

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Financial Statements

For the Year Ended 30 June 2021

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Financial Statements

For the Year Ended 30 June 2021

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Woonona Bowling & Recreation Club Limited

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Directors' Report

30 June 2021

Your Directors present their report on Woonona Bowling & Recreation Club Limited for the financial year ended 30 June 2021.

Information on directors

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

Name	Position	Qualifications, experience and special responsibilities	Appointed/resigned
T Johnson	Director	Company Director	
M Appleton	Director	Retired	
T Faricy	Director	Training Manager	
A Mangles	Director	Sales Representative	
H Pittman	Director	Retired	
K Rootsey	Director	Retired	Resigned 28 April 2021

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

Review of operations

The result of the Company amounted to a surplus of \$90,093 (2020: loss of \$139,981).

Principal activities

The principal activities of Woonona Bowling & Recreation Club Limited during the financial year were to maintain and conduct a Bowling Club for the accommodation of the members of the Club, to promote the game of Bowls and to encourage social activities between the members of the Club.

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

Short term objectives

The Company's short term objectives are to provide a venue where members and visitors can enjoy the game of bowls in a relaxed and friendly environment.

Long term objectives

The Company's long term objectives are not only to promote and encourage further development in the game of bowls, but as well remain a viable and profitable establishment for years to come so the venue can provide members with new services and amenities.

Woonona Bowling & Recreation Club Limited

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Directors' Report

30 June 2021

Strategy for achieving the objectives

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

- implement cost cutting measures to areas that are deemed non-value added; and
- member drives to increase the Company's membership base.

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 totals levels of debt.

Members guarantee

The Woonona Bowling & Recreation Club Limited is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2 for members, subject to the provisions of the Company's constitution.

At 30 June 2021 the collective liability of members was \$ 3,088 (2020: \$ 2,368).

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
T Johnson	11	11
M Appleton	11	11
T Faricy	11	9
A Mangles	11	11
H Pittman	11	11
K Rootsey	8	6

Woonona Bowling & Recreation Club Limited

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Directors' Report

30 June 2021

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received and can be found on page 4 of the financial report.

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



T Johnson
Director

Dated: 29 November 2021

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Woonona Bowling & Recreation Club Ltd

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

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


Daley Audit


Stephen Milgate
Partner

Wollongong

Dated: 29 November 2021

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Wollongong

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



Woonona Bowling & Recreation Club Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	4	1,377,119	1,038,961
Other income	4	137,406	156,001
Gain on revaluation of investment property	9	-	80,000
		<u>1,514,525</u>	<u>1,274,962</u>
Employee benefits expense		(435,716)	(448,363)
Cost of sales		(410,702)	(355,334)
Clubhouse operation expense		(307,534)	(267,260)
Depreciation expense	8	(96,463)	(150,889)
Member expenses		(75,755)	(91,394)
Net loss on sale of fixed assets		(12,340)	-
Finance expenses		(14,124)	(13,157)
Lease expenses	10	(13,484)	-
Sponsorship and donations		(4,023)	(16,024)
Other operating expenses		(54,291)	(72,522)
		<u>(1,424,432)</u>	<u>(1,414,943)</u>
Result for the year		<u><u>90,093</u></u>	<u><u>(139,981)</u></u>

The accompanying notes form part of these financial statements.

Woonona Bowling & Recreation Club Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Result for the year		<u>90,093</u>	<u>(139,981)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment		-	<u>1,540,000</u>
Other comprehensive income for the year		-	<u>1,540,000</u>
Total comprehensive income for the year		<u>90,093</u>	<u>1,400,019</u>

The accompanying notes form part of these financial statements.

Woonona Bowling & Recreation Club Limited

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Balance Sheet

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	233,252	54,989
Trade and other receivables	7	5,000	28,786
Prepayments		40,400	3,178
Inventories		34,596	21,750
TOTAL CURRENT ASSETS		313,248	108,703
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,307,726	4,442,020
Investment properties	9	800,000	800,000
Right-of-use assets	10	14,540	-
TOTAL NON-CURRENT ASSETS		5,122,266	5,242,020
TOTAL ASSETS		5,435,514	5,350,723
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	110,546	125,353
Borrowings	12	66,334	25,643
Lease liabilities		12,707	-
Employee benefits	13	57,382	73,804
TOTAL CURRENT LIABILITIES		246,969	224,800
NON-CURRENT LIABILITIES			
Borrowings	12	151,708	179,652
Lease liabilities		2,177	-
Employee benefits	13	1,559	3,263
TOTAL NON-CURRENT LIABILITIES		155,444	182,915
TOTAL LIABILITIES		402,413	407,715
NET ASSETS		5,033,101	4,943,008
EQUITY			
Reserves	17	3,453,581	3,453,581
Retained earnings		1,579,520	1,489,427
TOTAL EQUITY		5,033,101	4,943,008

The accompanying notes form part of these financial statements.

Woonona Bowling & Recreation Club Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2021

	Retained Earnings \$	Asset Revaluation Surplus \$	Total \$
Balance at 1 July 2020	1,489,427	3,453,581	4,943,008
Result for the year	90,093	-	90,093
Balance at 30 June 2021	<u>1,579,520</u>	<u>3,453,581</u>	<u>5,033,101</u>
Balance at 1 July 2019	1,629,408	1,913,581	3,542,989
Result for the year	(139,981)	-	(139,981)
Revaluation increment	-	1,540,000	1,540,000
Balance at 30 June 2020	<u>1,489,427</u>	<u>3,453,581</u>	<u>4,943,008</u>

The accompanying notes form part of these financial statements.

Woonona Bowling & Recreation Club Limited

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Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,738,173	1,295,577
Payments to suppliers and employees		(1,578,365)	(1,407,322)
Interest received		15	76
Net cash provided/(used) by operating activities		<u>159,823</u>	<u>(111,669)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(18,552)	(18,344)
Proceeds from sale of non-current assets		36,364	-
Net cash provided/(used) by investing activities		<u>17,812</u>	<u>(18,344)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from/(repayment of) borrowings		12,747	39,647
Repayment of lease liability		(12,119)	-
Net cash (used)/provided by used by financing activities		<u>628</u>	<u>39,647</u>
Net increase/(decrease) in cash and cash equivalents held		178,263	(90,366)
Cash and cash equivalents at beginning of year		54,989	145,355
Cash and cash equivalents at end of financial year	6	<u>233,252</u>	<u>54,989</u>

The accompanying notes form part of these financial statements.

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

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

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

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

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

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

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

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

Bar sales and poker machine income

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

Commissions

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

Membership subscriptions

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

Government COVID-19 stimulus income

Income is recognised in the period it is earned. This is generally consistent with when payment is received for the cash flow boost and small business grant. For JobKeeper payments this is based on when amounts are receivable.

Donations

Donations and bequests are recognised as revenue when received.

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Rental income

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

(b) 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.

(c) Income tax

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

(d) Borrowing costs

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

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

(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.

(g) 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).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - ("FVTPL")

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

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 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 income are recognised in profit or loss.

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

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

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

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

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

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

Trade receivables

Impairment of trade receivables has 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.

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) 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, lease liabilities, bank and other loans.

(h) 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 for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(h) Impairment of non-financial assets

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

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

(i) Investment property

Investment property is held to generate long term rental yields and capital growth.

Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

(j) Property, plant and equipment

Each other class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment 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 costs of dismantling and restoring the asset, where applicable.

Under the revaluation model, assets are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land

Land is measured using the revaluation model.

A valuation was performed on the Company's land at 30 June 2020 by an independent valuer. At the end of each reporting period, the Directors update their assessment of the fair value of each instrument, taking into account the most recent valuation.

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(j) Property, plant and equipment

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2.5 - 5%
Plant & equipment	9 - 50%
Poker machines	13 - 40%

(k) 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.

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(l) 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 in the prior year that the entity has recorded substantial losses in the two financial years prior to the current year being \$139,981 (including a revaluation gain of \$80,000) for the year ended 30 June 2020, and \$286,600 for the year ended 30 June 2019. Whilst, it is noted that entity made a surplus of \$90,093 for the year ended 30 June 2021, this was partially funded by COVID stimulus packages totalling \$107,905 (2020: \$118,093), which may not re-occur in future periods.

Subsequent to year end the entity has not been able to trade during the period 26 June 2021 through to 11 October 2021 due to restrictions imposed by the Public Health Orders, with a minimal level of government funding provided when compared to that received in 2020 and 2021.

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 not improve,
- Further periods of non-trade as a result of Public Health Orders,
- The cost-saving measures not eventuate to the extent estimated; or
- The Company's bankers withdraw their financial support.

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.

(m) Adoption of new and revised accounting standards

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

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below:

Key judgments - investment property

The Directors have assessed the non-core land and buildings owned by the Company to be an investment property as it is being held to generate long term rental yields and capital growth.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers.

Key estimates - useful lives of depreciable assets

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

Key estimates - employee entitlements

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

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Revenue and Other Income

	2021	2020
	\$	\$
<i>Revenue from contracts with customers</i>		
- Bar sales	793,883	614,269
- Poker machine revenue	337,928	223,100
- Bowls income	56,618	47,223
- Raffle income	62,517	60,256
- Green fees	58,041	30,450
- Member subscriptions	37,193	27,879
- Poker machine GST rebate	17,180	17,180
- Commissions income	966	8,333
- Keno commissions	5,828	7,632
- TAB commission (net)	6,965	2,639
	1,377,119	1,038,961
<i>Other revenue</i>		
- Government COVID-19 stimulus income	107,905	118,093
- Rental income	19,714	26,020
- Interest received	15	76
- Sundry income	9,772	11,812
	137,406	156,001

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	1,339,926	1,036,932
- Over time	37,193	27,879
Revenue from contracts with customers	1,377,119	1,064,811

Woonona Bowling & Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Result for the Year

	2021	2020
	\$	\$
The result for the year includes the following expenses:		
Superannuation contributions	36,895	40,267

6 Cash and Cash Equivalents

Cash on hand	26,393	10,409
Cash at bank	206,859	44,580
	<u>233,252</u>	<u>54,989</u>

7 Trade and Other Receivables

Other receivables	<u>5,000</u>	<u>28,786</u>
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The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Property, plant and equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
Land - Clubhouse		
At fair value	3,600,000	3,600,000
Buildings		
At cost	1,288,040	1,288,040
Accumulated depreciation	(760,430)	(714,906)
	527,610	573,134
Total land and buildings	4,127,610	4,173,134
Plant and equipment		
At cost	760,756	764,010
Accumulated depreciation	(581,432)	(565,504)
	179,324	198,506
Poker machines		
At cost	390,662	551,266
Accumulated depreciation	(389,870)	(480,886)
	792	70,380
Total property, plant and equipment	4,307,726	4,442,020

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Land and buildings \$	Plant and equipment \$	Poker machines \$	Total \$
Year ended 30 June 2021				
Balance at the beginning of year	4,173,134	198,506	70,380	4,442,020
Additions	-	18,552	-	18,552
Disposals	-	(7,511)	(48,872)	(56,383)
Depreciation expense	(45,524)	(30,223)	(20,716)	(96,463)
Balance at the end of the year	4,127,610	179,324	792	4,307,726

(b) Core and Non-Core Property

As required under section 41J of the *Registered Clubs Act 1976*, the Company is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Directors considers as core property the licensed premises from which the Club operates at Greta Street, Woonona, including all freehold land referred to in the title deed of the main licenses premises site.

The investment property at note 9 is not considered to be a core property of the Company given that it is not the defined premises of the Company, nor any facility provided by the Company for the use of its members and their guests, nor any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the Company, to be core property of the Company.

(c) Revaluation of land

A valuation of land was performed by an independent valuer for financial reporting purposes as at 30 June 2020.

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Investment Property

	2021	2020
	\$	\$
Balance at beginning of year	800,000	720,000
Fair value adjustments	-	80,000
Balance at end of year	800,000	800,000

The Company's investment property is carried at fair value.

10 Leases

Company as a lessee

The Company has leases over gaming equipment.

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

Terms and conditions of leases

The Company has a lease over gaming equipment for 36 months, with no option to extend.

Right-of-use assets

	Plant and Equipment \$
Year ended 30 June 2021	
Balance at beginning of year	-
Additions to right-of-use assets	27,003
Depreciation charge	(12,463)
Balance at end of year	14,540

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Leases

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense	1,021	-
Depreciation expense	12,463	-
	<u>13,484</u>	<u>-</u>

Statement of Cash Flows

Total cash outflow for leases	<u>13,140</u>	<u>-</u>
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11 Trade and Other Payables

Trade payables	26,754	58,654
Other payables	62,492	63,799
Contract liabilities - subscriptions in advance	21,300	2,900
	<u>110,546</u>	<u>125,353</u>

12 Borrowings

CURRENT		
Bank loans	25,934	25,277
Other unsecured loans	40,400	-
Bank overdraft	-	366
	<u>66,334</u>	<u>25,643</u>
NON-CURRENT		
Bank loans	<u>151,708</u>	<u>179,652</u>

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Notes to the Financial Statements

For the Year Ended 30 June 2021

12 Borrowings

Securities pledged

These borrowings are secured by:

- a registered mortgage over the investment property at note 9; and
- a general security agreement over all present and after acquired property.

13 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Annual leave	35,785	52,830
Long service leave	21,596	20,974
	<u>57,381</u>	<u>73,804</u>
NON-CURRENT		
Long service leave	<u>1,559</u>	<u>3,263</u>

14 Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Company is \$36,949 (2020: \$ 46,251).

15 Contingent Liabilities and Contingent Assets

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

16 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.

There have been no transactions with any related parties.

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Notes to the Financial Statements

For the Year Ended 30 June 2021

17 Reserves

Asset revaluation reserve

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value.

18 Events after the end of the Reporting Period

The financial report was authorised for issue on 29 November 2021 by the Board of Directors.

Subsequent to year end the Company extended its current borrowing facility by a further \$150,000, which will be used for capital refurbishment and extensions of the existing premises.

On 26 June as a result of the New South Wales Public Orders, the Company was required to cease on premises activities and reopened 11 October 2021.

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Company is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Company.

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

Woonona Bowling & Recreation Club Limited

ABN: 80 001 072 073

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 28, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirement; and
 - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



T Johnson
Director

Dated: 29 November 2021

Independent Audit Report to the members of Woonona Bowling & Recreation Club Limited

Report on the Audit of the Financial Report

Opinion

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

In our opinion, the accompanying financial report of the 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 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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.

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





Independent Audit Report to the members of Woonona Bowling & Recreation Club Limited

Material Uncertainty Related to Going Concern

We draw attention to Note 2(l) in the financial report, which indicates that while the Company has made a surplus during the year ended 30 June 2021, this was partially funded by government stimulus packages, and further to this the Company has not been able to trade for the period 26 June 2021 to 11 October 2021. As stated in Note 2(l), these events or conditions, along with other matters set forth in Note 2(l), 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 Thereon

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the 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.



Independent Audit Report to the members of Woonona 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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 Migate
Partner

Wollongong

Dated: 29 November 2021

Liability limited by a scheme approved under Professional Standards Legislation.