

Terrigal Bowling Club Limited
ABN 97 000 951 913

Financial Statements
For The Financial Year Ended
30 June 2022

Terrigal Bowling Club Limited
ABN 97 000 951 913

Financial Statements
For The Year Ended 30 June 2022

	<i>Page Number</i>
<i>Directors' Report</i>	3
<i>Auditors' Independence Declaration</i>	8
<i>Statement of Profit or Loss & Other Comprehensive Income</i>	9
<i>Statement of Financial Position</i>	10
<i>Statement of Changes in Equity</i>	11
<i>Statement of Cash Flows</i>	12
<i>Notes to the Financial Statements</i>	13
<i>Directors' Declaration</i>	29
<i>Independent Audit Report</i>	30

Terrigal Bowling Club Limited

ABN 97 000 951 913

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2022.

Directors

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

<i>Freddy Dowse</i>	Chairman. Retired Corporate Risk Manager. Joined the board initially on 24 October 2020. During the year he attended 8 of the 8 Directors' meetings eligible to attend. Resigned 18 August 2021 and re-appointed 30 November 2021.
<i>Michael Foley</i>	Former Chairman and self-employed for 40 years. Joined the board in September 2011. During the year he attended 4 of the 4 Director's meetings eligible to attend. Resigned 30 November 2021.
<i>Alex Cameron</i>	Vice Chairman and retired small businessperson. Whilst a Director he attended 8 of the 8 Directors' meetings eligible to attend. Appointed 30 November 2021.
<i>Graham Cannon</i>	Former Vice Chairman. Retired Real Estate Agent. He joined the board in August 2018. During the year he attended 4 of the 4 Director's meetings eligible to attend. Resigned 30 November 2021
<i>Lynette Wagner</i>	Director. Retired Club Secretary Manager. Joined the board December 2015. During the year she attended 12 of the 12 Director's meetings eligible to attend.
<i>Alan Bailey</i>	Director. Owner and operator logistics company now retired. Joined the board in November 2021. During the year he attended 8 of the 8 Director's meetings eligible to attend. Appointed 30 November 2021.
<i>Lyndall Hegarty</i>	Director. Retired small businessperson. Joined the board in November 2021. During the year she attended 8 of the 8 Director's meetings eligible to attend. Appointed 30 November 2021.
<i>Anita Burge</i>	Director. Retired School Teacher. Joined the board in April 2019 and resigned 30 November 2021. During the year she attended 4 of the 4 Director's meetings eligible to attend. Resigned 30 November 2021.
<i>Oleh Podryhula</i>	Director. Retired Financial Planning Manager. He joined the board in September 2021. During the year he attended 3 of the 3 Director's meetings eligible to attend. Appointed 8 September 2021 and resigned 30 November 2021.

Terrigal Bowling Club Limited

ABN 97 000 951 913

Directors' Report

Directors

<i>John Hickman</i>	Director. Retired School Teacher. He joined the board in September 2021 and resigned 21 December 2021. During the year he attended 5 of the 6 Director's meetings eligible to attend.
<i>Frank Anderson</i>	Former Chairman. Retired. Self-employed for 40 years. He joined the board in September 2016 and resigned in July 2021. During the year he attended 1 of the 1 Directors' meetings eligible to attend. Resigned 4 August 2021.

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Craig Fairweather Appointed 15 December 2021

Principal Activities

The principal activities of Terrigal Bowling Club Ltd during the financial year were to promote and conduct the game of lawn bowls and carry out the other objectives of the Company.

No significant changes in the nature of these activities occurred during the financial year.

Our Vision

A secure future, with amenities and facilities which are pertinent to the times and the expectations of members and guest. A club which attracts new members because we support and promote all levels of the sport of lawn bowls in a welcoming and inclusive club environment.

Our Mission

- a) To secure a future for a profitable Club which is a valuable and responsible member of the community.
- b) To facilitate, support, promote and encourage the sport of lawn bowls.

Our Goals

- To ensure compliance with legislated requirements.
- To negotiate a long-term lease.
- To upgrade/update amenities and facilities.
- To improve profitability.
- To remain and if possible, improve our standing as a responsible member of the local community.
- To increase membership.
- To increase patronage.
- To widen membership age demographics

Terrigal Bowling Club Limited
ABN 97 000 951 913

Directors' Report

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Measures used by the company for its performance:

- Standard Club industry Key Performance Indicators including Gross Profit percentages, Wages percentages etc.

Operating Results

The deficit for the company after income tax was \$357,562 (2021: Profit \$231,316)

	2022	2021
Net (loss)/profit from trading	(13,801)	649,286
Add: Interest	3,595	4,017
Less: Finance expenses	(2,533)	(3,522)
Less: Depreciation	(344,823)	(418,465)
Net (loss)/profit for year	<u>(357,562)</u>	<u>231,316</u>

Review of Operations

Health Emergency

The NSW Government announced the closure of Greater Sydney Registered Clubs effective from 26 June 2021 with the Club remaining closed in accordance with the Public Health Order until the 10 October 2021 when the restrictions were lifted. The Clubs re-opened and re-commenced trade on the 11 October 2021.

During this period of closure, a range of measures introduced by the Government to support business were introduced to which the Club was eligible as a result of the impact of the COVID19 pandemic shutdowns announced. For the year ended 30 June 2022, the Club received \$104,828 in JobSaver subsidy payments and \$4,800 in the form of COVID19 Business grants.

Throughout the year the company continued its principal activities with the Directors and management continually reviewing operational budgets and cash flow forecasts on a monthly basis. It is important to note due to the impacts of the health crisis the Club's trade has been inconsistent which has had a direct impact on the Clubs financial performance for the current financial year when compared to the comparative period. These fluctuations in trade were managed by the management team and Directors as best as possible with summary details of those activities set out below:

Terrigal Bowling Club Limited

ABN 97 000 951 913

Directors' Report

Review of Operations

Bar Trading Statement

Turnover from Bar Trading for the year totalled \$701,543 (2021: \$1,178,954) a decrease of \$477,410 or 40.5%. This decrease can be attributed to the impact of COVID shut down from the 26 June 2021 to the 10 October 2021, whilst the comparative year had minimal interruption in trade from the pandemic.

The Bar Trading Gross Profit of \$392,818 (56.0% of Sales) a decrease of \$314,487 on the previous year of \$707,305 (59.9% of Sales).

Poker Machine Trading Statement

Net Clearances from Poker Machines for the year totalled \$698,029 (2021: \$1,099,793) a decrease of \$401,765 (36.5%) on the previous year. Direct expenses for the 2022 year totalled \$202,454, which compares with the 2021 year of \$280,079 a decrease of \$77,625 (27.7%). Again, the reduction in gaming revenue and direct expenses can be attributable to the impact of the COVID shut down from the 26 June 2021 to the 10 October 2021, whilst the comparative year had minimal interruption in trade from the pandemic.

Bowls Operating Statement

Income from bowls operations decreased by \$36,297 (35.7%) to \$65,322 from \$101,618 in 2021. Expenses totalled \$201,218 (\$222,499 in 2021) a decrease of \$21,291 (9.6%). The net loss from bowls operations was \$135,897 for the year compared to \$120,881 in 2021.

Again, the Bowls operations was impacted by the COVID shutdown and poor weather over the first 6 months of 2022 which has reduced bowling activity. This is particularly the case with a large reduction in barefoot bowls green fees of \$14,713 (27.7%), with only a small reduction in the costs associated with the green's maintenance.

Membership

As at 30 June 2022 there were 3,119 (2021: 3,186) members of the Company as set out below:

	2022	2021
Lady Bowlers	46	52
Men Bowlers	141	166
Life Members	5	5
Social Members	2,925	2,960
Multi Members	-	1
Junior Members	2	2
Total	<u>3,119</u>	<u>3,186</u>

Terrigal Bowling Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$11, subject to the provision of the company constitution.

As at 30 June 2022 the collective liability of members was \$34,309 (2021: \$35,046).

Terrigal Bowling Club Limited
ABN 97 000 951 913

Directors' Report

Meetings of Directors

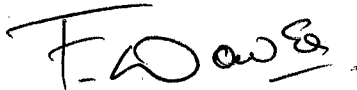
During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Freddy Dowse	8	8
Michael Foley	4	4
Alex Cameron	8	8
Graham Connon	4	4
Lynette Wagner	12	2
Alan Bailey	8	8
Lyndall Hegarty	8	8
Anita Burge	4	4
Oleh Podryhula	3	3
John Hickman	5	6
Frank Anderson	1	1

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 8 of the financial report.

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



F Dowse
Chairman/Director

Terrigal NSW

Dated: *30 August* 2022

**Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001
to the Directors of Terrigal Bowling Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

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

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 30 August 2022

Terrigal Bowling Club Limited
ABN 97 000 951 913

Statement of Profit or Loss & Other Comprehensive Income
For The Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	2	1,659,451	2,669,785
Cost of sales		(306,050)	(467,724)
Employee benefits expense		(802,505)	(911,219)
Depreciation and amortisation	3	(344,823)	(418,465)
Finance expenses	3	(2,533)	(3,522)
Bar expenses		(20,595)	(26,576)
Poker machine expenses		(14,675)	(50,926)
Keno & TAB expenses		(13,436)	(17,090)
Bowls expenses		(96,349)	(120,747)
Administration expenses		(292,288)	(292,533)
House expenses		(123,759)	(129,667)
(Loss) / Profit before income tax		(357,562)	231,316
Income tax expense		-	-
(Loss) / Profit for the year		(357,562)	231,316
Total comprehensive income for the year		(357,562)	231,316

The accompanying notes form part of these financial statements.

Terrigal Bowling Club Limited
ABN 97 000 951 913

Statement of Financial Position
as at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current Assets			
Cash and cash equivalents	4	1,791,162	2,025,816
Trade and other receivables	5	27,181	32,036
Prepayments		32,871	24,368
Inventories	6	38,558	33,304
Total Current Assets		1,889,772	2,115,524
Non-Current Assets			
Property, plant & equipment	7	1,093,181	1,288,183
Intangibles	8	65,000	65,000
Total Non-Current Assets		1,158,181	1,353,183
Total Assets		3,047,953	3,468,707
Liabilities			
Current Liabilities			
Trade and other payables	9	106,447	153,689
Employee benefits	11	58,418	54,311
Other liabilities	10	13,965	14,415
Lease liabilities	7	23,249	23,211
Total Current Liabilities		202,079	245,626
Non-current Liabilities			
Employee benefits	11	12,760	6,865
Lease liabilities	7	19,492	44,992
Total Non-current Liabilities		32,252	51,857
Total Liabilities		234,331	297,483
Net Assets		2,813,662	3,171,244
Equity			
Retained earnings		2,813,662	3,171,244
Total Equity		2,813,662	3,171,244

The accompanying notes form part of these financial statements

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	2,939,908	2,939,908
Profit for the year	231,316	231,316
	<hr/>	<hr/>
Balance at 30 June 2021	3,171,224	3,171,224
(Loss) for the year	(357,562)	(357,562)
	<hr/>	<hr/>
Balance at 30 June 2022	2,813,662	2,813,662
	<hr/>	<hr/>

The accompanying notes form part of these financial statements

Terrigal Bowling Club Limited
ABN 97 000 951 913

Statement of Cash Flows
For The Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Cash Flows from Operating Activities			
Receipts from customers		1,657,269	2,720,834
Payments to suppliers and employees		(1,745,242)	(2,022,889)
Interest received		3,595	4,017
Net cash provided by/(used in) operating activities	14	(84,378)	701,962
Cash Flow from Investing Activities			
Proceeds from sale of property, plant & equipment		16,446	5,500
Purchase of property, plant & equipment		(156,042)	(134,500)
Purchase of Work in Process		(10,680)	
Net cash (used in) investing activities		(150,276)	(129,000)
Net increase/(decrease) in cash and cash equivalents held		(234,654)	572,962
Cash and cash equivalents at beginning of year		2,025,816	1,452,854
Cash and cash equivalents at end of financial year	4	1,791,162	2,025,816

The accompanying notes form part of these financial statements

Terrigal Bowling Club Limited

ABN 97 000 951 913

Notes to the Financial Statements

For The Year Ended 30 June 2022

The financial report covers Terrigal Bowling Club Ltd as an individual entity. Terrigal Bowling Club Limited is a non-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Note 1. Summary Of Significant Accounting Policies

Basis of Preparation

Terrigal Bowling Club Limited applies Australian Accounting Standards – Simplified Disclosures as set out in *AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

(i) Compliance with Australia Accounting Standards – Simplified Disclosures

The financial statements of the Company comply with Australian Accounting Standards– Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial year. The revised presentation does not result in a change in net profit of the Company.

(ii) New and Amended Accounting Standards and Interpretations

The company has adopted all new or amended Accounting Standards and Interpretations issued by the Australia Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financials statements, except for the cash flow information 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 30 August 2022 by the directors of the company.

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 1. Summary Of Significant Accounting Policies (cont'd)

Critical accounting judgements, estimates and assumptions

Accounting Policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the actual related results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year as discussed below.

Estimation of useful lives of assets

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than twelve months from the reporting days are recognised and measured at present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition, rates and pay increases through promotion and inflation have been taken into account.

Income Tax

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

Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 1. Summary Of Significant Accounting Policies (cont'd)

(a) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less any accumulated depreciation or amortisation or impairment. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials, labour and borrowing costs. Subsequent costs are included in the assets 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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight line basis over the useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease, or the estimated useful life of the improvements

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

<i>Fixed Asset Class</i>	<i>Depreciation Rate</i>
Plant and equipment	5-20%
Leasehold improvements	4.76%
Poker machines	14-20%

The assets residual values and useful lives are reviewed and adjusted if applicable at each balance sheet date. An asset carrying amount is written down immediately to its recoverable amount if the asset 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 or losses are included in the statement of comprehensive income.

Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, to the assets carrying amount. An excess of the assets carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 1. Summary Of Significant Accounting Policies (cont'd)

Impairment of Assets (cont'd)

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss on a revaluated asset is identified this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within the 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of the expected future payments to be made in respect of services provided by employee up to the reporting date using the projected unit credit method. 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 reporting date on national government bodies with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members and guests.

Revenue from rendering a service is recognised upon the delivery of the service to members and guests.

Where the entity receives memberships, sponsorships or grants, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB15. Where both these condition are satisfied the Company;

- Identifies each performance obligation relating to the membership, sponsorship or grant;
- Recognises a contract liability for its obligations under the contract or grant;
- Recognises revenue as it satisfies its performance obligations.

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 1. Summary Of Significant Accounting Policies (cont'd)

Revenue (cont'd)

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Company;

- Recognise the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB9, AASB16 and AASB138);
- Recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liabilities);
- Recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash held in bank accounts, other deposits held at call with banks and other short term highly liquid investments with original maturities of six months or less.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at cost which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 1. Summary Of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial Assets

Financial assets that are within the scope of the accounting standards are required to be subsequently measured at amortised or fair value on the basis of the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The company holds investment classified as financial asset at fair value through other comprehensive income. In adopting *AASB 9 Financial Instruments*, the company has made an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. No further impairment of the financial assets at fair value through other comprehensive income will be recognised.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans and borrowings are classified as non-current.

Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Leases

At the inception of a contract the Company assesses if the contract contains a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term (lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expenses on a straight-line basis of the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- Fixed lease payments less and lease incentives;
- Variable lease payments that depend on an index rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under the residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options if the lessee is reasonable certain to exercise the option; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 1. Summary Of Significant Accounting Policies (cont'd)

Leases (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfer's ownership of the underlying asset or the cost of the right-of-use assets reflects that the Company anticipate to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying assets.

The Company does not act as a lessor in relation to the assets.

Members' subscriptions received in advance

Amounts received from members in respect of subscriptions for 2022/2023 are shown in Note 10 to the Financial Statements as Other Liabilities – Members Subscriptions Received in Advance.

Customer Loyalty Programs

The company operated a loyalty program where customers accumulate points for dollars spent. The award points are recognised separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. The amount of the revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with the changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

New and amended Accounting Standards and Interpretations Adopted

The company has adopted all new or amended Accounting Standards and Interpretations issued by the Australia Accounting Standards Board ('AASB') that are mandatory including *AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. While the company has adopted AASB1060 which did not have a material impact on the Company for the year, the Directors note there were no other Accounting Standards and or Interpretations which will have or have had a material impact on the Company for the year.

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

	2022	2021
	\$	\$
Note 2. Revenue and Other Income		
Revenue from continuing operations		
Sales Revenue		
- sale of goods	701,543	1,178,954
- green fees etc.	65,292	101,496
- poker machines net clearances	698,029	1,099,793
	1,464,864	2,380,243
Total Revenue		
Other Income		
- Interest received	3,595	4,017
- Member subscriptions	36,001	37,038
- Commissions	36,118	51,689
- Grants received	112,204	157,596
- Sundry income	5,462	37,412
- Courtesy bus income	1,207	1,790
	194,587	289,542
Total Revenue and Other Income	1,659,451	2,669,785
Note 3. Expenses:		
Depreciation and Amortisation		
Depreciation – property, plant and equipment	321,904	395,546
Amortisation of right to use asset	22,919	22,918
Total Depreciation and Amortisation	344,823	418,464
Loss on disposal of property, plant & equipment	455	13,787
Lease liability	2,533	3,522

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

	2022	2021
	\$	\$
Note 4. Cash and Cash Equivalents		
Cash at bank and in hand	579,410	817,171
Deposits at call	1,211,752	1,208,645
	<u>1,791,162</u>	<u>2,025,816</u>

Note 5. Trade & Other Receivables

Current:		
Trade receivables	27,181	32,036
Provision for bad debts	-	-
Total current trade and other receivables	<u>27,181</u>	<u>32,036</u>

Provision for Impairment of Receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items. There are no balances within trade receivables that contain assets that are impaired and are past due. It is expected that these balances will be received when due.

Note 6. Inventories

Current:		
At Cost:		
Inventories - bar	34,840	29,140
Inventories – bowling	3,718	4,164
	<u>38,558</u>	<u>33,304</u>

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

	2022	2021
	\$	\$
Note 7. Property, Plant & Equipment		
Leasehold land improvements		
Under lease	2,434,421	2,428,021
Accumulated depreciation	(1,974,806)	(1,870,631)
Total leasehold land improvements	459,615	557,390
Plant and equipment at cost	1,683,583	1,667,476
Accumulated depreciation	(1,427,445)	(1,338,648)
Total plant and equipment	256,138	328,828
Poker machines at cost	1,178,279	1,065,437
Accumulated depreciation	(853,612)	(731,470)
Total poker machines	324,667	336,967
Work in Progress	10,681	-
Total plant and equipment	591,486	665,795
Total property, plant and equipment	1,051,101	1,223,185
Right-to-use assets	114,655	114,655
Accumulated amortisation	(72,575)	(49,657)
Total plant and equipment	42,080	64,998
Total property, plant and equipment	1,093,181	1,288,183

As per Section S41 j(3) of the Registered Clubs Act the Board of Directors of Terrigal Bowling Club Limited declare that as of 30 June 2022 the Club occupied the following property assets classified as below which is leased from Central Coast Council.

Current use	Classification
Club - Land and Buildings (including Greens)	Core
Car Park	Core

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 7. Property, Plant & Equipment (cont'd)

(a) Movements in Carrying Accounts

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

2022	Leasehold Land Improvements	Plant & Equipment	Poker Machines	Total
	\$	\$	\$	\$
Balance at the beginning of the year	557,390	328,828	336,967	1,223,185
Additions	6,400	39,800	109,842	156,042
Disposals – written down value	-	(16,903)	-	(16,903)
Depreciation expense	(104,175)	(95,587)	(122,142)	(321,904)
Balance at the end of the year	459,615	256,138	324,667	1,040,420

Right to Use Assets

	2022	2021
	\$	\$
Right to use assets – Council Lease	114,655	114,655
Accumulated amortisations	(72,575)	(49,657)
	<u>42,080</u>	<u>64,998</u>
Movements in accumulated amortisation		
Opening accumulated amortisation	(49,656)	(26,739)
Amortisation of to right-of-use-assets	(22,919)	(22,918)
Other adjustments to accumulated amortisation	-	-
	<u>(72,525)</u>	<u>(49,656)</u>

The right-of-use asset is amortised on a straight-line basis of the term of the leased asset based of the measured lease liabilities.

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 7. Property, Plant & Equipment (cont'd)

Right to Use Assets

The right-of-use assets are recognised based on the lease liabilities, which are measured at the present value of the lease payments over the entire expected term of the lease including options exercised, using a discount rate equal to the Club's incremental borrowing rate as at the 30 June 2022.

	2022	2021
	\$	\$
Opening lease liability		
Opening of lease liability – Council Lease	(68,203)	(90,181)
Payment of principal (rent payments)	25,500	25,500
Expensing of interest in lease liability	(2,533)	(3,522)
Total lease liability	(42,741)	(68,203)
Lease liabilities - Current		
Lease – Central Coast Council	(23,249)	(23,211)
Lease liabilities – Non Current		
Lease – Central Coast Council	(19,492)	(44,992)
Total lease liability	(42,741)	(68,203)

The lease liability relates to a lease the Club holds with Central Coast Council for the present site of the Club and its car park. The lease is for a period of 5 years and is due to expire in April 2024 with no formal option for extension.

The Directors are actively engaging with Council to commence re-negotiation with Council for a new lease on terms which a consistent with the Club present lease arrangements.

Note 8. Intangibles

Poker Machine entitlements	65,000	65,000
	65,000	65,000

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

	2022	2021
	\$	\$
Note 9. Trade and other Payables		
Current:		
Trade payables	29,051	68,926
Payroll liabilities	15,242	13,744
Accrued expenses	62,154	69,568
Deferred income – water and shades grants	-	1,451
	106,447	153,689
Non-Current:		
Unsecured liabilities		
Deferred Income – water and shades	-	-
	-	-
	-	-
Note 10. Other Liabilities		
Current:		
Amounts received in advance	13,965	14,415
	13,965	14,415
Note 11. Employee Benefits		
Current liabilities		
Long service leave	20,136	18,519
Provision for annual leave	38,282	35,792
	58,418	54,311
Non-Current liabilities		
Long service leave	12,760	6,865
	12,760	6,865

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 12. Contingencies

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

2022	2021
\$	\$

Note 13. Related Parties

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

(i) Directors of the Club

The Directors of Terrigal Bowling Club Limited during the year were:

Freddy Doswe	Michael Foley
Alex Cameron	Graham Cannon
Lynette Wagner	Alan Bailey
Lyndall Hegarty	Anita Burge
Oleh Podryhula	John Hickman
Frank Anderson	

Aggregate income received, or due and receivable, by the directors of Terrigal Bowling Club Limited from the company

Nil	Nil
-----	-----

The directors purchased goods from the company on the same terms and conditions available to the company's employees, members and guests.

(ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

Compensation

The aggregate compensation made to responsible persons and other members of key management personnel is set out below;

2022	2021
\$	\$
250,750	252,200

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

	2022	2021
	\$	\$
Note 14. Cash Flow Information		
(a) Reconciliation of result for the year to cash flows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
(Loss) / profit for the year	(357,562)	231,316
Cash flows excluded from profit attributable to operating Activities		
Non-cash flows in profit:		
Depreciation	344,823	395,546
Net loss on disposal of property, plant and equipment	455	13,582
Changes in assets and liabilities, net of the effects of Purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	(3,649)	34,684
(Increase)/decrease in inventories	(5,253)	7,952
Increase/(decrease) in income in advance	(1,991)	6,832
Increase/(decrease) in trade and other payables	(71,204)	11,554
Increase/(decrease) in employee benefits	10,003	496
Cash flow from operations	(84,378)	701,962

Note 15. Events Occurring After the Reporting Date

Coronavirus disease (COVID-19)

The emergence of Coronavirus disease (COVID-19) during the first months of 2020 has had a significant impact on financial markets and assets globally, the broader economic and social disruption now evident and is anticipated to continue in the near-term. The Club in response to the health emergency has implemented additional practices and safeguards for the customer and staff members to help reduce the likelihood of transmission of the virus which has resulted in the continued suspension of many of the activities and events the Club previously participated in.

On 26 June 2021, the government announced another forced closure of the registered and licensed clubs, licensed premises in hotels and pubs in the Greater Sydney Region until the re-opening announcement from the 11 October 2021. While the impact of COVID-19 is yet to be fully determined, we have assessed the impact on the financial position and considered potential impacts to be as follows;

Terrigal Bowling Club Limited
ABN 97 000 951 913

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

Note 15. Events Occurring After the Reporting Date (cont'd)

- Restricted trading activity are expected to be in place once public health orders permit re-opening of the Club for at least 6 to 12 months from the date of re-opening;
- Financial assistance continues to be received in the form of payroll tax reductions and deferral of some state and federal taxes; and
- The business continues to pay its debts as and when they fall due and payable.

Given the nature of the services provided, management will continue to monitor the economic impact of this situation on the assets held and business as a whole.

Other than the item noted above, in the interval between the end of the financial year and the date of this report, no transactions or event of material and unusual nature has arisen to significantly affect the operation of the Club, the results of those operations, or the state of affairs of the Club in the future financial years.

Note 16. Company Details

The registered office of the company is:

Terrigal Bowling Club Ltd
4 Wilson Road
Terrigal NSW 2260

Terrigal Bowling Club Limited
ABN 97 000 951 913

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 28 are in accordance with the *Corporations Act 2001* and :
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2022 and of the performance for the year ended on that date of the Company
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



F Dowse
Chairman / Director

Terrigal NSW

Dated: 30 August 2022

Independent Audit Report to the Members Of Terrigal Bowling Club Limited

Report on the Financial Report

Opinion

We have audited the financial report of Terrigal Bowling Club Limited (the company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

Basis of 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, 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, 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 report.

Independent Audit Report To The Members Of Terrigal Bowling Club Limited

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine as necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

**Independent Audit Report To The Members
Of Terrigal Bowling Club Limited**

Auditor's Responsibilities for the Audit of the Financial Report (continued...)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 30 August 2022