.A and Administration
Paul Robson	Director	Builder
Martyn Smith (JP)	Director	Electrical Technician
Derek McMahon ²	Director	Business Owner
Bruce Weir ³	Director	Former Executive General Manager - Technology - Financial Services
Deb Langton ⁵	Director	Lawyer
Glen Benson ⁶	Director	Council Employee
Phil Vernon-Rogers ¹	Former Deputy Chairperson	Police Officer
Martin Smith ⁴	Director	Operations Manager

1. Resigned 16 September 2020

2. Appointed 17 October 2020

3. Appointed 5 February 2021

4. Removed 30 June 2021

5. Appointed 16 July 2021

6. Resigned 3 February 2021

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

Review of operations

The surplus of the Club for the year amounted to \$249,597 (2020: \$34,236).

Principal activities

The principal activity of the Club during the financial year was to provide bowling and recreational facilities for members and their guests. These activities allowed the Club to achieve the following short and long term objectives.

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

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Directors' Report

30 June 2021

Short term and long term objectives

The Company's short term and long term objectives are to continue to provide bowling club facilities and strengthen the Club's financial position. The strategy for achieving these objectives is to conservatively manage and monitor the Club's financial position to enable services and facilities provided to members to be maintained. The Club uses industry accepted KPI's to monitor performance.

Strategy for achieving the objectives

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

- to conservatively manage and monitor the Club's financial position; and
- ensure that member facilities are kept at the highest standards.

Performance measures

The Club uses industry accepted financial and non-financial KPI's to monitor performance.

Members' guarantee

Gerringong Bowling & Recreation Club Limited 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, subject to the provisions of the company's constitution.

At 30 June 2021 the collective liability of members was \$7,548 (2020: \$ 6,318).

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Directors' Report

30 June 2021

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings		
Number attended	Number eligible to attend	
Cherie Burton	9	11
Nicole Vernon-Rogers	11	11
Kelvin Bassett	11	11
Gloria Carmichael	10	11
Paul Robson	11	11
Martyn Smith (J.P)	11	11
Derek McMahan	7	8
Bruce Weir	5	5
Deb Langdon	-	-
Glen Benson	6	7
Phil Vernon-Rogers	1	2
Martin Smith	6	11

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 2021 has been received and can be found on page 4 of the financial report.

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

Nicole Vernon-Rogers
Treasurer

Dated: 25 August 2021



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Gerringong Bowling & Recreational Club

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Daley Audit

Michael Mundt
Partner

Dated: 25 August 2021

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ABN 43 152 844 291
Liability limited by a
Scheme approved under
Professional Standards
Legislation.



Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	4	3,433,992	2,715,827
Other income	4	271,139	241,957
		<u>3,705,131</u>	<u>2,957,784</u>
Administration costs		(215,078)	(202,814)
Consulting fees		(159,540)	(114,298)
Depreciation and amortisation expense		(305,987)	(299,185)
Direct costs - cost of goods sold bar		(906,367)	(701,656)
Direct costs - gaming		(198,112)	(223,668)
Employee benefits expense		(1,169,798)	(880,980)
Finance expenses		(19,285)	(26,601)
Promotion expenses		(109,982)	(130,740)
Repairs and maintenance expenses		(120,773)	(106,345)
Other expenses		(250,612)	(237,261)
Result for the year		<u>249,597</u>	<u>34,236</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>249,597</u>	<u>34,236</u>

The accompanying notes form part of these financial statements.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Balance Sheet

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	433,583	339,141
Trade and other receivables	7	20,963	50,055
Inventories	8	54,550	51,363
Other assets	9	49,455	43,795
TOTAL CURRENT ASSETS		<u>558,551</u>	<u>484,354</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,348,144	2,227,580
Intangible assets	12	210,000	210,000
Right-of-use assets	10	284,626	350,790
TOTAL NON-CURRENT ASSETS		<u>2,842,770</u>	<u>2,788,370</u>
TOTAL ASSETS		<u>3,401,321</u>	<u>3,272,724</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		239,867	224,692
Borrowings	13	60,076	89,980
Lease liabilities	10	108,878	110,968
Employee benefits	14	84,526	58,785
TOTAL CURRENT LIABILITIES		<u>493,347</u>	<u>484,425</u>
NON-CURRENT LIABILITIES			
Borrowings	13	358,941	414,969
Lease liabilities	10	47,236	121,130
TOTAL NON-CURRENT LIABILITIES		<u>406,177</u>	<u>536,099</u>
TOTAL LIABILITIES		<u>899,524</u>	<u>1,020,524</u>
NET ASSETS		<u>2,501,797</u>	<u>2,252,200</u>
EQUITY			
Retained earnings		2,501,797	2,252,200
TOTAL EQUITY		<u>2,501,797</u>	<u>2,252,200</u>

The accompanying notes form part of these financial statements.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Statement of Changes in Equity

For the Year Ended 30 June 2021

	Retained Earnings
	\$
Balance at 1 July 2020	2,252,200
Result for the year	<u>249,597</u>
Balance at 30 June 2021	<u>2,501,797</u>
Balance at 1 July 2019	2,217,964
Result for the year	<u>34,236</u>
Balance at 30 June 2020	<u>2,252,200</u>

The accompanying notes form part of these financial statements.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Statement of Cash Flows

For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,096,400	3,234,573
Payments to suppliers and employees	(3,454,612)	(2,822,481)
Interest paid	(19,285)	(26,601)
Net cash provided by operating activities	<u>622,503</u>	<u>385,491</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant & equipment	(366,145)	(316,389)
Proceeds from sale of property, plant and equipment	-	14,975
Net cash used by investing activities	<u>(366,145)</u>	<u>(301,414)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(85,932)	(67,213)
Net repayment of lease liabilities	(75,984)	(88,034)
Proceeds from borrowings	-	56,591
Net cash (used)/provided by financing activities	<u>(161,916)</u>	<u>(98,656)</u>
Net (decrease)/increase in cash and cash equivalents held	94,442	(14,579)
Cash and cash equivalents at beginning of year	<u>339,141</u>	<u>353,720</u>
Cash and cash equivalents at end of financial year	<u>6</u> <u>433,583</u>	<u>339,141</u>

The accompanying notes form part of these financial statements.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers Gerringong Bowling & Recreation Club Limited ("the Club") as an individual entity. Gerringong Bowling & Recreation Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Gerringong Bowling & Recreation Club Limited is Australian dollars.

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 - Reduced Disclosure Requirements 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.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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.

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

Bar sales and poker machine income

Revenue is recognised at the point the customer purchases the goods and services at the venue. Payment of the transaction price is due immediately at the time of purchase.

Commissions income

Commissions income is recognised over the period in which the related services are rendered.

Membership subscriptions

Membership services requires the annual subscription payment to be made upfront. A contract liability is recognised on receipt of the payment and recognised on a straight-line basis as revenue as the services are provided.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Government COVID-19 stimulus income

Income received recognised as in the period in which they are incurred. This is generally consistent with when amounts become receivable.

Rental income

Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(b) Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

(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 payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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) Income Tax

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

(e) 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.

(f) 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 the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. 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.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Lessee accounting

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

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Leases

Lease liability

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.

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) Intangibles

Poker machine licences

Purchased poker machine licences are initially recognised at cost. They have an indefinite life and are carried at cost in accordance with the licence terms.

Poker machine licences are not amortised but are tested for impairment annually. Any gains and losses are recognised to the profit and loss. On the disposal of poker machine licences the carrying amount of poker machine licences related to the Club is derecognised and any gains or losses are recognised in the profit and loss.

Intangibles are measured at the lower of cost and net realisable value. Cost of intangibles is determined using the first-in-first-out basis and is net of any discounts received.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(i) 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.

(i) Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

The Club classifies its financial assets as those to be measured at amortised cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows.

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(i) Financial instruments

(i) Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly 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.

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

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(i) Financial instruments

(i) Financial assets

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.

(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, bank and other loans and lease liabilities.

(j) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an 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.

The recoverable amount of an asset 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.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(j) Impairment of non-financial assets

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(k) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	7.5% - 15%
Motor Vehicles	20%
Greens Plant and Equipment	10%
Computer Software	20%

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.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(l) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time during the year the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 - Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

Key estimates - employee entitlements

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made after taking into account a range of possible outcomes, probabilities and assumptions and will vary as further information is obtained.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Revenue and Other Income

	2021	2020
	\$	\$
Revenue from contracts with customers		
- Bar sales	1,845,658	1,321,539
- Poker machine revenue	1,493,565	1,317,406
- TAB, Bingo and Keno revenue	29,234	31,798
- Bowls revenue	37,914	23,448
- Membership subscriptions	27,621	21,636
	<u>3,433,992</u>	<u>2,715,827</u>
Other income		
- Rental income	31,239	13,818
- Government stimulus income	145,357	149,643
- Other revenue	94,543	78,496
Total other income	<u>271,139</u>	<u>241,957</u>
Total Revenue	<u>3,705,131</u>	<u>2,957,784</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated, the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	3,406,371	2,694,191
- Over time	27,621	21,636
Revenue from contracts with customers	<u>3,433,992</u>	<u>2,715,827</u>

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Result for the Year

The result for the year includes the following specific expenses:

	2021	2020
	\$	\$
Cost of goods sold	730,568	549,288
Interest expense on financial liabilities	19,285	26,601
Net loss on disposal of PPE assets	5,754	27,432
Superannuation contributions	86,049	61,097

6 Cash and Cash Equivalents

Cash at bank and on hand	<u>433,583</u>	<u>339,141</u>
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7 Trade and Other Receivables

Trade receivables	<u>20,963</u>	<u>50,055</u>
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(a) Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2021 is determined using historical information and incorporates forward looking information.

8 Inventories

Finished goods at cost - Bar	50,365	49,069
Finished goods at cost - The Dairy	4,185	2,294
	<u>54,550</u>	<u>51,363</u>

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Other Assets

	2021	2020
	\$	\$
Prepayments	<u>49,455</u>	<u>43,795</u>

10 Leases

Club as a lessee

The Company has leases over poker machines and a motor vehicle.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Poker Machines

Leases over poker machine assets have a maximum expiry of February 2022. Monthly lease payments are between \$1,022 to \$3,300. All lease liabilities are secured by the assets purchased.

Motor Vehicle

The motor vehicle lease is for a period of 6 years, expiring in November 2025. The lease liabilities are secured by the asset purchased.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Leases

Right-of-use assets

	Motor Vehicles	Poker Machines	Total
	\$	\$	\$
Year ended 30 June 2021			
Balance at beginning of year	56,034	294,756	350,790
Depreciation charge	(16,161)	(50,003)	(66,164)
Balance at end of year	39,873	244,753	284,626
Year ended 30 June 2020			
Balance at beginning of year	-	357,863	357,863
Additions to right-of-use assets	64,644	-	64,644
Depreciation charge	(8,610)	(63,107)	(71,717)
Balance at end of year	56,034	294,756	350,790

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 leases where the Company is a lessee are shown below:

	2021	2020
	\$	\$
Interest on lease liability and short term leases	(24,192)	(12,734)
Depreciation of right-of-use assets	(66,164)	(71,717)
	(90,356)	(84,451)
Statement of Cash Flows		
Total cash outflow for leases	205,639	122,527

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Property, plant and equipment

	2021	2020
	\$	\$
Land and Buildings		
At cost	3,322,725	3,206,494
Accumulated depreciation	<u>(1,565,973)</u>	<u>(1,481,889)</u>
	<u>1,756,752</u>	<u>1,724,605</u>
Plant and equipment		
At cost	761,893	726,413
Accumulated depreciation	<u>(379,136)</u>	<u>(305,490)</u>
	<u>382,757</u>	<u>420,923</u>
Motor vehicles		
At cost	25,454	25,454
Accumulated depreciation	<u>(25,454)</u>	<u>(25,454)</u>
	<u>-</u>	<u>-</u>
Poker machines		
At cost	518,194	435,578
Accumulated depreciation	<u>(309,559)</u>	<u>(353,526)</u>
	<u>208,635</u>	<u>82,052</u>
Total property, plant and equipment	<u><u>2,348,144</u></u>	<u><u>2,227,580</u></u>

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 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:

	Note	Land and Buildings \$	Plant and equipment \$	Poker machines \$	Total \$
Year ended 30 June 2021					
Balance at beginning of the year		1,724,605	420,923	82,052	2,227,580
Additions		116,935	74,609	174,601	366,145
Disposals		(131)	(5,626)	-	(5,757)
Depreciation expense		(84,657)	(107,149)	(48,018)	(239,824)
Balance at the end of the year		1,756,752	382,757	208,635	2,348,144

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Property, plant and equipment

(b) Core and Non-Core Property

As required under section 41J of the *Registered Clubs Act 1976*, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises and car park from which the Club operates at Pacific Avenue, Warri Beach.

12 Intangible Assets

		2021	2020
	Note	\$	\$
Poker machine entitlements - at cost	2(h)	<u>210,000</u>	210,000

13 Borrowings

CURRENT

Bank loans - secured	(a)	60,076	58,023
Other loans		-	31,957
		<u>60,076</u>	89,980

NON-CURRENT

Bank loans - secured	(a)	358,941	414,969
		<u>419,017</u>	504,949

(a) Security

The Club's bankers hold the following security:

- General Security Interest comprising first ranking charge over all present and after acquired property; and
- First Registered Mortgage over non-residential Real Property located at Lot A Bridges Road Gerringong NSW 2534 (the Club premises commonly referred to as being Pacific Avenue, Warri Beach).

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

14 Employee Benefits

	2021	2020
	\$	\$
Annual leave	62,482	41,193
Long service leave	22,044	17,592
	<u>84,526</u>	<u>58,785</u>

15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company was \$ 208,617 (2020: \$158,118).

16 Financial Risk Management

The Club does not hold any classes of assets or liabilities that are measured at fair value in the statement of financial position after initial recognition.

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

18 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.

Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Club's business. These costs are not considered to be remuneration and hence have not been included in this disclosure.

During the year the Club paid \$25,540 (2020: \$ 21,269) to director-related entities for services provided to the Club. These were at arm's length and in the normal course of business.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2021

19 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 August 2021 by the Board of Directors.

On 14 August as a result of the New South Wales Public Orders, the Club was required to cease on-premises activities and remains closed as at the date of signing this report. As a result of the evolving nature of the COVID-19 outbreak, government policies of restrictive measures to contain it, and the stimulus funding available to mitigate its impact, as at the date of these financial statements, the Club is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on its future financial performance and financial position.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial periods.

20 Statutory Information

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

Pacific Avenue

Werri Beach

New South Wales 2534

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 28, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2021 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.

Nicole Vernon-Rogers
Treasurer

Dated: 25 August 2021

Independent Audit Report to the members of Gerringong Bowling & Recreational Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gerringong Bowling & Recreation Club Limited ("the Club"), which comprises the balance sheet as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Club's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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ABN 43 152 844 291
Liability limited by a
Scheme approved under
Professional Standards
Legislation.



Independent Audit Report to the members of Gerringong Bowling & Recreational Club Limited

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the Directors Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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 Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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 Club'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 Club or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the General Purpose - Reduced Disclosure Requirement's financial reporting process.

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.



Independent Audit Report to the members of Gerringong Bowling & Recreational Club Limited

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Daley Audit

Michael Mundt
Partner

Wollongong

Dated: 25 August 2021

Liability limited by a scheme approved under Professional Standards Legislation.