



**Bar Beach Bowling  
and Sporting Club Limited**

ACN 001 029 232

**Annual Financial Report  
for the year ended 31 March 2023**

# Bar Beach Bowling and Sporting Club Limited ACN 001 029 232

## Annual financial report for the year ended 31 March 2023

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These financial statements are the financial statements of Bar Beach Bowling and Sporting Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 29 May 2023. The Directors have the power to amend and reissue the financial statements.

## Director's report

Your Directors present their report on Bar Beach Bowling and Sporting Club Limited (the Club) for the year ended 31 March 2023.

### Directors details

The following persons were Directors of Bar Beach Bowling and Sporting Club Limited during the financial year, and up to the date of this report:

#### Mr Mark Hornby-Howell

Chairman

Director since 2020

43 years as a School Teacher, 31 of them as School Principal.

#### Mrs Tina Biasiol

Vice Chairperson

Director since 2020

Presently Managing Director, Director and Secretary of multiple Companies as well as an active registered business owner. Previously also a Committee member of a number of sporting organisations and Vice President of Kooragang Open Cycling Club.

#### Mrs Katey Hughes

Director

Director since 2022

2022-23 Secretary Bar Beach Women's Bowling Club  
2022-23 Publicity Officer of Bar Beach Men's Bowling Club  
Assistant Principal Special Education 2017-current.  
Assistant Principal Stage 3/Assistant Principal Learning and Support 2012-17.

Teacher of Special Education 2013-current.

Previously a Director of Alder Park Bowling Club and involved in community organisations Souths Leagues Netball Club and Merewether Bowling Club.

#### Mr Edward Simpson

Treasurer

Director since 2021

Retired. Formerly a newsagent owner for 17 years, and brick truck owner for 3 years. Served 14 years on Souths Newcastle Juniors committee (life member).

#### Mr Anthony Whitaker

Secretary

Director since 2021

Business Owner. 22 years banking experience reaching management level and during this time was responsible in 1974 for the introduction of Bankcard to Newcastle on behalf of the Bank of NSW ( now Westpac) being the first credit card to be implemented into the Australian banking system. 30 years experience as a Newsagent.

#### Mr Stephen Wright

Director

Director since 2021

Semi-retired Operations Resort Manager. Principal Owner of a travel and tourism Company for 20 years. Member of the Australian Institute of Management since 1993. General Hotel Manager for 10 years.

### Company secretary

Mr Anthony Whitaker is the Company Secretary of Bar Beach Bowling and Sporting Club Limited and was appointed to this position on 8 August 2022.

### Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

| Board members         | Board meetings               |    |   |
|-----------------------|------------------------------|----|---|
|                       | A                            | B  |   |
| Mr Mark Hornby-Howell | 11                           | 10 |   |
| Mr Edward Simpson     | 11                           | 11 |   |
| Mrs Tina Biasiol      | 11                           | 11 |   |
| Mr Anthony Whitaker   | 11                           | 9  |   |
| Mr Stephen Wright     | 11                           | 10 |   |
| Mrs Katey Hughes      | Elected at AGM 20 June 2022  | 8  | 7 |
| Mr Ross Johnson       | Resigned 13 March 2023       | 11 | 9 |
| Mr Scott Holmes       | Resigned at AGM 20 June 2022 | 3  | 0 |

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

### **Principal activities**

During the year, the principal activities of the Club was the running of the Club in accordance with its objectives for the benefit of its members and promoting bowling activities.

There have been no significant changes in the nature of these activities during the year.

### **Core and Non-Core Property**

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 31 March 2023, the following land and buildings are considered to be core property:

Core Property                                              Leasehold property located at 29 Kilgour Ave Merewether, NSW 2291

### **Short-term and long-term objectives**

The Club's short-term objectives are to:

- Improve the facilities of the Club and encourage members and visitors to engage in the Club;
- Continue to operate profitably;
- Facilitate and promote bowling activities.

### **Strategy for achieving short and long-term objectives**

- Maintain or increase existing revenue levels and control costs to return to profit which will allow the Club's premises to be continually improved.
- Improve the clubs facilities by engaging in capital improvements.

### **Performance measurement**

The Club measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as bar, bistro and gaming. The Club also uses EBITDA to measure the financial performance of the Club overall.

### **Contribution in winding up**

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Club. At the total amount that members of the Club are liable to contribute if the Club wound up is \$2,807.

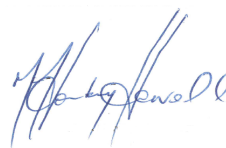
### **Rounding of amounts**

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this Directors' report.

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



Mark Hornby-Howell - President



Edward Simpson - Treasurer

**Dated: 29 May 2023**  
**Bar Beach, NSW**

## Auditor's independence declaration

To the Directors of Bar Beach Bowling and Sporting Club Limited

In accordance with the requirements of the Corporations Act 2001, as lead auditor for the audit of Bar Beach Bowling and Sporting Club Limited for the year ended 31 March 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the section 307C of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Shaun Mahony - Partner



Pitcher Partners NH Partnership  
Chartered Accountants

**Dated: 29 May 2023**  
**Newcastle West, NSW**

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**Statement of profit or loss and other comprehensive income**

For the year ended 31 March 2023

|                                                         |       | <b>2023</b>        | <b>2022</b> |
|---------------------------------------------------------|-------|--------------------|-------------|
|                                                         | Notes | \$                 | \$          |
| <b>Revenue from continuing operations</b>               | 2     | <b>2,637,168</b>   | 1,428,831   |
| Other Income                                            | 3     | 17,879             | 76,196      |
| Bar cost of goods sold                                  |       | <b>(592,924)</b>   | (439,958)   |
| Bar direct expenses                                     |       | <b>(376,567)</b>   | (387,412)   |
| Bistro cost of goods sold                               |       | <b>(235,812)</b>   | (6,614)     |
| Bistro direct expenses                                  |       | <b>(381,403)</b>   | (14,713)    |
| Gaming direct expenses                                  |       | <b>(40,835)</b>    | (32,781)    |
| Members amenities expenses                              |       | <b>(118,660)</b>   | (56,377)    |
| Clubhouse expenses                                      |       | <b>(343,263)</b>   | (302,111)   |
| Administration expenses                                 |       | <b>(419,119)</b>   | (345,430)   |
| Greens expenses                                         |       | <b>(128,184)</b>   | (108,647)   |
|                                                         |       | <b>(2,636,767)</b> | (1,694,043) |
| <b>Profit / (loss) before income tax</b>                |       | <b>18,280</b>      | (189,016)   |
| Income tax expense                                      |       | -                  | -           |
| <b>Profit / (loss) for the year</b>                     |       | <b>18,280</b>      | (189,016)   |
| Other comprehensive income                              |       | -                  | -           |
| Other comprehensive income for the year, net of tax     |       | -                  | -           |
| <b>Total comprehensive income / (loss) for the year</b> |       | <b>18,280</b>      | (189,016)   |

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

**Statement of financial position**

For the year ended 31 March 2023

|                                      | Notes  | 2023<br>\$       | 2022<br>\$       |
|--------------------------------------|--------|------------------|------------------|
| <b>ASSETS</b>                        |        |                  |                  |
| <b>Current assets</b>                |        |                  |                  |
| Cash and cash equivalents            | 4      | 289,238          | 240,489          |
| Trade receivables                    | 5      | 953              | 1,223            |
| Inventories                          | 6      | 44,263           | 39,920           |
| Financial assets at amortised cost   | 7      | 239,018          | 199,305          |
| Other assets                         | 8      | 20,534           | 43,637           |
| <b>Total current assets</b>          |        | <b>594,006</b>   | <b>524,574</b>   |
| <b>Non-current assets</b>            |        |                  |                  |
| Property, plant and equipment        | 9      | 776,928          | 802,560          |
| Lease asset                          | 10 (a) | 496,090          | 469,170          |
| <b>Total non-current assets</b>      |        | <b>1,273,018</b> | <b>1,271,730</b> |
| <b>Total assets</b>                  |        | <b>1,867,024</b> | <b>1,796,304</b> |
| <b>LIABILITIES</b>                   |        |                  |                  |
| <b>Current liabilities</b>           |        |                  |                  |
| Trade and other payables             | 11     | 169,098          | 150,384          |
| Financial liabilities                | 12     | -                | 13,950           |
| Provisions                           | 13     | 64,872           | 53,271           |
| Other liabilities                    | 14     | 23,024           | 17,256           |
| <b>Total current liabilities</b>     |        | <b>256,994</b>   | <b>234,861</b>   |
| <b>Non-current liabilities</b>       |        |                  |                  |
| Provisions                           | 13     | 8,071            | 4,357            |
| Other liabilities                    | 14     | 4,155            | 4,482            |
| Lease liabilities                    | 10 (b) | 496,090          | 469,170          |
| <b>Total non-current liabilities</b> |        | <b>508,316</b>   | <b>478,009</b>   |
| <b>Total liabilities</b>             |        | <b>765,310</b>   | <b>712,870</b>   |
| <b>Net assets</b>                    |        | <b>1,101,714</b> | <b>1,083,434</b> |
| <b>MEMBERS FUNDS</b>                 |        |                  |                  |
| Retained profits                     |        | 1,101,714        | 1,083,434        |
| <b>Total members funds</b>           |        | <b>1,101,714</b> | <b>1,083,434</b> |

The above *statement of financial position* should be read in conjunction with the accompanying notes

Bar Beach Bowling and Sporting Club Limited  
**Statement of changes in equity**  
For the year ended 31 March 2023

|                                                | <b>Retained<br/>Profits</b> | <b>Total</b>     |
|------------------------------------------------|-----------------------------|------------------|
|                                                | <b>\$</b>                   | <b>\$</b>        |
| <b>Balance at 1 April 2021</b>                 | 1,272,450                   | 1,272,450        |
| Profit/(loss) for the year                     | (189,016)                   | (189,016)        |
| <b>Total comprehensive income for the year</b> | <b>(189,016)</b>            | <b>(189,016)</b> |
| <b>Balance at 31 March 2022</b>                | <b>1,083,434</b>            | <b>1,083,434</b> |
| Profit/(loss) for the year                     | 18,280                      | 18,280           |
| <b>Total comprehensive income for the year</b> | <b>18,280</b>               | <b>18,280</b>    |
| <b>Balance at 31 March 2023</b>                | <b>1,101,714</b>            | <b>1,101,714</b> |

The above *statement of changes in equity* should be read in conjunction with the accompanying notes



**Statement of cash flows**

For the year ended 31 March 2023

|                                                                   | Notes | 2023<br>\$       | 2022<br>\$      |
|-------------------------------------------------------------------|-------|------------------|-----------------|
| <b>Cash flows from operating activities</b>                       |       |                  |                 |
| Receipts from members and customers                               |       | 2,900,313        | 1,607,413       |
| Payments to suppliers and employees                               |       | (2,687,221)      | (1,671,952)     |
| Interest received                                                 |       | 5,329            | 1,622           |
| Interest paid                                                     |       | (26,301)         | (24,947)        |
| Receipts from government stimulus payments                        |       | -                | 74,118          |
| <b>Net cash inflow (outflow) from operating activities</b>        |       | <b>192,120</b>   | <b>(13,746)</b> |
| <b>Cash flows from investing activities</b>                       |       |                  |                 |
| Payments for property, plant and equipment                        |       | (106,222)        | (115,556)       |
| Transfer (to)/from interest bearing deposit                       |       | (23,199)         | 88,610          |
| <b>Net cash inflow (outflow) from investing activities</b>        |       | <b>(129,421)</b> | <b>(26,946)</b> |
| <b>Cash flows from financing activities</b>                       |       |                  |                 |
| Proceeds from borrowings                                          |       | -                | 46,560          |
| Repayment of borrowings                                           |       | (13,950)         | (32,610)        |
| <b>Net cash inflow (outflow) from financing activities</b>        |       | <b>(13,950)</b>  | <b>13,950</b>   |
| <b>Net increase in cash and cash equivalents</b>                  |       | <b>48,749</b>    | <b>(26,742)</b> |
| Cash and cash equivalents at the beginning of the financial year  |       | 240,489          | 267,231         |
| <b>Cash and cash equivalents at the end of the financial year</b> | 4     | <b>289,238</b>   | 240,489         |

The above *statement of cash flows* should be read in conjunction with the accompanying notes

## Notes to the financial statements

For the year ended 31 March 2023

### 1 Summary of significant accounting policies

#### (a) Information about the entity

- Bar Beach Bowling and Sporting Club Limited is a Company limited by guarantee, incorporated and domiciled in Australia.
- Bar Beach Bowling and Sporting Club Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is 29 Kilgour Ave Merewether, NSW 2291.
- The principal place of business of the Club is 29 Kilgour Ave Merewether, NSW 2291.

#### (b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Bar Beach Bowling and Sporting Club Limited (the Club) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The prior year financial report was prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The Transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected the Clubs reported financial position, financial performance and cashflows.

#### (c) Statement of compliance

This financial report complies with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian Dollars.

#### (d) Income Taxes

The Club is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

#### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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.

#### (f) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

**Notes to the financial statements**

For the year ended 31 March 2023

**2 Revenue****(a) Disaggregation of revenue from contracts with customers**

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

|                                       | Beverage<br>and Food<br>Revenue | Gaming<br>Revenue | Membership<br>Revenue | Raffle<br>Revenue | Function<br>Revenue | Other<br>Revenue | Total            |
|---------------------------------------|---------------------------------|-------------------|-----------------------|-------------------|---------------------|------------------|------------------|
| 2023                                  | \$                              | \$                | \$                    | \$                | \$                  | \$               | \$               |
| Revenue from contracts with customers | 2,255,323                       | 178,766           | 13,837                | 15,244            | 78,718              | 80,397           | 2,622,285        |
| Other revenue (not covered by AASB15) | -                               | 14,883            | -                     | -                 | -                   | -                | 14,883           |
|                                       | <u>2,255,323</u>                | <u>193,649</u>    | <u>13,837</u>         | <u>15,244</u>     | <u>78,718</u>       | <u>80,397</u>    | <u>2,637,168</u> |

*Timing of revenue recognition*

|                    |                  |                |               |               |               |               |                  |
|--------------------|------------------|----------------|---------------|---------------|---------------|---------------|------------------|
| At a point in time | 2,255,323        | 178,766        | -             | 15,244        | 78,718        | 80,397        | 2,608,448        |
| Over time          | -                | 14,883         | 13,837        | -             | -             | -             | 28,720           |
|                    | <u>2,255,323</u> | <u>193,649</u> | <u>13,837</u> | <u>15,244</u> | <u>78,718</u> | <u>80,397</u> | <u>2,637,168</u> |

|                                       | Beverage<br>and Food<br>Revenue | Gaming<br>Revenue | Membership<br>Revenue | Raffle<br>Revenue | Function<br>Revenue | Other<br>Revenue | Total            |
|---------------------------------------|---------------------------------|-------------------|-----------------------|-------------------|---------------------|------------------|------------------|
| 2022                                  | \$                              | \$                | \$                    | \$                | \$                  | \$               | \$               |
| Revenue from contracts with customers | 1,150,286                       | 161,176           | 7,301                 | 10,456            | 48,773              | 35,413           | 1,413,405        |
| Other revenue (not covered by AASB15) | -                               | 15,426            | -                     | -                 | -                   | -                | 15,426           |
|                                       | <u>1,150,286</u>                | <u>176,602</u>    | <u>7,301</u>          | <u>10,456</u>     | <u>48,773</u>       | <u>35,413</u>    | <u>1,428,831</u> |

*Timing of revenue recognition*

|                    |                  |                |              |               |               |               |                  |
|--------------------|------------------|----------------|--------------|---------------|---------------|---------------|------------------|
| At a point in time | 1,150,286        | 161,176        | -            | 10,456        | 48,773        | 35,413        | 1,406,104        |
| Over time          | -                | 15,426         | 7,301        | -             | -             | -             | 22,727           |
|                    | <u>1,150,286</u> | <u>176,602</u> | <u>7,301</u> | <u>10,456</u> | <u>48,773</u> | <u>35,413</u> | <u>1,428,831</u> |

**(b) Accounting policies and significant judgements**

The Club recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Club is or expects to be entitled in exchange for those goods or services.

The Club considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

*(i) Sale of goods - beverage and food*

The Club sells a range of beverages and food. Revenue from the sale of beverages and food is recognised at a point in time when the physical control of the goods passes to the customer.

*(ii) Provision of services - gaming revenue*

Revenue from rendering services from gaming facilities to members and guests of the Club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission income where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

## Notes to the financial statements

For the year ended 31 March 2023

### (b) Accounting policies and significant judgements (continued)

#### (iii) Provision of services - membership revenue

The Club generates revenue from membership fees where customers purchase a membership subscription at the Club, with fees payable in advance. The period of membership is usually 1 April to 31 March. Only those member fee receipts that are attributable to the current financial year are recognised as revenue.

Fee receipts for periods beyond the current financial year are shown in the Statement of Financial Position under the heading Other liabilities.

#### (iv) Provision of services - raffle revenue

Raffle revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle has been conducted as at this point the performance obligations have been satisfied.

#### (v) Provision of services - function revenue

The Club recognises revenue from function activities at a point in time when the function has been held as at this point the performance obligation has been satisfied.

### 3 Other income and expense items

|                                        | 2023          | 2022          |
|----------------------------------------|---------------|---------------|
|                                        | \$            | \$            |
| <b>(a) Other income</b>                |               |               |
| Rental income                          | 12,550        | 14,020        |
| Government stimulus payment - JobSaver | -             | 60,918        |
| Interest Income                        | 5,329         | 1,258         |
|                                        | <u>17,879</u> | <u>76,196</u> |

#### (i) Rental income

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Club recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

#### (ii) Government stimulus funding

The Club recognises stimulus funding from the Australian Taxation Office and Revenue NSW when it is considered to be receivable.

#### (iii) Interest income

Interest income is recognised on an accruals basis.

### (b) Other expenses

|                           |         |         |
|---------------------------|---------|---------|
| Employee Benefits Expense | 956,565 | 576,024 |
| Interest - Leases         | 24,805  | 23,459  |
| Interest - Insurance Loan | 1,496   | 1,488   |
| Depreciation              | 128,864 | 112,302 |

**Notes to the financial statements**

For the year ended 31 March 2023

**4 Cash and cash equivalents**

|                           | <b>2023</b>    | <b>2022</b>    |
|---------------------------|----------------|----------------|
|                           | <b>\$</b>      | <b>\$</b>      |
| <b>Current</b>            |                |                |
| Cash and cash equivalents | 289,238        | 240,489        |
|                           | <u>289,238</u> | <u>240,489</u> |

**Accounting policy**

Cash and short-term deposits in the Statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (if any).

**5 Trade receivables**

|                   |            |              |
|-------------------|------------|--------------|
| <b>Current</b>    |            |              |
| Trade receivables | 953        | 1,223        |
|                   | <u>953</u> | <u>1,223</u> |

**Accounting policy**

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Club holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

**6 Inventories**

|                |               |               |
|----------------|---------------|---------------|
| <b>Current</b> |               |               |
| Stock on hand  | 44,263        | 39,920        |
|                | <u>44,263</u> | <u>39,920</u> |

**Accounting policy**

Inventories are measured at the lower of cost and current replacement value.

**7 Financial assets at amortised cost**

|                   |                |                |
|-------------------|----------------|----------------|
| <b>Current</b>    |                |                |
| Term deposits     | 207,592        | 184,393        |
| Other receivables | 31,426         | 14,912         |
|                   | <u>239,018</u> | <u>199,305</u> |

**Accounting policy**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

**8 Other assets**

|                |               |               |
|----------------|---------------|---------------|
| <b>Current</b> |               |               |
| Prepayments    | 20,534        | 43,637        |
|                | <u>20,534</u> | <u>43,637</u> |

**Accounting policy**

This includes prepayments made in advance for goods and services which are to be received in a future period.

**Notes to the financial statements**

For the year ended 31 March 2023

**9 Property, plant and equipment**

|                                 | Capital<br>WIP<br>\$ | Bowling<br>green<br>\$ | Plant and<br>equipment<br>\$ | Poker<br>machines<br>\$ | Land and<br>leasehold<br>improvements<br>\$ | Total<br>\$ |
|---------------------------------|----------------------|------------------------|------------------------------|-------------------------|---------------------------------------------|-------------|
| <b>Non-current assets</b>       |                      |                        |                              |                         |                                             |             |
| <b>At 1 April 2022</b>          |                      |                        |                              |                         |                                             |             |
| Cost                            | 36,870               | 126,150                | 944,029                      | 163,881                 | 969,909                                     | 2,240,839   |
| Accumulated depreciation        | -                    | (98,307)               | (768,922)                    | (95,319)                | (475,731)                                   | (1,438,279) |
| Net book amount                 | 36,870               | 27,843                 | 175,107                      | 68,562                  | 494,178                                     | 802,560     |
| <b>Year ended 31 March 2023</b> |                      |                        |                              |                         |                                             |             |
| Opening net book amount         | 36,870               | 27,843                 | 175,107                      | 68,562                  | 494,178                                     | 802,560     |
| Additions                       | 32,048               | 12,495                 | 32,706                       | 26,000                  | 2,973                                       | 106,222     |
| Transfers                       | (17,893)             | -                      | 17,893                       | -                       | -                                           | -           |
| Disposals                       | -                    | -                      | (2,990)                      | -                       | -                                           | (2,990)     |
| Depreciation charge             | -                    | (3,847)                | (52,347)                     | (33,708)                | (38,962)                                    | (128,864)   |
| Closing net book amount         | 51,025               | 36,491                 | 170,369                      | 60,854                  | 458,189                                     | 776,928     |
| <b>Year ended 31 March 2023</b> |                      |                        |                              |                         |                                             |             |
| Cost                            | 51,025               | 138,645                | 944,634                      | 165,738                 | 968,501                                     | 2,268,543   |
| Accumulated depreciation        | -                    | (102,154)              | (774,265)                    | (104,884)               | (510,312)                                   | (1,491,615) |
| Net book amount                 | 51,025               | 36,491                 | 170,369                      | 60,854                  | 458,189                                     | 776,928     |

**Accounting policy****(a) Land and leasehold improvements**

Land and leasehold improvements are carried at cost less any accumulated depreciation and any impairment in value.

**(b) Plant and equipment, poker machines and bowling greens**

Each class of plant and equipment, poker machines and bowling greens are carried at cost less any accumulated depreciation and any impairment in value.

**(c) Depreciation**

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

|                        |               |
|------------------------|---------------|
| Leasehold Improvements | 3 - 40 years  |
| Plant & Equipment      | 2 - 20 years  |
| Poker Machines         | 4 - 5 years   |
| Bowling Greens         | 10 - 20 years |

**(d) Impairment**

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

**Notes to the financial statements**

For the year ended 31 March 2023

**10 Lease assets and lease liabilities**

**2023**                      **2022**  
\$                                      \$

The Club leases the land where the Club buildings and facilities are situated.

**a) Lease assets**

**Carrying amount of lease assets, by class of underlying asset:**

|                    |         |         |
|--------------------|---------|---------|
| Land and Buildings | 496,090 | 469,170 |
|--------------------|---------|---------|

**Reconciliation of lease assets**

|                                                     | Land<br>\$ | Total<br>\$ | Total<br>\$ |
|-----------------------------------------------------|------------|-------------|-------------|
| <b>Carrying amount at the beginning of the year</b> | 469,170    | 469,170     | 466,046     |
| Additions                                           | 26,920     | 26,920      | 3,124       |
| <b>Carrying amount at the end of the year</b>       | 496,090    | 496,090     | 469,170     |

**b) Lease liabilities**

**Non-current**

|                   |         |         |         |
|-------------------|---------|---------|---------|
| Lease liabilities | 496,090 | 496,090 | 469,170 |
| <b>Total</b>      | 496,090 | 496,090 | 469,170 |

**Reconciliation of lease liabilities**

|                                                     | Land<br>\$ | Total<br>\$ | Total<br>\$ |
|-----------------------------------------------------|------------|-------------|-------------|
| <b>Carrying amount at the beginning of the year</b> | 469,170    | 469,170     | 466,046     |
| Additions                                           | 26,920     | 26,920      | 3,124       |
| Interest expense                                    | 24,805     | 24,805      | 23,459      |
| Lease payments                                      | (24,805)   | (24,805)    | (23,459)    |
| Net movement during year                            | 26,920     | 26,920      | 3,124       |
| <b>Carrying amount at the end of the year</b>       | 496,090    | 496,090     | 469,170     |

**Maturity analysis of future lease payments**

The future lease commitment relating to the land lease in perpetuity has been recognised at the net present value of the current annual lease payment being \$24,805 and discounted using the incremental borrowing rate noted below.

**Accounting policy**

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

At inception, a lease asset and a lease liability is recognised. Lease assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Lease assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- an estimate of costs to be incurred in dismantling and removing the underlying asset;
- any initial direct costs incurred;

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 5%.

The lease payment used in the calculation of the lease liabilities includes variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the Club has only included the known CPI increases to date and not estimated future CPI-related increases.

The Club does not recognise leases that have a lease term of 12 months or less or are of low value as a lease asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

**Notes to the financial statements**

For the year ended 31 March 2023

**11 Trade and other payables**

|                             | 2023           | 2022           |
|-----------------------------|----------------|----------------|
|                             | \$             | \$             |
| <b>Current</b>              |                |                |
| Trade payables              | 77,465         | 97,295         |
| Other payables and accruals | 54,408         | 36,812         |
| GST payable                 | 37,225         | 16,277         |
|                             | <u>169,098</u> | <u>150,384</u> |

**Accounting policy**

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

**12 Financial liabilities****Current***Unsecured*

|                |          |               |
|----------------|----------|---------------|
| Insurance loan | -        | 13,950        |
|                | <u>-</u> | <u>13,950</u> |

**Accounting policy**

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has a right to defer settlement of the liability for at least 12 months after the reporting period.

**13 Provisions****Current**

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Employee entitlements (i) & (ii) | 64,872        | 53,271        |
|                                  | <u>64,872</u> | <u>53,271</u> |

**Non-current**

|                            |              |              |
|----------------------------|--------------|--------------|
| Employee entitlements (ii) | 8,071        | 4,357        |
|                            | <u>8,071</u> | <u>4,357</u> |

**Accounting policy***(i) Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

*(ii) Long service leave*

Liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.



**Notes to the financial statements**

For the year ended 31 March 2023

| <b>14 Other liabilities</b>               | <b>2023</b>   | <b>2022</b>   |
|-------------------------------------------|---------------|---------------|
|                                           | <b>\$</b>     | <b>\$</b>     |
| <b>Current</b>                            |               |               |
| Contract liabilities - membership revenue | 4,700         | 3,752         |
| Contract liabilities - function revenue   | 18,324        | 13,504        |
|                                           | <u>23,024</u> | <u>17,256</u> |
| <b>Non-current</b>                        |               |               |
| Contract liabilities - membership revenue | 4,155         | 4,482         |
|                                           | <u>4,155</u>  | <u>4,482</u>  |

**Accounting policy**

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods.

**15 Related parties**

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

**(a) Key management personnel compensation**

|                                         |                |                |
|-----------------------------------------|----------------|----------------|
| Total key management personnel benefits | 293,887        | 185,220        |
|                                         | <u>293,887</u> | <u>185,220</u> |

**16 Remuneration of auditors***Auditor of the company*

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | 20,000        | 19,000        |
| Other services - consulting       | 11,540        | 19,420        |
|                                   | <u>31,540</u> | <u>38,420</u> |

**17 Critical accounting estimates and judgements**

Management is required to make judgements, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next period are disclosed where applicable, in the relevant notes to the financial statements:

- Estimation of useful lives of non-current assets (notes 9 and 10) - The useful life of property, plant and equipment and lease assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Accounting for Lease in Perpetuity with Crown Lands NSW (note 10) - The accounting treatment of the Club's lease in perpetuity with Crown Lands NSW involves judgement and estimates in determining whether the contract grants rights that result in transfer of control of the asset to the Club and therefore results in the in-substance purchase of the Land. The Directors have determined that control of the asset does not transfer to the Club and as such the contract has been treated as a lease in accordance with AASB 16 Leases.

## Directors' declaration

### In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 17 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Club's financial position as at 31 March 2023 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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



Mark Hornby-Howell - President



Edward Simpson - Treasurer

Bar Beach, NSW  
29 May 2023

## **Independent auditor's report**

### **to the members of Bar Beach Bowling and Sporting Club Limited**

#### **Opinion**

We have audited the financial report of Bar Beach Bowling and Sporting Club Limited (the Club) which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (i) giving a true and fair view of the Clubs financial position as at 31 March 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

#### **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Club in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of the Directors for the financial report**

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

In preparing the financial report, the Directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so. Those charged with Governance are responsible for overseeing the Company's financial reporting process.

#### **Matters relating to the electronic presentation of the audited financial report**

The auditor's report relates to the financial report of the Club for the year ended 31 March 2023 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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#### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

A handwritten signature in black ink, appearing to read 'Shaun Mahony'.

Shaun Mahony - Partner

A handwritten signature in black ink, appearing to read 'Pitcher Partners NH Partnership'.

Pitcher Partners NH Partnership  
Chartered Accountants

**29 May 2023**  
**Newcastle West, NSW**

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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