

Kingscliff Bowls Club Limited

Financial Statements

For the Year Ended 30 June 2022

Kingscliff Bowls Club Limited

Contents

For the Year Ended 30 June 2022

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Kingscliff Bowls Club Limited

Directors' Report

30 June 2022

The directors present their report on Kingscliff Bowls Club Limited for the financial year ended 30 June 2022.

1. General information

Information on directors

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

Qualifications

•

Raymond Breen

Qualifications

Retired Account Manager

Experience

Board Member 8 years

Phillip Perkiss

Qualifications

Electrical Contractor

Experience

Board Member 6 years

Barrie Butler

Qualifications

Retired Transport Officer

Experience

Board Member 6 years

Julie O'Connor

Qualifications

Management Rights

Experience

Board Member 4 years

Laurie Gillespie

Qualifications

Advance Life Support Officer

Experience

Board Member 4 years

Tom Eadie

Qualifications

Public Services

Experience

Board Member 4 years

Beven Lamb

Qualifications

Sales Manager

Experience

Board Member 4 years

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

Company secretary

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

Mr Phillip Kelly

Mr Phillip Kelly has been the company secretary since 7 November 2008.

Directors' Report

30 June 2022

1. General information

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activities of Kingscliff Bowls Club Limited during the financial year have been to manage, conduct, control and to promote the game of Bowls predominately in the Kingscliff District, to provide for members and members' guests a social and sporting club with all the usual facilities of a club including any necessary financial aid, residential or other accommodation, liquid and other refreshment, poker machines and other forms of gaming devices, and provision for sporting and other social and recreational facilities.

No significant changes in the nature of the Company's activities occurred during the financial year.

Objectives

The Company's short and long term objectives are to ensure that the company's financial position remains sound in both the short and long term to allow members and patrons to participate in lawn bowls and other sporting and social activities for many years to come.

Strategy for achieving the objectives

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

- carefully monitor income and expenditure to improve operating profit;
- introduce new ideas that will attract more people to the club to improve income streams;
- promote the above objectives at every opportunity; and
- look at commercial opportunities that will improve the company's asset base and provide additional income on a long term basis for the company.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by providing quality facilities and by continually looking at ways to attract participants in lawn bowls and other social and sporting activities. This has provided the company with an excellent source of income so the company continues to make improvements and remain viable into the future. The company has to ensure that it continues to provide a quality venue for members and visitors to enjoy lawn bowls and promotes its facilities in and around the Kingscliff district and beyond.

Performance measures

The following measures are used within the Company to monitor performance:

- monitoring of profit;
- monitoring of patron satisfaction;
- monitoring of key performance indicators (e.g. gross profit, profit to turnover, profit to income percentages).

Directors' Report

30 June 2022

1. General information

Members' guarantee

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

At 30 June 2022 the collective liability of members was \$ 9,998 (2021: \$13,470).

Payments and other benefits

No Directors have a financial interest in any contract or proposed contract with the Company. In accordance with Chapter 2E of the Corporations Act, since the end of the previous financial year, except for minor services rendered in the ordinary course of business, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by Directors shown in the notes to the financial statements or the fixed salary of a fulltime employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which they are a member or with a Company in which they have a substantial financial interest.

2. Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$ 344,210 (2021: \$780,942).

Dividends paid or recommended

The constitution of the company prohibits the distribution of profits to its members. Accordingly, no dividend or distributions were or could be paid to the members.

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show an overall increase in the financial position of the Company for the year ending 30 June 2022. It is the opinion of the Directors that the Company's operations performed well in the current economic environment.

3. Other items

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments, Prospects and Business Strategies

There are no planned changes in the operations of the company which will significantly affect the results of the operations in the financial years subsequent to the financial year.

Directors' Report

30 June 2022

3. Other items

Environmental issues

The Company's operations are subject to various environmental regulations under both Commonwealth and State Legislation.

The board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the parent company.

Meetings of directors

During the financial year, 12 ordinary meetings and 11 special meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Raymond Breen	12	12	11	11
Phillip Perkiss	12	12	11	10
Barrie Butler	12	12	11	11
Julie O'Connor	12	11	11	9
Laurie Gillespie	12	12	11	10
Tom Eadie	12	12	11	11
Beven Lamb	12	12	11	10

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Kingscliff Bowls Club Limited.

Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Kingscliff Bowls Club Limited

Directors' Report

30 June 2022

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 6 of the financial report.

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

Director

Raymond Breen

Director

Phillip Perkiss

Dated 22 August 2022

Kingscliff Bowls Club Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Kingscliff Bowls Club Limited

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

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

WCA Audit & Assurance Services Pty Ltd
Authorised Audit Company

Graham Smith
Director

22 August 2022

LISMORE

Kingscliff Bowls Club Limited

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
Revenue	6,155,414	8,423,792
Gain on disposal of assets	35,760	-
Changes in inventories of finished goods and work in progress	(5,477)	(8,921)
Raw materials and consumables used	(1,089,004)	(1,827,001)
Employee benefits expense	(1,603,215)	(2,146,424)
Depreciation and amortisation expense	(624,298)	(606,886)
Gaming Machine Taxes & Levies	(509,867)	(702,353)
Raffles, Promotions & Advertising	(365,317)	(417,812)
Entertainment & Other Activities	(109,056)	(100,921)
Members Expenses & Discounts	(125,128)	(192,103)
Loss on disposal of assets	(42,917)	(22,572)
Other expenses	(1,317,441)	(1,554,829)
Finance costs	(55,243)	(63,028)
Profit before income tax	344,211	780,942
Income tax expense	-	-
Total comprehensive income for the year	344,211	780,942

The accompanying notes form part of these financial statements.

Kingscliff Bowls Club Limited

Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	479,068	767,172
Trade and other receivables	8	117,830	77,574
Inventories	7	91,156	103,575
Other assets	9	116,637	130,567
TOTAL CURRENT ASSETS		<u>804,691</u>	1,078,888
NON-CURRENT ASSETS			
Property, plant and equipment	11	6,299,813	5,989,531
Right of use asset		8,111	156,636
TOTAL NON-CURRENT ASSETS		<u>6,307,924</u>	6,146,167
TOTAL ASSETS		<u>7,112,615</u>	<u>7,225,055</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	575,128	722,316
Borrowings	13	46,233	56,635
Employee benefits	15	201,632	266,858
Lease liabilities		6,176	40,656
TOTAL CURRENT LIABILITIES		<u>829,169</u>	1,086,465
NON-CURRENT LIABILITIES			
Trade and other payables		27,171	43,118
Borrowings	13	523,308	698,268
Employee benefits	15	46,951	42,076
Lease liabilities		119,630	132,953
TOTAL NON-CURRENT LIABILITIES		<u>717,060</u>	916,415
TOTAL LIABILITIES		<u>1,546,229</u>	2,002,880
NET ASSETS		<u>5,566,386</u>	<u>5,222,175</u>
EQUITY			
Reserves		3,285,567	3,285,567
Retained earnings		2,280,819	1,936,608
TOTAL EQUITY		<u>5,566,386</u>	<u>5,222,175</u>

The accompanying notes form part of these financial statements.

Kingscliff Bowls Club Limited

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Retained Earnings	Asset Realisation Reserve	Capital Profits Reserve	Total
Note	\$	\$	\$	\$
Balance at 1 July 2021	1,936,608	3,257,226	28,341	5,222,175
Profit/(loss) attributable to members	344,211	-	-	344,211
Transactions with owners in their capacity as owners				
Balance at 30 June 2022	2,280,819	3,257,226	28,341	5,566,386

2021

	Retained Earnings	Asset Realisation Reserve	Capital Profits Reserve	Total
Note	\$	\$	\$	\$
Balance at 1 July 2020	1,155,666	3,257,226	28,341	4,441,233
Profit/(loss) attributable to members	780,942	-	-	780,942
Transactions with owners in their capacity as owners				
Balance at 30 June 2021	1,936,608	3,257,226	28,341	5,222,175

The accompanying notes form part of these financial statements.

Kingscliff Bowls Club Limited

Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	6,750,774	9,257,243
Payments to suppliers and employees	(5,957,627)	(7,811,033)
Interest paid	(46,962)	(60,963)
Net cash provided by/(used in) operating activities	<u>746,185</u>	<u>1,385,247</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(801,570)</u>	<u>(502,537)</u>
Net cash used by investing activities	<u>(801,570)</u>	<u>(502,537)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(232,719)	(355,274)
Proceeds from borrowings	-	156,082
Net cash used by financing activities	<u>(232,719)</u>	<u>(199,192)</u>
Net increase/(decrease) in cash and cash equivalents held	(288,104)	683,518
Cash and cash equivalents at beginning of year	<u>767,172</u>	<u>83,654</u>
Cash and cash equivalents at end of financial year	<u>6</u> <u>479,068</u>	<u>767,172</u>

The accompanying notes form part of these financial statements.

Kingscliff Bowls Club Limited

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial statements are for Kingscliff Bowls Club Limited as an individual entity. Kingscliff Bowls Club Limited is a Company, incorporated and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

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

The financial statements, with the exception of cashflow 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 were authorised for issue on the 22nd of August 2022 by the directors of the entity.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

The Kingscliff Beach Bowls Club recognises revenue on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. The Company achieves this by identifying all performance obligations, determining an appropriate transaction price and recognising any revenue as and when control of the performance obligation is transferred.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when performance obligations are transferred.

Rendering of services

Revenue from the performance obligation in relation to rendering of services is recognised upon delivery of the service to the customer.

Government subsidies

Government subsidies comprises Federal Government COVID stimulus funding. Subsidies are recognised when the specific obligations for the receipt of the subsidy have been met.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(b) Goods and services tax (GST)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and cash equivalents

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

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

(e) Leases

At inception of a contract, the Company assesses if the contract contains or is a lease .

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

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(e) Leases

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(g) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

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

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

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

Fixed asset class	Depreciation rate
Buildings	1.5% - 2.5%
Plant and Equipment	5.0% - 33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(h) 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 period. 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 profit or loss and other comprehensive income.

(i) Going concern

Notwithstanding the Company's deficiency in net working capital as at 30 June 2022, the financial report has been prepared on the going concern basis. This basis has been adopted by the company as its cash flow from its operations remaining positive.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit and loss' in which case transactions costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

Classification and subsequent measurement

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- amortised cost
- equity instruments at fair value through other comprehensive income
- equity instruments at fair value through profit or loss

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(k) Financial instruments

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset
- the business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as fair value through profit and loss):

- the financial asset is managed solely to collect contractual cash flows
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit and loss.

Non-derivative financial liabilities other than financial grantees are subsequently measured at amortised cost using the effective interest method. All interest related charges and, if applicable, changes in the instruments fair values that are reported in profit or loss are included within finance costs or finance income.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward looking information to recognise expected credit losses. Executed credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - provisions

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Critical Accounting Estimates and Judgments

Key estimates - COVID-19

Other than government subsidies received earlier in the financial year as a result from COVID lockdowns forcing the closure of the Company's operations, there are no other financial effects arising from the economic impacts of the virus that have been included or otherwise provided in the financial statements for the year ended 30 June 2022.

4 Revenue and Other Income

	2022	2021
	\$	\$
Sales revenue		
- sale of goods	5,771,083	8,188,485
Finance income		
- interest	-	2
Other revenue		
- other	384,331	235,304
Total Revenue	6,155,414	8,423,791

5 Expenses

The result for the year includes the following specific expenses:

Cost of sales	1,094,481	1,835,922
Other expenses:		
Employee benefits expense	1,603,215	2,146,424
Depreciation and amortisation expense	624,298	606,886
Gaming Machine Taxes & Levies	509,867	702,353
Raffles, Promotions & Advertising	365,317	417,812
Entertainment & Other Activities	109,056	100,921
Members Expenses & Discounts	125,128	192,103
Loss on disposal of assets	42,917	22,572
Other expenses	1,317,441	1,554,829
Finance costs	55,243	63,028
Total expenses	5,846,963	7,642,850

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Expenses

(a) Other expenses

	<u>2022</u>	<u>2021</u>
	\$	\$
Electricity and water	182,867	201,811
Repairs and maintenance	181,168	206,501
Rental Outgoings	174,725	204,854
Insurance	149,126	146,280
Cleaning	127,811	217,463
Computer expenses	73,691	87,091
Fees and permits	69,976	98,075
Subcontracting costs	55,014	64,669
Rates and taxes	46,979	50,499
Staff amenities	32,345	31,593
Security costs	32,096	60,291
Director expenditure	29,334	32,168
Consulting and professional fees	26,704	5,774
Consumables	25,218	31,394
Auditors remuneration	22,235	21,882
Donations	16,987	24,992
Bank charges	16,902	23,174
Printing and stationery	14,989	14,155
Promotion	10,663	188
Telephone and fax	11,141	12,445
Sundry expenses	9,368	9,647
Subscriptions	4,081	6,274
Hire	4,022	3,608
Total	<u>1,317,442</u>	<u>1,554,828</u>

6 Cash and Cash Equivalents

Cash at bank and in hand	<u>479,068</u>	<u>767,172</u>
	<u>479,068</u>	<u>767,172</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	479,068	767,172
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7 Inventories

CURRENT

At cost:

Raw Materials and Stores	<u>91,156</u>	<u>103,575</u>
TOTAL INVENTORIES	<u>91,156</u>	<u>103,575</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	117,830	77,574
Total current trade and other receivables	117,830	77,574

Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Notwithstanding adopting the simplified approach under AASB 9, there has been no material change in the loss allowance provisions as at 30 June 2022 incorporating forward looking information.

9 Other Assets

CURRENT		
Prepayments	116,637	130,567

10 Leases

Right-of-use assets

	Photocopier	Phone System	Photocopier	Total
	\$	\$	\$	\$
Year ended 30 June 2022				
Balance at beginning of year	143,957	12,679	-	156,636
Amortisation	(38,283)	(4,568)	(5,032)	(47,883)
Takeup	-	-	150,955	150,955
Disposal	(105,674)	-	-	(105,674)
Balance at end of year	-	8,111	145,923	154,034

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Leases

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease liabilities	43,341	131,400	-	174,741	153,225
2021					
Lease liabilities	46,796	145,056	-	191,852	173,609

11 Property, plant and equipment

	2022	2021
	\$	\$
Buildings		
At fair value	7,279,733	7,097,438
Accumulated depreciation	(3,684,255)	(3,510,708)
Total buildings	3,595,478	3,586,730
Total land and buildings	3,595,478	3,586,730
Plant and Equipment		
At cost	5,466,988	5,152,253
Accumulated depreciation	(3,460,403)	(3,340,711)
Total plant and equipment	2,006,585	1,811,542
Leasehold Improvements		
At cost	645,476	629,871
Accumulated amortisation	(236,095)	(217,120)
Total leasehold improvements	409,381	412,751
Capitalised Leased Assets		
Under lease	428,431	277,476
Accumulated amortisation	(140,062)	(98,968)
Total capitalised leased assets	288,369	178,508
Total plant and equipment	2,704,335	2,402,801
Total property, plant and equipment	6,299,813	5,989,531

Notes to the Financial Statements

For the Year Ended 30 June 2022

11 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Buildings \$	Plant and Equipment \$	Improvements \$	Leased Assets \$	Total \$
Year ended 30 June 2022					
Balance at the beginning of year	3,586,730	1,811,542	412,751	178,508	5,989,531
Additions	191,653	594,312	15,605	150,955	952,525
Disposals	(3,700)	(54,601)	-	-	(58,301)
Depreciation expense	(179,205)	(344,668)	(18,975)	(41,094)	(583,942)
Balance at the end of the year	3,595,478	2,006,585	409,381	288,369	6,299,813

12 Trade and Other Payables

	Note	2022 \$	2021 \$
Current			
Trade payables		302,012	359,272
Amounts received in advance		51,628	54,577
GST payable		49,191	83,921
Sundry payables and accrued expenses		172,295	224,545
		<u>575,126</u>	<u>722,315</u>

13 Borrowings

	2022 \$	2021 \$
CURRENT		
Secured liabilities:		
Other loans	18,814	56,635
Current	27,419	-
Total current borrowings	46,233	56,635

Notes to the Financial Statements

For the Year Ended 30 June 2022

13 Borrowings

NON-CURRENT

Secured liabilities:

Equipment loan

944 19,758

Bank loans

522,364 678,510

Total non-current borrowings

523,308 698,268

Total borrowings

569,541 754,903

The following security has been offered in respect of interest bearing liabilities:

- Registered mortgage debenture over the assets and undertakings of Kingscliff Beach Bowls Club Ltd for

- Lease liabilities are secured by the underlying leased asset.

14 Reserves

(a) **Asset realisation reserve**

The asset realisation reserve records revaluations of non-current assets.

(b) **Capital profits reserve**

The capital profits reserve is an accumulation of the capital profits derived by the Company.

15 Employee Benefits

	2022	2021
	\$	\$
CURRENT		
Employee benefits	201,632	266,858
	<u>201,632</u>	<u>266,858</u>
NON-CURRENT		
Provision for employee benefits	46,951	42,076
	<u>46,951</u>	<u>42,076</u>

16 Events after the end of the Reporting Period

The financial report was authorised for issue on 22 August 2022 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

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

17 Capital and Leasing Commitments

(a) Perpetual Leases

Land Lease and Car Park License

The company's business operates on leasehold land (Portion 468 being special lease 81432) with access to the club via Car Park (License S34A 497256).

Special lease 81432 is for a perpetual term for recreation (Bowling Green) and erection of Buildings (Clubhouse).

Future years rental are subject to market value review by the NSW Department of Lands less any adjustment/waivers provided to the company as a not for profit sporting organisation.

	2022	2021
	\$	\$
Special Lease Annual Rent	159,983	157,303
Car Park License Annual Rent	51,440	51,440
Total	211,423	208,743

18 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 470,629 (2021: \$ 426,639).

19 Auditors' Remuneration

Remuneration of the auditor of the entity for:

- auditing of the financial statements	12,000	12,000
- taxation and other services	10,235	9,882
Total	22,235	21,882

20 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the number of members was 4,999 (2021: 6,735).

21 Contingencies

Contingent Liabilities

Kingscliff Bowls Club Limited had the following contingent liabilities at the end of the reporting period:

.- Bank Guarantee Facility secured over the assets and undertaking of Kingscliff Bowl Club Pty Ltd.

Kingscliff Bowls Club Limited

Notes to the Financial Statements

For the Year Ended 30 June 2022

22 Related Parties

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

- Raymond Breen
- Phillip Perkiss
- Barrie Butler
- Julie O'Connor
- Laurie Gillespie
- Tom Eadie
- Beven Lamb

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

23 Statutory Information

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

Kingscliff Bowls Club Limited
131 Marine Parade
KINGSCLIFF NSW 2487

Kingscliff Bowls Club Limited

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director

Raymond Breen

Director

Phillip Perkiss

Dated 22 August 2022

Kingscliff Bowls Club Limited

Independent Audit Report to the members of Kingscliff Bowls Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Kingscliff Bowls Club Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company for the year ended 30 June 2022 is prepared, in all material respects, in accordance with Australian Accounting Standards.

Basis for Opinion

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

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Kingscliff Bowls Club Limited

Independent Audit Report to the members of Kingscliff Bowls Club Limited

Auditor's Responsibilities for the Audit of the Financial Report

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

Graham Smith
Director

Dated this 22nd day of August 2022