

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
A.B.N. 71 000 620 431

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2022**

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
A.B.N. 71 000 620 431

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SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED

A.B.N. 71 000 620 431

DIRECTORS' REPORT

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

Principal Activities

The principal activities of the company during the financial year were:

To provide and maintain lawn bowling facilities, to encourage, foster and promote the game of lawn bowls and such sports, games, amusements, recreations, entertainments and pastimes, indoor and outdoor, as the Club shall deem expedient in Shoalhaven Heads and surrounding districts.

Significant Changes in State of Affairs

The Club was affected by a forced closure for two months this year due to Covid19. During this time the Club managed funds conservatively, minimised expenses, was able to offer takeaway for bar snacks and alcohol, and was able to access government incentives

Objectives & Strategies

The short and long term objectives of the company are to provide club facilities to members and guests.

The strategy for achieving these objectives is to conservatively manage and monitor the company's financial position, and ensure that member facilities are kept at the highest of standards.

Performance Measurement

The company uses industry accepted financial and non-financial KPI's to monitor performance.

Membership

The number of members registered in the Register of Members at 30 June 2022 were as follows:

Three Year Members	3,715
Ordinary Members	1,016
Social Members	39
Junior Members	63
Life Members	12
Total Members	<u>4,845</u>

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution states that each member is liable to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2022 the collective liability of members was \$9,690 (30 June 2021: \$9,408).

Directors

The names of the directors in office at any time during or since the end of the year are:

Robert Ashby

President

Qualifications, experience, and special duties:

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DIRECTORS' REPORT

Retired School Teacher.
S.H.B.R.C Vice President 2014-2015 and Director 2013-2014.
Completed mandatory training units in Club Management and Finance.
Chairperson, S.H.B.R.C Combined Intra Club Meetings 2014-2022.
S.H.B.R.C Men's Bowls Committee Member 2014-2016, Secretary 2020.
Permanent resident Shoalhaven Heads, 40 years.
36 years' experience, Deputy Principal and Relieving Principal Warilla High School
President, Shoalhaven Heads Mens Touch 10 years.
Shoalhaven Heads Sporting Fields Management Committee 5 years.
Coached local Junior Rugby League (Berry) and Rugby Union (Shoalhaven and Illawarra Rep).
Life Member, NSW Combined High Schools Rugby Union.
Coach and Manager of NSWCHS Rugby teams to South Africa, New Zealand and British Isles.
Member of S.H.B.R.C for 39 years.

Gregory Brooker

Vice President

Qualifications, experience, and special duties:

Retired.
Director 2 years and Vice President 4 years.
Completed mandatory training units in Club Management and Finance.
Member of the Shoalhaven RSL Sub Branch.
27 years Hot Metal Handling Coordinator/ Shift Supervisor at Bluescope Steel.
Butchery Apprenticeship.
Member of S.H.B.R.C 18 years.

David Watson

Vice President

Appointed 30/01/2022

Qualifications, experience, and special duties:

Retired Sales Manager.
Board Member of Apra Ltd 2018-2021.
Completed mandatory training units in Club management and finance.
Club member since 2011.

Jennifer Miller

Director

Qualifications, experience, and special duties:

Licensed Conveyancer.
Former Vice President.
Member of the Board 8 years.
Completed mandatory training units in Club Management and Finance.
Member of S.H.B.R.C 17 years.

Norman (John) Jacka

Director

Qualifications, experience, and special duties:

Retired.
Director 4 years.
Completed mandatory training units in Club Management and Finance.
Member of S.H.B.R.C 21 years.

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DIRECTORS' REPORT

Peter Rawlings

Director

Qualifications, experience, and special duties:

Retired Oyster Farmer.

Member of S.H.B.R.C 35 years.

Rodney Hibbert

Director

Appointed 30/01/2022

Qualifications, experience, and special duties:

Retired Butcher.

Previous owner and operator of 8 butcher shops.

Member of S.H.B.R.C for 33 years.

Raymond Silverstone

Former Director

Term completed 30/01/2022

Qualifications, experience, and special duties:

Retired.

Austral Bowling Club: 2 years Director, 4 years Vice President, 1 year Treasurer, 10 years Match Committee.

S.H.B.R.C: 3 years Bowls Committee, Committee RSL Sub Branch.

Justice of the Peace.

40 years experience in the supply field.

Graham Gough

Former Director

Term completed 30/01/2022

Qualifications, experience, and special duties:

Former Director 2015-2016.

Completed mandatory training units in Club Management and Finance.

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

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DIRECTORS' REPORT

Summary of Meeting Attendances:


12 ordinary meetings and 1 special meeting were held during the year.

	<i>Number of Meetings Eligible To Attend</i>	<i>Number of Meetings Attended</i>
Robert Ashby	13	12
Gregory Brooker	13	13
David Watson	5	5
Jennifer Miller	13	13
Norman (John) Jacka	13	13
Peter Rawlings	13	13
Rodney Hibbert	5	5
Raymond Silverstone	8	8
Graham Gough	8	8

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 7 of the financial report.

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

Director: 
Robert Ashby

Dated 29 August 2022

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
A.B.N. 71 000 620 431**

Audit Opinion

We have audited the financial report of Shoalhaven Heads Bowling & Recreation Club Limited (the company), which comprises the statement of financial position as at year ended 30 June 2022, the statement of comprehensive income, statement of changes in equity and 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 Shoalhaven Heads Bowling & Recreation Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at the year ended 30 June 2022 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of Audit 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information does not include the financial report and our auditor's report thereon, but comprises the Supplementary Information contained in the annual report, which we obtained prior to the date of this auditor's report, and the President's Report, Treasurer's Report etc, which are expected to be made available to us after the date of this auditor's 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, 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.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
A.B.N. 71 000 620 431**

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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.

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/Home.aspx>. This description forms part of our auditor's report.

Matters Relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of Shoalhaven Heads Bowling & Recreation Club Limited for the financial year ended 30 June 2022 included on the company's website. The directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of the company's website. 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 website.

Booth Partners



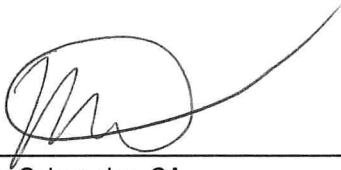
Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 29 August 2022

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
A.B.N. 71 000 620 431**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been no contraventions of:

- i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) any applicable code of professional conduct in relation to the audit.

Booth Partners



Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 29 August 2022

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue	2	4,823,966	5,058,113
Other income	2	1,196,277	536,722
Cost of sales		(731,287)	(683,239)
Administration, Security Wages and Wages on Costs		(859,283)	(952,348)
Bar Operating Expenses		(471,116)	(408,896)
Borrowing Costs		(30,441)	(4,413)
Depreciation		(933,990)	(883,458)
Function Operating Expenses		(2,588)	(710)
Greens Expenses		(105,155)	(100,816)
Keno and T.A.B Operating Expenses		(52,567)	(64,770)
Occupancy Expenses		(507,820)	(430,812)
Other Expenses		(269,115)	(292,049)
Poker Machine Operating Expenses		(732,203)	(809,810)
Promotion and Entertainment Expenses		(151,118)	(125,044)
Rental Property Expenses		(81,677)	(51,149)
Restaurant Operating Expenses		(17,545)	(11,625)
Sporting Subsidies and Donations		(2,445)	(2,539)
Profit before income tax	3	1,071,893	773,157
Income tax expense		-	-
Profit (loss) attributable to members of the company	16	1,071,893	773,157
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Asset Revaluations	10	-	1,507,901
Other comprehensive income for the year, net of tax		-	1,507,901
Total comprehensive income (loss) attributable to members of the company		1,071,893	2,281,058

The accompanying notes form part of these financial statements.

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	4	154,388	187,727
Trade and other receivables	5	50,644	33,806
Inventories	7	173,182	156,057
Other current assets	8	54,796	47,767
TOTAL CURRENT ASSETS		<u>433,010</u>	<u>425,357</u>
NON-CURRENT ASSETS			
Investments	6	750	750
Investment property	9	3,560,000	2,490,000
Property, plant and equipment	10	13,987,935	12,402,983
TOTAL NON-CURRENT ASSETS		<u>17,548,685</u>	<u>14,893,733</u>
TOTAL ASSETS		<u>17,981,695</u>	<u>15,319,090</u>
CURRENT LIABILITIES			
Trade and other payables	11	579,068	388,429
Borrowings	12	333,453	344,975
Short term provisions	13	206,331	172,629
Other current liabilities	14	39,765	37,632
TOTAL CURRENT LIABILITIES		<u>1,158,617</u>	<u>943,665</u>
NON-CURRENT LIABILITIES			
Borrowings	12	2,138,243	777,916
Long term provisions	13	64,645	49,652
Other non-current liabilities	14	30,538	30,326
TOTAL NON-CURRENT LIABILITIES		<u>2,233,426</u>	<u>857,894</u>
TOTAL LIABILITIES		<u>3,392,043</u>	<u>1,801,559</u>
NET ASSETS		<u>14,589,652</u>	<u>13,517,531</u>
EQUITY			
Reserves	15	7,730,459	7,730,459
Retained earnings	16	6,859,193	5,787,072
TOTAL EQUITY		<u>14,589,652</u>	<u>13,517,531</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Profits	Reserves	Total
Balance at 1 July 2020	5,013,915	6,222,558	11,236,473
Profit (loss) for the year	773,157	-	773,157
Other comprehensive income for the year	-	1,507,901	1,507,901
Total comprehensive income attributable to members of the entity	773,157	-	773,157
Balance at 30 June 2021	<u>5,787,072</u>	<u>7,730,459</u>	<u>13,517,531</u>
Balance at 1 July 2021	5,787,300	7,730,459	13,517,759
Profit (loss) for the year	1,071,893	-	1,071,893
Other comprehensive income for the year	-	-	-
Total comprehensive income attributable to members of the entity	1,071,893	-	1,071,893
Balance at 30 June 2022	<u>6,859,193</u>	<u>7,730,459</u>	<u>14,589,652</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,832,403	5,229,114
Payments to suppliers and employees		(3,802,511)	(3,911,915)
Interest received		-	9
Borrowing costs paid		(30,441)	(4,413)
Rent Received		103,347	113,576
Net cash provided by (used in) operating activities		<u>1,102,798</u>	<u>1,426,371</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		35,280	11,000
Payments for property, plant and equipment		(2,520,449)	(1,169,480)
Net cash provided by (used in) investing activities		<u>(2,485,169)</u>	<u>(1,158,480)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,766,873	1,923,931
Repayment of borrowings		(1,261,867)	(2,432,434)
Net cash provided by (used in) financing activities		<u>1,505,006</u>	<u>(508,503)</u>
Net increase (decrease) in cash held		122,635	(240,612)
Cash at beginning of financial year		26,433	267,045
Cash at end of year	4	<u>149,068</u>	<u>26,433</u>

The accompanying notes form part of these financial statements.

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements of Shoalhaven Heads Bowling & Recreation Club Limited for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 29 August 2022.

Change in Accounting Policy

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

AASB 1060 has been mandatorily adopted from 1 July 2021 and retrospectively applied to the comparative periods. The adoption of this standard has not affected the reported financial position, financial performance or cashflows of any comparative period.

Revenue and Other Income

The company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058).

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer. Each major source of revenue is recognised as follows:

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NOTES TO THE FINANCIAL STATEMENTS
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Goods and Services

All goods and services other than those detailed below are delivered, invoiced, and paid for simultaneously. This includes sales of liquor, gaming products, golf games, and other products. Revenue is recognised immediately at the point of sale. The impact of the loyalty program has been detailed below.

Memberships

Membership is granted following payment of annual fees and in the case of new members, board approval. Payment for new members is due on application, and payment for renewing members is due within one month of the renewal date. Contract liabilities are recognised on receipt of payment, and revenue is recognised on a straight line basis over the period of membership.

Loyalty Program

Members are eligible to earn points based on their in-club expenditure. Points are redeemable against any future purchases from the club. The points accumulate and expire at tiered rates and timeframes. A portion of takings relating to loyalty points are deferred to liabilities. Revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

Advertising and Sponsorships

Advertising and sponsorships are invoiced prior to the agreed period of coverage and invoices are typically payable within 30 days. Contract liabilities are recognised when the invoices are issued, and revenue is recognised on a straight line basis over the agreed period of coverage.

Function Income

Deposits for functions are invoiced at the time of booking and are payable by the earlier of 30 days from the booking, or 10 days prior to the event. Full payment for the function is typically due by the day of the event. Contract liabilities are recognised when the booking is made, and for any part payments received prior to the time of the event. Revenue is recognised at the time the function is held.

Ticket Sales

Event tickets are invoiced when payment is received. Contract liabilities are recognised when tickets are sold prior to the date of the event. Revenue is recognised at the time the event is held.

Grants

Grant revenue is recognised in the statement of comprehensive income when control of the grant is obtained and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Interest

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

Investment Property Revenue

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

Donations and Bequests

Donations and bequests are recognised as revenue when received.

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Stores are valued at cost.

Prepayments

Prepayments are recognised when a payment is made for services that the company expects to utilise over a period of time. Prepayments are measured at the unexpended portion of the contractual cost of the services. Expenditure is transferred to profits and losses on a straight line basis over the period to which it relates.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Investment Property

Investment property is measured at fair value, less any accumulated impairment losses.

The fair value of investment property (as disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment property being valued.

Property, Plant and Equipment

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

Property

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

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

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

Plant and Equipment

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

Class of Fixed Asset	Depreciation Rate
Land & Buildings	2.5% Straight Line
Poker Machines	25% Straight Line
General Plant	2.5 - 20% Straight Line
Motor Vehicles	13 - 22.5% Straight Line

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

Intangibles

Poker Machine Licences

Purchased poker machine licences are initially recognised at cost. They have an infinite life in accordance with the licence terms, and are carried at cost. Poker machine licences are assessed annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement, unless the asset is carried at a revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

Impairment testing is performed annually for intangible assets with indefinite lives.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Trade and Other Payables

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Income Tax

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

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

Short term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current liabilities in the statement of financial position.

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED

A.B.N. 71 000 620 431

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Other long-term employee benefits

The company classifies employee's long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in the statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Member Points

The club recognises a provision for unredeemed member points, adjusted for the probability of redemption determined by historical data. Points are expected to be redeemed within 12 months.

Leases

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

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

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the company has adopted the temporary relief under AASB 2018-814 and measures the right-of-use assets at cost on initial recognition.

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimate: Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition and pay rates have been estimated.

Key Judgement: Poker machine licences

The Company holds poker machine licences granted at no consideration by the NSW government. The Company has determined that the market for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

Grant Income

During the year the Company received \$51,652 from Live Music Australia. While the income from the grant has been credited to the profit and loss to comply with AASB 1058, all expenditure on the grant was for plant and equipment items such as AV Equipment including speakers, subwoofers, amplifiers, stage boxes etc. These assets have been posted to the balance sheet as at 30.6.2022.

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
2 Revenue		
Revenue		
Sales Revenue:		
Alcohol Rebate	55,934	64,364
ATM Commissions	42,987	50,476
Bar Sales	1,676,341	1,640,942
Employee Contribution Payments	8,988	9,164
Green Fees	7,455	10,468
Gym Membership Income	24,013	23,316
Interest Income	-	9
Kitchen Rent	31,292	46,241
Membership Income	33,310	34,082
Poker Machine Income	2,688,210	2,881,713
Rental Income	103,348	113,576
Room Hire	-	4,556
Sponsorship & Donations	7,000	18,000
Sundry Income	71,596	78,401
TAB and Keno Commissions	73,492	82,805
	<u>4,823,966</u>	<u>5,058,113</u>
Other Income		
Cash Flow Boost Income	-	37,500
Grant Income - Live Music Australia	51,652	-
Investment Properties Revaluation	1,070,000	300,895
Job Saver Payment Income	39,540	-
Profit on Sale of Non-current Assets	35,085	12,327
Wage Subsidies - JobKeeper	-	186,000
	<u>1,196,277</u>	<u>536,722</u>
	<u>6,020,243</u>	<u>5,594,835</u>
Total revenue and other income		

3 Profit from Ordinary Activities

Profit from ordinary activities before income tax expense has been determined after:

Expenses:		
Depreciation	933,990	883,457
Interest	30,441	4,413

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Cost of Sales	731,287	683,239
Auditors remuneration:		
Audit Fees	41,192	40,049
Accountancy Fees	19,384	18,847
Total auditor's remuneration	<u>60,576</u>	<u>58,896</u>
 4 Cash and Cash Equivalents		
Current		
Cash on Hand	101,860	135,199
Commonwealth Bank - Tab Account	15,000	15,000
Commonwealth Bank - Keno Account	5,000	5,000
Commonwealth Bank - Gaming Account	32,528	32,528
	<u>154,388</u>	<u>187,727</u>
 Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	154,388	187,727
Commonwealth Bank - Main Account	<u>(5,320)</u>	<u>(161,294)</u>
	<u>149,068</u>	<u>26,433</u>
 5 Trade and Other Receivables		
Current		
Trade Debtors	3,545	5,867
Other Debtors	47,099	27,939
	<u>50,644</u>	<u>33,806</u>
 6 Investments		
Non-Current		
Financial assets measured at fair value through profit or loss		
Shares in Cooperative, at Cost	750	750
	<u>750</u>	<u>750</u>

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<hr/>		
7 Inventories		
Current		
General Stores and Consumables	84,998	75,440
Cigarette Stock	4,820	7,452
EFT Cards Stock	2,820	1,925
Trading Stock	80,544	71,240
	<u>173,182</u>	<u>156,057</u>
8 Other Current Assets		
Current		
Prepayments	<u>54,796</u>	<u>47,767</u>

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
9 Investment Property		
Rental Properties at Valuation Jun 2022		
Rental Property-5 Tretham Street (Non-Core Property)	900,000	615,000
Rental Property-7 Trentham Street (Non-Core Property)	900,000	630,000
Rental Property-Golden Hill Ave (Non-Core Property)	925,000	675,000
Rental Property-1 Trentham Street (Non-Core Property)	835,000	570,000
Balance at end of year	<u>3,560,000</u>	<u>2,490,000</u>

Movements in Carrying Amounts

Movements in carrying amount of investment properties between the beginning and the end of the financial year:

	Carrying Value 1 Jul 2021	Additions	Disposals	Revaluations	Carrying Value 30 Jun 2022
Land & Buildings	2,490,000	-	-	1,070,000	3,560,000
	<u>2,490,000</u>	<u>-</u>	<u>-</u>	<u>1,070,000</u>	<u>3,560,000</u>

10 Property, Plant and Equipment

Land and Buildings

Club Land & Buildings (Core Property), at Valuation Oct 2020	10,775,000	10,775,000
Accumulated Depreciation	(596,261)	(236,930)
Club Land & Buildings, Additions, at Cost	<u>2,270,294</u>	<u>472,325</u>
	<u>12,449,033</u>	<u>11,010,395</u>
Total Land and Buildings	<u>12,449,033</u>	<u>11,010,395</u>

Plant and Equipment

Plant & Equipment	2,564,120	2,600,839
Less: Provision for Depreciation	<u>(1,954,691)</u>	<u>(2,214,750)</u>
	<u>609,429</u>	<u>386,089</u>
Furniture & Fittings	<u>1,535,879</u>	<u>1,465,285</u>

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Less: Provision for Depreciation	(1,199,806)	(1,129,385)
	<u>336,073</u>	<u>335,900</u>
Kitchen Equipment	99,372	92,745
Less: Provision for Depreciation	(88,599)	(84,628)
	<u>10,773</u>	<u>8,117</u>
Motor Vehicles	218,906	218,906
Less: Provision for Depreciation	(171,697)	(137,332)
	<u>47,209</u>	<u>81,574</u>
Poker Machines	2,284,316	2,169,422
Less: Provision for Depreciation	(1,748,898)	(1,588,514)
	<u>535,418</u>	<u>580,908</u>
Total Plant and Equipment	<u>1,538,902</u>	<u>1,392,588</u>
Total Property, Plant and Equipment	<u><u>13,987,935</u></u>	<u><u>12,402,983</u></u>

Contractual commitments for the acquisition of property, plant and equipment:

Building Works	538,993	-
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The Club signed a contract for \$690,000 with Bluestone Building Group during the financial year for building works to the Coolangatta room. The works are not yet completed. At 30 June 2022, the outstanding payments amount to \$385,368.50. At the date of this report, the outstanding payments amount to \$233,052.75. There are also variation costs. The known variation costs at the date of this report for this project are \$153,624 which have been invoiced for and paid in the 2022-2023 financial year.

Revaluations

As at 30 June 2022, the Club obtained a valuation of its investment properties. The valuation was conducted by Walsh & Monaghan and was an independent valuation. The valuation was conducted by Darren Austin (Director) AAPI Certified Practising Valuer, CPP API Member 69288, and resulted in a write-up of the investment properties of \$1,070,000. The \$1,070,000 was credited to the Club's profit and loss.

The Clubhouse land and buildings were revalued by Walsh and Monaghan in October 2020. The Directors have reviewed the current values, including additions since that date, and believe that this continues to represent fair market value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11 Trade and Other Payables

Trade Creditors and Accrued Expenses

12 Borrowings

Commonwealth Bank - Main Account

Lease Liability - Poker Machines

Commonwealth Bank Loans

Lease Liability - Poker Machines

28,701 54,793

Commonwealth Bank Loan - 1 Trentham

343,661	341,503
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Commonwealth Bank Loan - 15 Golden Hill

419,203	348,891
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Commonwealth Bank - Building Loan

1,346,678	32,729
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2,138,243	777,916
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SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
A.B.N. 71 000 620 431

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$

The Commonwealth Bank holds the following security:

- i) Home mortgage over 1, 5 and 7 Trentham Street, Shoalhaven Heads and 15 Golden Hill Avenue, Shoalhaven Heads
- ii) Commercial mortgage over clubhouse at Shoalhaven Heads Road, Shoalhaven Heads.
- iii) Registered mortgage debenture over the Club's assets.

The Club has in place total Borrowing Facilities with Commonwealth Bank of \$3.22 million, of which approximately \$800,000 are unused.

The lease between Shoalhaven Heads Bowling Club and Aristocrat Technologies Australia Pty Ltd for 2 Poker Machines is a 3 year lease, ending 31 March 2024. The current liability taken up is 12 months worth of payments and the remainder has been classified as a non-current liability.

13 Provisions

Current

Provision for Annual Leave	114,459	73,691
Provision for Long Service Leave	44,080	42,315
Provision for Members Points Accounts	47,792	56,623
	<u>206,331</u>	<u>172,629</u>

Non-Current

Provision for Long Service Leave	64,645	49,652
	<u>64,645</u>	<u>49,652</u>

Movements in Carrying Amounts

Movements in carrying amount for each class of provision between the beginning and the end of the financial year:

	Carrying Value 1 Jul 2021	Additions	Charges	Unused Amounts Reversed	Carrying Value 30 Jun 2022
Annual Leave	73,691	77,846	(37,078)	-	114,459
Long Service Leave	91,967	16,758	-	-	108,725
Member Points Accounts	56,622	63,360	(72,190)	-	47,792
	<u>222,280</u>	<u>157,964</u>	<u>(109,268)</u>	<u>-</u>	<u>270,976</u>

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
A.B.N. 71 000 620 431

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
14 Other Liabilities		
Current		
Income in Advance	26,454	23,642
Subscriptions in Advance	<u>13,311</u>	<u>13,990</u>
	<u>39,765</u>	<u>37,632</u>
Non Current		
Subscriptions in Advance	<u>30,538</u>	<u>30,326</u>
15 Reserves		
Asset Revaluation Reserve	<u>7,730,459</u>	<u>7,730,459</u>
<p>The asset revaluation reserve arises on the revaluation of land and buildings. The revaluation increase or decrease is recognised in other comprehensive income in accordance with the Australian Accounting Standards.</p>		
16 Retained Earnings		
Retained earnings at the beginning of the financial year	5,787,300	5,013,915
Net profit attributable to members of the company	<u>1,071,893</u>	<u>773,157</u>
Retained earnings at the end of the financial year	<u>6,859,193</u>	<u>5,787,072</u>
17 Key Management Personnel Compensation		
Total Compensation	<u>175,932</u>	<u>172,053</u>

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
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18 Related Party Transactions		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		
Directors Remuneration		
Directors Remuneration		
Total value	24,796	28,577

19 Entity Details

Shoalhaven Heads Bowling & Recreation Club Limited is domiciled and incorporated in Australia.

Registered Office

76 Shoalhaven Heads Road
Shoalhaven Heads NSW 2535

Principal Place of Business

76 Shoalhaven Heads Road
Shoalhaven Heads NSW 2535

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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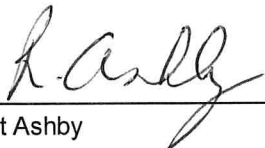
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards.
 - (b) give a true and fair view of the financial position of the company as at 30 June 2022 and of its performance for the year ended on that date.
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.

Director:


Robert Ashby

Dated 29 August 2022

SHOALHAVEN HEADS BOWLING & RECREATION CLUB LIMITED
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DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional information on the following pages is in accordance with the books and records of Shoalhaven Heads Bowling & Recreation Club Limited which have been subjected to the auditing procedures applied in the audit of the company for the year ended 30 June 2022. It will be appreciated that the audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

Booth Partners



Rebeka Schroeder, CA
52 Osborne Street, Nowra NSW 2541
Dated 29 August 2022

Shoalhaven Heads Bowling & Recreation Club Ltd

Summary Reports for the Period Ended

June 2022

This Period		<i>Summary of Trading Results</i>	Year to date		
This year	Last Year		This year	Last year	Variance
32,611	23,362	Bar Trading	473,938	548,808	(74,870)
196,841	120,793	Poker Machine Trading	1,695,869	1,794,794	(98,926)
10,502	12,383	Combined Catering	13,747	34,616	(20,870)
300	1,768	Gym Trading	16,846	15,739	1,107
(8,170)	(7,462)	Greens Trading	(97,699)	(90,348)	(7,351)
1,148,428	332,705	Other Income	1,454,866	873,810	581,056
1,380,513	483,548	Total Revenue	3,557,566	3,177,419	380,146
273,267	193,452	Less: Overhead Expenses	2,485,673	2,404,034	81,639
1,107,246	290,096	Net Profit	1,071,893	773,385	298,507
		Add Back: Depreciation and Interest			
76,124	96,336	Depreciation and Loss/(Profit) on Sale	898,944	874,403	24,541
6,041	2,151	Interest	55,079	29,974	25,105
1,189,411	388,583	Net Profit before Depreciation and Interest	2,025,916	1,677,762	348,154

Notes:

* Net adjusted profit is up on the same month last year by \$800828.

Notes:

Net adjusted profit is up on the same period last year by \$348154.