

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Financial Statements

For the Year Ended 30 June 2023

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Financial Statements

For the Year Ended 30 June 2023

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Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Directors' Report

30 June 2023

Your directors present their report on Kiama Bowling & Recreation Club Limited for the financial year ended 30 June 2023.

Information on directors

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

<u>Name</u>	<u>Position</u>	<u>Qualifications, experience and responsibilities</u>
David Kohlenberg**	President	Company Director, Business Owner
Bronwyn Campbell	Vice President	Physiotherapy Receptionist
Garrie Rowley	Director	Retired
Craig Coleman	Director	Truck Driver
Terry Boniface	Director	Retired
Bill Partridge	Director	Retired
Richard Downs*	Director	Retired

** resigned 19 December 2022*

*** resigned 11 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 operating result of the Company for the year amounted to a deficit of \$101,289 (2022: surplus of \$5,210).

The operating result before depreciation and amortisation of right of use assets was \$26,725 (2022: \$143,415).

Principal activities

The principal activity of Kiama Bowling & Recreation Club Limited during the financial year were:

To promote the game of bowls and provide facilities for the playing of the game of bowls and to provide members with facilities normally offered by licensed clubs.

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

Kiama Bowling & Recreation Club Limited

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Directors' Report

30 June 2023

Short term and long term objectives

The Company's short and long term objectives are to provide club facilities to members and guests.

Strategy for achieving the objectives

To achieve these objectives, the Company will continue to review, and make changes where required to, the company's financial position, and ensure that member facilities are kept at the highest of standards.

Performance measures

The Company assesses its performance in terms of its achievement of strategic and financial objectives with reference to:

- the quality of the service and facilities provided to members;
- the ability to generate strong cash flows from its operating activities;
- the trading and overall financial result; and
- the stability of the balance sheet with respect to the Company's liquidity and the total levels of debt.

Members guarantee

The Kiama Bowling & Recreation Club Limited is incorporated under the Corporations Act 2001 and is an entity 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, is limited to \$2 subject to the provisions of the Company's constitution.

At 30 June 2023 the collective liability of members was \$2,942 (2022: \$2,832).

Kiama Bowling & Recreation Club Limited

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Directors' Report

30 June 2023

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
David Kohlenberg	12	11
Bronwyn Campbell	12	12
Garrie Rowley	12	9
Craig Coleman	12	11
Terry Boniface	12	11
Bill Partridge	12	9
Richard Downs	6	6

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:



Bronwyn Campbell
Vice President

Dated: 28 August 2023

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Kiama 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 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


Stephen Milgate
Partner

Wollongong

Dated: 28 August 2023

Wollongong

PO Box 333
Wollongong NSW 2520
☎ 02 4229 6477
✉ wollongong@daley.com.au

Bowral

PO Box 1032
Bowral NSW 2576
☎ 02 4862 1082
✉ bowral@daley.com.au

Sydney

PO Box 903
Sydney NSW 2001
☎ 02 8236 8177
✉ sydney@daley.com.au

daley.com.au

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



Kiama Bowling & Recreation Club Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue - trading	4	2,416,039	1,821,535
Other income	4	135,597	232,430
		<u>2,551,636</u>	<u>2,053,965</u>
Employee benefits expense		(915,906)	(700,715)
Cost of sales		(867,041)	(599,415)
Promotional and member expense		(346,920)	(237,655)
Depreciation and amortisation expense	10	(98,666)	(111,907)
Bowls related expense		(45,903)	(35,986)
Clubhouse expense		(182,028)	(171,004)
Lease expenses	9	(30,999)	(30,036)
Administrative expense		(68,718)	(87,349)
Other expenses		(96,744)	(74,688)
Result for the year		<u>(101,289)</u>	<u>5,210</u>
Items that will not be subsequently reclassified			
Total comprehensive income/(loss) for the year		<u>(101,289)</u>	<u>5,210</u>

The accompanying notes form part of these financial statements.

Kiama 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	253,436	537,044
Trade and other receivables	7	11,154	10,545
Inventories	8	41,698	28,529
Prepayments		52,330	51,995
TOTAL CURRENT ASSETS		358,618	628,113
NON-CURRENT ASSETS			
Right-of-use assets	9	78,177	107,525
Property, plant and equipment	10	7,582,242	7,417,121
TOTAL NON-CURRENT ASSETS		7,660,419	7,524,646
TOTAL ASSETS		8,019,037	8,152,759
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	131,195	128,592
Lease liabilities	9	18,240	45,302
Borrowings	12	50,450	50,113
Employee benefits	14	51,469	51,045
Other financial liabilities	13	16,811	14,036
TOTAL CURRENT LIABILITIES		268,165	289,088
NON-CURRENT LIABILITIES			
Lease liabilities	9	7,055	22,746
Employee benefits	14	10,211	6,030
TOTAL NON-CURRENT LIABILITIES		17,266	28,776
TOTAL LIABILITIES		285,431	317,864
NET ASSETS		7,733,606	7,834,895

The accompanying notes form part of these financial statements.

Kiama Bowling & Recreation Club Limited

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Balance Sheet

As at 30 June 2023

	2023	2022
	\$	\$
EQUITY		
Asset revaluation reserve	6,630,650	6,630,650
Retained earnings	1,102,956	1,204,245
TOTAL EQUITY	<u>7,733,606</u>	<u>7,834,895</u>

The accompanying notes form part of these financial statements.

Kiama Bowling & Recreation Club Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2023

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2022	1,204,245	6,630,650	7,834,895
Result for the year	(101,289)	-	(101,289)
Balance at 30 June 2023	1,102,956	6,630,650	7,733,606
Balance at 1 July 2021	1,199,035	6,630,650	7,829,685
Result for the year	5,210	-	5,210
Balance at 30 June 2022	1,204,245	6,630,650	7,834,895

The accompanying notes form part of these financial statements.

Kiama 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	2,785,144	2,215,836
Payments to suppliers and employees	(2,762,785)	(2,129,367)
Interest received	573	17
Net cash provided/(used) by operating activities	<u>22,932</u>	<u>86,486</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	<u>(263,787)</u>	-
Net cash provided/(used) by investing activities	<u>(263,787)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from borrowings	<u>(42,753)</u>	(45,694)
Net cash provided/(used) by financing activities	<u>(42,753)</u>	(45,694)
Net increase/(decrease) in cash and cash equivalents held	<u>(283,608)</u>	40,792
Cash and cash equivalents at beginning of year	<u>537,044</u>	496,252
Cash and cash equivalents at end of financial year	6 <u><u>253,436</u></u>	<u><u>537,044</u></u>

The accompanying notes form part of these financial statements.

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

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

The functional and presentation currency of Kiama 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 - Simplified Disclosure Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 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
5. Recognise revenue as and when control of the performance obligations is transferred

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.

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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:

Goods and services

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.

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.

Advertising and sponsorships

Advertising and sponsorships are invoiced prior to the agreed period of coverage and invoices are typically payable within 30 days.

Contract liabilities are recognised when the invoices are issued, and revenue is recognised on a straight line basis over the agreed period of coverage.

Government COVID-19 stimulus income

Income received recognised as in the period in which they are incurred. This is generally consistent with when payment is received for the cash flow boost and small business grant. For JobKeeper/Job saver payments this is based on when amounts are receivable.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

(b) Borrowing costs

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

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(c) Income tax

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

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with banks, short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(e) 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.

Lessee accounting

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

(i) 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.

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Leases

(i) Right-of-use asset

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.

(ii) 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.

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.

(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.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) Property, plant and equipment

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

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and the impairment losses recognised either in profit or loss or as revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) Property, plant and equipment

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.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Building	2.5 - 4%
Bowling greens and equipment	2.5 - 15%
Plant and equipment	9 - 27%
Poker machines	15 - 25%

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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) 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).

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(h) Financial instruments

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; or
- fair value through profit or loss (FVTPL).

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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(h) Financial instruments

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

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

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

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

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

Trade receivables

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

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.

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(h) Financial instruments

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.

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.

(i) 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 this indicator exists and regardless of goodwill, 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.

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

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

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee 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. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

It was noted that the entity recorded a deficit in the current year of \$101,289. In addition to this, it is noted that there was a cash outflow of \$283,608, primarily due to one-off payments for property, plant and equipment. It is noted that the Company has forecast a deficit for the year ended 30 June 2024.

The Company continues to take steps to ensure that it can continue to trade as a going concern through an ongoing plan to reduce operating costs and identifying opportunities to increase revenues.

Should any of the following transpire, that then will have a significant impact on the ability of the entity to continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business and at the amounts stated in the financial report:

- The Company's present trading and cash position not improve; or
- The cost-saving measures not eventuate to the extent estimated.

Kiama Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(k) Going concern

Where the Company is no longer considered to be a going concern, the financial report would have to be prepared on a liquidation basis, where the realisation value assumes importance, additional liabilities may accrue and the current versus non-current classification of liabilities becomes less critical than the seniority features of debt and other preferences in liquidation.

(l) 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.

(m) New and amended standards adopted by the Club

The Company has adopted all applicable standards which became effective for the first time at 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 Company.

Kiama Bowling & Recreation Club Limited

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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 - 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 taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - impairment of property, plant and equipment

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

Key estimates - 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
- Bar sales	1,325,471	978,605
- Gaming machine revenue	396,770	339,529
- Catering income	542,167	370,833
- Membership income	35,432	42,611
- Raffle and bingo income	52,427	39,808
- Bowling income	63,772	50,149
	<u>2,416,039</u>	<u>1,821,535</u>
<i>Other revenue</i>		
- Grants	-	116,957
- Commissions	41,401	36,303
- Donations	16,436	19,141
- Other income	77,760	60,029
	<u>135,597</u>	<u>232,430</u>
Total Revenue	<u><u>2,551,636</u></u>	<u><u>2,053,965</u></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	2,380,607	1,778,923
- Over time	35,432	42,611
Revenue from contracts with customers	<u><u>2,416,039</u></u>	<u><u>1,821,534</u></u>

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Result for the Year

	2023	2022
	\$	\$
Superannuation contributions	80,493	61,290

6 Cash and Cash Equivalents

Cash on hand	33,800	33,800
Cash at bank	219,636	503,244
	<u>253,436</u>	<u>537,044</u>

7 Trade and Other Receivables

Trade receivables	11,154	10,545
Provision for impairment	(a) -	-
	<u>11,154</u>	<u>10,545</u>

(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 expected credit losses incorporate forward looking information.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over a number of years past due, whichever occurs first.

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Notes to the Financial Statements

For the Year Ended 30 June 2023

8 Inventories

	2023	2022
	\$	\$
Stock on hand	<u>41,698</u>	<u>28,529</u>

9 Leases

Company as a lessee

The Company has a leases over gaming machines and IT equipment. The Company has chosen not to apply AASB 16 to leases of intangible assets. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Leases for plant and equipment is for periods up to 60 months with no option to renew.

Lease liability reconciliation

Current	18,240	45,302
Non-current	<u>7,055</u>	<u>22,746</u>
	<u>25,295</u>	<u>68,048</u>

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Notes to the Financial Statements

For the Year Ended 30 June 2023

9 Leases

Right-of-use assets

	Plant and equipment \$
Year ended 30 June 2023	
Balance at beginning of year	107,525
Depreciation charge	<u>(29,348)</u>
Balance at end of year	<u><u>78,177</u></u>

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:

	2023 \$	2022 \$
Interest expense	(1,651)	(3,738)
Depreciation of right-of-use assets	<u>(29,348)</u>	<u>(26,298)</u>
	<u><u>(30,999)</u></u>	<u><u>(30,036)</u></u>

Statement of Cash Flows

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

Within one year	18,824	38,914
Later than one year but not later than five years	7,181	9,716
Later than five years	-	-
	<u><u>26,005</u></u>	<u><u>48,630</u></u>

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Property, Plant and Equipment

	2023	2022
	\$	\$
Freehold land		
At fair value	<u>6,150,000</u>	<u>6,150,000</u>
Buildings and greens		
At fair value	<u>1,334,291</u>	<u>1,100,000</u>
Accumulated depreciation	<u>(93,399)</u>	<u>(44,000)</u>
	<u>1,240,892</u>	<u>1,056,000</u>
Furniture & fixtures		
At cost	<u>689,519</u>	<u>651,743</u>
Accumulated depreciation	<u>(498,169)</u>	<u>(440,622)</u>
	<u>191,350</u>	<u>211,121</u>
Total property, plant and equipment	<u>7,582,242</u>	<u>7,417,121</u>

(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:

	Freehold Land	Buildings and Greens	Furniture and Fixtures	Total
	\$	\$	\$	\$
Year ended 30 June 2022				
Balance at the beginning of year	6,150,000	1,056,000	211,121	7,417,121
Additions	-	234,291	29,496	263,787
Depreciation expense	-	(49,399)	(49,267)	(98,666)
Balance at the end of the year	<u>6,150,000</u>	<u>1,240,892</u>	<u>191,350</u>	<u>7,582,242</u>

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 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 from which the Company operates at 100 Shoalhaven St, Kiama.

11 Trade and Other Payables

	2023	2022
	\$	\$
Trade payables	66,962	64,741
GST payable	30,036	30,983
Other payables	34,197	32,868
	<u>131,195</u>	<u>128,592</u>

12 Borrowings

CURRENT		
Other loans - unsecured	<u>50,450</u>	<u>50,113</u>

13 Other Liabilities

CURRENT		
Subscriptions in advance	<u>16,811</u>	<u>14,036</u>

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Notes to the Financial Statements

For the Year Ended 30 June 2023

14 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Annual leave	34,506	41,212
Long service leave	16,963	9,833
	<u>51,469</u>	<u>51,045</u>
NON-CURRENT		
Long service leave	10,211	6,030

15 Interests of Key Management Personnel

Total remuneration paid to key management personnel of the Company was \$88,031 (2022: \$ 70,651).

16 Auditors' Remuneration

Remuneration of the auditor Daley Audit, for:

- auditing the financial statements

	14,400	13,660
	<u>14,400</u>	<u>13,660</u>

17 Contingent Liabilities and Contingent Assets

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

18 Related Party Transactions

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

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Notes to the Financial Statements

For the Year Ended 30 June 2023

19 Events after the end of the Reporting Period

The financial report was authorised for issue on 28 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 Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

20 Statutory Information

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

100 Shoalhaven Street
Kiama NSW 2533

Kiama Bowling & Recreation Club Limited

ABN: 12 001 037 396

Directors' Declaration

The directors of the Company 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 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.

Bronwyn Campbell
Vice President



Dated: 28 August 2023

Independent Auditor's Report to the members of Kiama Bowling & Recreation Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kiama Bowling & Recreation Club Limited (the Company), 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 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 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Wollongong

PO Box 333
Wollongong NSW 2520

☎ 02 4229 6477

✉ wollongong@daley.com.au

Bowral

PO Box 1032
Bowral NSW 2576

☎ 02 4862 1082

✉ bowral@daley.com.au

Sydney

PO Box 903
Sydney NSW 2001

☎ 02 8236 8177

✉ sydney@daley.com.au

🌐 daley.com.au

ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.



Independent Auditor's Report to the members of Kiama Bowling & Recreation Club Limited

Material Uncertainty Regarding Going Concern

We draw attention to Note 2(k) in the financial report, which indicates that the Company has recorded a deficit and a substantial cash outflow during the year ended 30 June 2023. The cash outflow was primarily as a result of property, plant and equipment purchases made during the year. As stated in Note 2(k), these events or conditions, along with other matters set forth in Note 2(k), indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report

The Directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 30 June 2023, 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 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 determines 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 has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.



Independent Auditor's Report to the members of Kiama Bowling & Recreation Club Limited

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.

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


Stephen Milgate
Partner

Wollongong

Dated: 28 August 2023

Liability limited by a scheme approved under Professional Standards Legislation