

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Financial Statements

For the Year Ended 30 June 2023

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

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Financial Statements

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Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Directors' Report

30 June 2023

The directors present their report on Gerringong Bowling & Recreation Club Limited ("the Club") 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 the date of this report are:

Name	Position	Qualifications, experience and responsibilities
Derek McMahon ¹	Chairperson	Business Owner
Bruce Weir ²	Chairperson	Former Executive General Manager - Technology - Financial Services
Nicole Vernon-Rogers	Treasurer	Certified Practising Accountant
Kelvin Bassett	Director	Business Owner
Paul Robson	Director	Builder
Martyn Smith (JP)	Director	Electrical Technician
Deb Langton	Director	Lawyer
Sue McGilvray	Director	Education and HR Management
Kay Weir ³	Director	IT Program Management
Brad Woolley ⁴	Director	Business Owner

1. Appointed as Chairperson 28 September 2022

2. Passed away 11 September 2022

3. Appointed 1 March 2023

4. Appointed 26 July 2023

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 \$328,765 (2022: \$91,338).

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 Club's activity occurred during the financial year.

Gerringong Bowling & Recreation Club Limited

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Directors' Report

30 June 2023

Short term and long term objectives

The Club'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 Club 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 2023 the collective liability of members was \$8,432 (2022: \$ 7,442).

Gerringong Bowling & Recreation Club Limited

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Directors' Report

30 June 2023

Meetings of directors

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
Nicole Vernon-Rogers	12	12
Kelvin Bassett	8	12
Paul Robson	12	12
Martyn Smith	12	12
Derek McMahon	9	12
Deb Langton	5	12
Sue McGilvray	10	12
Kay Weir	5	5
Bruce Weir	1	2

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 2023 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: 30 August 2023



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 2023, 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
Daley Audit

Michael Murdt
Michael Murdt
Partner

Dated: 30 August 2023

Wollongong

Gerringong Bowling & Recreation Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	4	3,803,912	2,677,911
Other income	4	115,193	246,740
		<u>3,919,105</u>	<u>2,924,651</u>
Employee benefits expense		(1,058,926)	(945,346)
Direct bar costs and cost of goods sold		(843,537)	(657,251)
Depreciation and amortisation expense		(422,582)	(335,973)
Administration costs		(240,837)	(209,437)
Direct costs - gaming		(361,506)	(160,688)
Consulting fees		(110,730)	(110,157)
Repairs and maintenance expenses		(143,553)	(86,089)
Promotion expenses		(98,228)	(84,064)
Finance expenses		(11,254)	(13,580)
Other expenses		(299,187)	(230,728)
Result for the year		<u>328,765</u>	<u>91,338</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>328,765</u>	<u>91,338</u>

The accompanying notes form part of these financial statements.

Gerringong Bowling & Recreation Club Limited

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Balance Sheet

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	612,241	454,728
Trade and other receivables	7	32,043	13,598
Inventories	8	60,666	58,641
Other assets	9	75,545	62,270
TOTAL CURRENT ASSETS		<u>780,495</u>	<u>589,237</u>
NON-CURRENT ASSETS			
Right-of-use assets	10	267,520	216,116
Property, plant and equipment	11	2,261,226	2,386,958
Intangible assets	12	210,000	210,000
TOTAL NON-CURRENT ASSETS		<u>2,738,746</u>	<u>2,813,074</u>
TOTAL ASSETS		<u>3,519,241</u>	<u>3,402,311</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	211,124	229,598
Borrowings	14	-	94,569
Lease liabilities	10	151,746	153,096
Employee benefits	15	92,199	49,964
TOTAL CURRENT LIABILITIES		<u>455,069</u>	<u>527,227</u>
NON-CURRENT LIABILITIES			
Borrowings	14	5,163	191,379
Lease liabilities	10	128,937	86,963
Employee benefits	15	8,172	3,607
TOTAL NON-CURRENT LIABILITIES		<u>142,272</u>	<u>281,949</u>
TOTAL LIABILITIES		<u>597,341</u>	<u>809,176</u>
NET ASSETS		<u>2,921,900</u>	<u>2,593,135</u>
EQUITY			
Retained earnings		<u>2,921,900</u>	<u>2,593,135</u>
TOTAL EQUITY		<u>2,921,900</u>	<u>2,593,135</u>

The accompanying notes form part of these financial statements.

Gerringong Bowling & Recreation Club Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2023

	Retained Earnings \$
Balance at 1 July 2022	2,593,135
Result for the year	<u>328,765</u>
Balance at 30 June 2023	<u><u>2,921,900</u></u>
Balance at 1 July 2021	2,501,797
Result for the year	<u>91,338</u>
Balance at 30 June 2022	<u><u>2,593,135</u></u>

The accompanying notes form part of these financial statements.

Gerringong Bowling & Recreation Club Limited

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Statement of Cash Flows

For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,110,301	3,218,279
Payments to suppliers and employees	(3,351,754)	(2,845,533)
Interest paid	(11,254)	(4,223)
Net cash provided by operating activities	<u>747,293</u>	<u>368,523</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant & equipment	(186,396)	(74,787)
Proceeds from sale of property, plant and equipment	-	21,551
Net cash used by investing activities	<u>(186,396)</u>	<u>(53,236)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(280,785)	(133,069)
Net repayment of lease liabilities	(122,599)	(161,073)
Net cash used by financing activities	<u>(403,384)</u>	<u>(294,142)</u>
Net increase in cash and cash equivalents held	157,513	21,145
Cash and cash equivalents at beginning of year	454,728	433,583
Cash and cash equivalents at end of financial year	6 <u>612,241</u>	<u>454,728</u>

The accompanying notes form part of these financial statements.

Gerringong Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

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 Club 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 financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosure Standards 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 Club 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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 Club 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 Club 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 is recognised in the period it is earned. This is generally consistent with when the payment is received for the cash flow boost. For JobKeeper/Jobsaver payments this is based on when amounts are 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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 Club 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Inventories

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

(g) Leases

At inception of a contract, the Club 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 Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club 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 Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club 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 assets useful life or the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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 Club'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 Club's assessment of lease term.

Exceptions to lease accounting

The Club 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 Club 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) Financial instruments

Financial instruments are recognised initially on the date that the Club 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 Club 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 Club'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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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 Club 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 Club's historical experience and informed credit assessment and including forward looking information.

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

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

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club 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 Club 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 Club 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) Financial instruments

(i) Financial assets

Where the Club 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 Club 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 Club comprise trade payables, bank and other loans and lease liabilities.

(j) Impairment of non-financial assets

At the end of each reporting period the Club 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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 Club, 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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 Club 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) New and amended standards adopted by the Club

The Club has adopted all applicable standards which became effective for the first time during 30 June 2023. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 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:

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

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Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income

	2023	2022
	\$	\$
Revenue from contracts with customers		
- Bar sales	1,818,212	1,324,334
- Poker machine revenue	1,876,707	1,274,324
- Bowls revenue	53,293	31,589
- Membership subscriptions	23,977	25,772
- TAB, Bingo and Keno revenue	31,723	21,892
	<u>3,803,912</u>	<u>2,677,911</u>
Other income		
- Government COVID-19 stimulus income	-	113,676
- Rental income	51,972	40,071
- Interest income	1,911	-
- Other revenue	61,310	92,993
	<u>115,193</u>	<u>246,740</u>
Total Revenue	<u>3,919,105</u>	<u>2,924,651</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	3,779,935	2,652,139
- Over time	23,977	25,772
	<u>3,803,912</u>	<u>2,677,911</u>

Gerringong Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Result for the Year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Cost of goods sold	732,606	586,724
Net gain/(loss) on disposal of PPE assets	(1,364)	17,380
Superannuation contributions	85,845	72,689
6 Cash and Cash Equivalents		
Cash at bank and in hand	612,241	454,728
7 Trade and Other Receivables		
Trade receivables	32,043	13,598
Provision for impairment	(a) -	-
	32,043	13,598

(a) Impairment of receivables

The Club 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 2023 is determined using historical information and incorporates forward looking information.

8 Inventories

Finished goods at cost - Bar	56,682	55,199
Finished goods at cost - The Dairy	3,984	3,442
	60,666	58,641

Gerringong Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

9 Other Assets

	2023	2022
	\$	\$
Prepayments	75,545	62,270

10 Leases

Club as a lessee

The Club 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 terms of 3-5 years. 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 liability is secured by the asset purchased.

Lease liability reconciliation

Current	151,746	153,096
Non-current	128,937	86,963
	<u>280,683</u>	<u>240,059</u>

Gerringong Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Leases

Right-of-use assets

	Motor Vehicles	Poker Machines	Total
	\$	\$	\$
Year ended 30 June 2023			
Balance at beginning of year	23,712	192,404	216,116
Additions	-	163,222	163,222
Depreciation charge	(16,160)	(95,658)	(111,818)
Balance at end of year	7,552	259,968	267,520

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 Club is a lessee are shown below:

	2023	2022
	\$	\$
Interest on lease liability and short term leases	-	(9,357)
Depreciation of right-of-use assets	(111,818)	(109,418)
	(111,818)	(118,775)

Future lease payments

Future lease payments in relation to lease liabilities as at period end are as follows:

Within one year	163,123	106,195
Later than one year but not later than five years	132,250	172,030
Later than five years	-	-
	295,373	278,225

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Leases

The Club as a lessor

The Club leases out portions of its buildings, however the total rental revenue and the asset leased is immaterial to the Group's assets and revenue. These leases have been classified as operating leases for financial reporting purposes and the assets are included as property plant and equipment in the statement of financial position (refer note 11).

11 Property, plant and equipment

	2023	2022
	\$	\$
Land and Buildings		
At cost	3,325,201	3,323,892
Accumulated depreciation	(1,739,922)	(1,652,948)
	<u>1,585,279</u>	<u>1,670,944</u>
Plant and equipment		
At cost	685,973	789,756
Accumulated depreciation	(272,178)	(464,005)
	<u>413,795</u>	<u>325,751</u>
Poker machines		
At cost	719,034	932,388
Accumulated depreciation	(456,882)	(542,125)
	<u>262,152</u>	<u>390,263</u>
Total property, plant and equipment	<u><u>2,261,226</u></u>	<u><u>2,386,958</u></u>

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2023

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:

	Land and Buildings \$	Plant and equipment \$	Poker machines \$	Total \$
Year ended 30 June 2023				
Balance at beginning of the year	1,670,944	325,751	390,263	2,386,958
Additions	1,309	171,146	13,939	186,394
Disposals	-	(1,363)	-	(1,363)
Depreciation expense	(86,974)	(81,739)	(142,050)	(310,763)
Balance at the end of the year	1,585,279	413,795	262,152	2,261,226

Gerringong Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

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, Werri Beach.

12 Intangible Assets

	2023	2022
Note	\$	\$
Poker machine entitlements - at cost	210,000	210,000

13 Trade and Other Payables

Trade payables	60,741	69,517
Other payables	150,383	160,081
	<u>211,124</u>	<u>229,598</u>

14 Borrowings

CURRENT		
Bank loans - secured	(a) -	64,551
Other loans	-	30,018
	-	<u>94,569</u>
NON-CURRENT		
Bank loans - secured	(a) 5,163	191,379
	5,163	<u>285,948</u>

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2023

14 Borrowings

(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 Pacific Avenue, Warri Beach).

15 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Annual leave	71,142	33,859
Long service leave	21,057	16,105
	<u>92,199</u>	<u>49,964</u>
NON CURRENT		
Long service leave	<u>8,172</u>	<u>3,607</u>

16 Capital Commitments

Significant capital expenditure contracted for at the end of the year but not recognised as liabilities is as follows:

Property, plant & equipment	<u>-</u>	<u>85,392</u>
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17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Club was \$ 175,282 (2022: \$172,938).

Gerringong Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor Daley Audit, for:		
- auditing or reviewing the financial statements	18,650	17,700
- other services*	25,605	25,400
	<u>44,255</u>	<u>43,100</u>

* *Other services are for accounting, corporate secretarial and tax services.*

19 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2023 (30 June 2022: None).

20 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 \$866 (2022: \$3,328) to director-related entities for miscellaneous goods and services provided to the Club. These were at arm's length and in the normal course of business.

21 Events after the end of the Reporting Period

The financial report was authorised for issue on 30 August 2023 by the Board of Directors.

There has not been any 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.

Gerringong Bowling & Recreation Club Limited

ABN 23 001 026 473

Notes to the Financial Statements

For the Year Ended 30 June 2023

22 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 Club declare that:

1. The financial statements and notes, as set out on pages 5 to 29, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standards; and
 - b. 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 Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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: 30 August 2023

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 2023, 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 Clubs' financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosure Standards 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.



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, 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 - Simplified Disclosure 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 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 has no realistic alternative but to do so.

The Directors are responsible for overseeing the Club'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



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.aasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Daley Audit
Daley Audit

Michael Mundt
Michael Mundt
Partner

Wollongong

Dated: 30 August 2023

Liability limited by a scheme approved under Professional Standards Legislation.