

Austral Bowling Club Ltd

ABN: 67 000 485 218

Financial Report

For the Year Ended 31 December 2022

Austral Bowling Club Ltd

ABN: 67 000 485 218

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For the Year Ended 31 December 2022

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Austral Bowling Club Ltd

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Club Property Declaration

For the Year Ended 31 December 2022

Pursuant to Section 41(E) of the *Registered Clubs Act 1976* the Directors declare that, for the financial year ended 31 December 2022, the classification of freehold land is as follows:

Property Address	Current Usage	Classification
165 Edmonson Ave, Austral NSW 2179	Clubhouse	Core

Notes to Members

Section 41 (E) of the *Registered Clubs Act 1976* requires the annual report to specify the core property and non-core property of the Company as at the end of the financial year to which the report relates.

Core property is any real property owned or occupied by the Company that comprises:

- the defined premises of the Company; or
- any facility provided by the Company for the use of its members and their guests; or
- any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Company to be core property of the Company.

Non-core property is any property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Company not to be core property.

The significance of the distinction between core property and non-core property is that the Company cannot dispose of any core property unless:

- the property has been valued by a registered valuer within the meaning of the *Valuers Act 2003*; and
- the disposal has been approved at a general meeting of the ordinary members of the Company at which the majority of the voters cast support the approval; and
- any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

These disposal provisions and what constitutes a disposal for the purposes of section 41(E) are to some extent modified by regulations made under the *Registered Clubs Act 1976* and Section 41(E) itself. For example, the years on terms that have been the subject of a valuation by a registered valuer.

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Directors' Report

31 December 2022

The Directors present their report on Austral Bowling Club Ltd for the financial year ended 31 December 2022.

General information

Directors

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

Names	Appointed	Resigned
Terrance Hooper - President	2020	
George Bevan - Vice President	2020	31 December 2022
Kenneth Williams - Treasurer	2020	
Mark Behringer	2018	15 May 2022
Wayne Crompton	2020	
Matt Pannowitz	2020	
William Shaw	2017	
Julieanna Cairns	15 May 2022	

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

Review of operations

The surplus of the Company amounted to \$ 1,753,310. (2021: \$807,445)

Principal activities

The principal activity of Austral Bowling Club Ltd during the financial year was the operation of a licensed bowling club.

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

Short term objectives

The Company's short term objectives are to:

- Increase Club Membership to 5000 by the end of 2023;
- Implement a staff training plan to ensure the highest level of customer service for the Club; and
- Continue to improve and promote entertainment options that will make the Club a destination venue.

Long term objectives

The Company's long term objectives are to:

- Build brand recognition for Club Austral and Austral Eagles in the ever-growing local community;
- Invest in Club facilities by way of new building and renovation of existing building; and
- Maintain and increase business profitability to secure the Club's future in the community as a standalone Club.

Austral Bowling Club Ltd

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Directors' Report

31 December 2022

General information

Strategy for achieving the objectives

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

- Submission of a DA to Liverpool Council to build a new Alfresco Area and Children's Play Area that will provide an extra 150 seats for food, beverage and functions along with a destination venue for families in our community;
- Maintain high service quality across all operational areas of the business that will match and exceed our members and the communities' expectations; and
- Continual investment into facilities and equipment to improve business growth and performance.

Performance measures

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

- Maintain a quarterly EBITDA of 25% or higher to ensure a healthy cashflow;
- Membership growth; and
- Employee retention.

Members' guarantee

Austral Bowling Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 5 for members that are corporations and \$ 5 for all other members, subject to the provisions of the company's constitution.

At 31 December 2022 the collective liability of members was \$ 24,820 (2021: \$ 20,785).

Other items

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Meetings of Directors

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

Directors' Meetings		
Number eligible to attend	Number attended	
Terrance Hooper - President	12	10
Kenneth Williams - Treasurer	12	12
George Bevan - Vice President	12	11
William Shaw	12	12
Mark Behringer	4	4
Matt Pannowitz	12	12
Wayne Crompton	12	11
Julieanna Cairns	8	7

Austral Bowling Club Ltd

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Directors' Report

31 December 2022

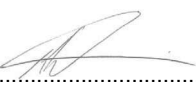
Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2022 has been received and can be found on page 5 of the financial report.

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

Director: 

Terrance Hooper - President

Director: 

Kenneth Williams - Treasurer

Dated 17 April 2023



**FITZPATRICK
+ ROBINSON**
ACCOUNTING & BUSINESS SPECIALISTS

Austral Bowling Club Ltd

ABN: 67 000 485 218

Auditor's Independence Declaration For the Year Ended 31 December 2022

As auditor for the audit of Austral Bowling Club Ltd for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, during the year ended 31 December 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.

**Fitzpatrick + Robinson
Certified Practising Accountants**

**Rick Fitzpatrick
Director**

Suite 1003, 31C Lasso Road, Gregory Hills, NSW, 2557

Dated this 17th day of April 2023



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Austral Bowling Club Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

		2022	2021
	Note	\$	\$
Revenue		5,567,849	3,588,833
Other income		225,802	116,158
	4	<u>5,793,651</u>	<u>3,704,991</u>
Less: Expenses			
Bar purchases		462,634	688,819
Employee benefits expense		958,429	734,998
Depreciation and amortisation expense		502,610	460,494
Other operating expenses		2,101,435	1,005,092
Directors' related expenses		15,233	7,888
Finance expenses		-	255
		<u>1,753,310</u>	<u>807,445</u>
Profit before income tax		1,753,310	807,445
Income tax expense	2(b)	-	-
		<u>1,753,310</u>	<u>807,445</u>
Profit from continuing operations		<u>1,753,310</u>	<u>807,445</u>
Profit for the year		<u>1,753,310</u>	<u>807,445</u>
Other comprehensive income, net of income tax			
Increments in the asset revaluation reserve	10	<u>220,000</u>	<u>3,250,000</u>
Total comprehensive income for the year		<u>1,973,310</u>	<u>4,057,445</u>

The accompanying notes form part of these financial statements.

Austral Bowling Club Ltd
 ABN: 67 000 485 218
Statement of Financial Position
As At 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,662,182	2,473,920
Trade and other receivables		5,201	5,000
Inventories		57,722	31,461
Term deposits (> 3 months)		2,000,000	1,013,668
Prepayments		36,245	42,630
TOTAL CURRENT ASSETS		<u>3,761,350</u>	<u>3,566,679</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	9,273,484	7,595,320
Intangible assets	8	349,376	349,376
TOTAL NON-CURRENT ASSETS		<u>9,622,860</u>	<u>7,944,696</u>
TOTAL ASSETS		<u>13,384,210</u>	<u>11,511,375</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	482,669	539,871
Borrowings (Financing arrangement)		60,228	60,228
Employee benefits		98,167	81,212
TOTAL CURRENT LIABILITIES		<u>641,064</u>	<u>681,311</u>
NON-CURRENT LIABILITIES			
Borrowings (Financing arrangement)		45,171	105,399
TOTAL NON-CURRENT LIABILITIES		<u>45,171</u>	<u>105,399</u>
TOTAL LIABILITIES		<u>686,235</u>	<u>786,710</u>
NET ASSETS		<u>12,697,975</u>	<u>10,724,665</u>
EQUITY			
Reserves	10	4,115,566	3,895,566
Retained earnings		8,582,409	6,829,099
TOTAL EQUITY		<u>12,697,975</u>	<u>10,724,665</u>

The accompanying notes form part of these financial statements.

Austral Bowling Club Ltd

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Statement of Changes in Equity For the Year Ended 31 December 2022

2022

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 January 2022	6,829,099	3,895,566	10,724,665
Surplus for the year	1,753,310	-	1,753,310
Revaluation of land	-	220,000	220,000
Balance at 31 December 2022	8,582,409	4,115,566	12,697,975

2021

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 January 2021	6,021,654	645,566	6,667,220
Surplus for the year	807,445	-	807,445
Revaluation of land	-	3,250,000	3,250,000
Balance at 31 December 2021	6,829,099	3,895,566	10,724,665

The accompanying notes form part of these financial statements.

Austral Bowling Club Ltd

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Statement of Cash Flows

For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		18,802,304	12,517,245
Payments to suppliers and employees		(16,606,106)	(11,000,409)
Interest received		2,233	999
Interest paid		-	(255)
Net cash provided by operating activities		2,198,431	1,517,580
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(1,963,609)	(1,470,426)
Transfers to term deposits		(2,000,000)	-
Transfers from term deposits		1,013,668	-
Net cash used in investing activities		(2,949,941)	(1,470,426)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		-	180,684
Repayment of borrowings		(60,228)	(36,050)
Net cash provided by/(used in) financing activities		(60,228)	144,634
Net increase in cash and cash equivalents held		(811,738)	191,788
Cash and cash equivalents at beginning of year		2,473,920	2,282,132
Cash and cash equivalents at end of financial year	5	1,662,182	2,473,920

The accompanying notes form part of these financial statements.

Austral Bowling Club Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

The financial report covers Austral Bowling Club Ltd as an individual entity. Austral Bowling Club Ltd is a not-for-profit Company, incorporated and domiciled in Australia.

The functional and presentation currency of Austral Bowling Club Ltd is Australian dollars (\$AUD), and all amounts presented have been rounded to the nearest dollar.

The financial report was authorised for issue by the Board of Directors on 17 April 2023.

Comparatives are consistent with prior years, unless otherwise stated below:

- During the year ended 31 December 2022, the Directors reviewed the historical recognition and measurement of the Company's term deposits held-to-maturity, which were reported as short-term deposits in cash and cash equivalents in comparative years. As part of this review, the Directors determined recognition of the term deposits as cash and cash equivalents to be inappropriate due to their respective investment terms exceeding the three (3) short-term investment period. As a result, the Directors have reclassified the term deposits as financial assets for both the current and comparative period. These financial assets are reported in the statement of financial position as Term deposits (> 3 months).

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

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The Company recognises revenue on a basis that reflects the transfer of promised goods or services to patrons at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model for each applicable revenue stream as follows:

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

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Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

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

Bar sales

Revenue derived through sales is recognised on transfer of goods to the patron as this is deemed to be the point in time when all the risks and rewards associated with the goods are transferred, there is no longer any ownership or effective control over the inventory and the Company's performance obligations have been met.

Poker machine takings

Poker machine takings are recognised as revenue on receipt of the funds as there are no enforceable performance obligations contained within a contract between the Company and the patron. Revenue from poker machine takings is shown in the statement of profit or loss and other comprehensive income net of payouts, with gaming machine tax being recognised as an expense.

Other income

Other income is recognised as revenue when the Company has either fulfilled its performance obligations, or on receipt to the extent there are no performance obligations attached to the funds.

(b) Income Tax

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

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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.

(d) 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.

Cost Model

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Revaluation Model

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

Any revaluation surplus arising upon appraisal of assets measured using the revaluation model is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

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Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Downward revaluations of assets measured using the revaluation model are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Freehold Land

Land is measured using the revaluation model. The Company's valuation policy is to obtain an independent third party valuation, and to the extent an external valuation is not obtained, that the New South Wales (NSW) Valuer General's freehold land values are used.

As no finite life for the land can be determined, related carrying amounts are not depreciated.

Bowling Greens

Bowling greens are measured using the revaluation model. The Company's valuation policy is to obtain an independent third party valuation.

As the greens are grass and not synthetic, no finite life can be determined and the related carrying amounts are not depreciated.

Buildings

Buildings are measured using the revaluation model. Buildings are measured using the depreciated replacement cost model (fair value). The depreciated replacement cost is determined using fair market values and useful life assessments which are based on appraisals prepared by external professional valuers.

Plant and equipment

Plant and equipment is measured at cost, less any accumulated depreciation and impairment. The Company's plant and equipment also includes motor vehicle and poker machine assets.

Capital work-in-progress

Capital work-in-progress are stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use, and subsequently transferred to their respective fixed asset class below.

Depreciation

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

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Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings	4% - 25%
Plant and Equipment	5% - 33%
Motor Vehicles	25%
Poker Machines	25%

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.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

On initial recognition, the Company classifies its financial assets as those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents (including term deposits) in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and finance lease liabilities.

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

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Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

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

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

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

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

(g) Intangible assets

Poker machine entitlements

Under the *Gaming Machine Act 2001* (the Act), a tradeable asset titled gaming machine entitlement was created. Gaming Machine entitlements are able to be sold to other registered clubs within the state of New South Wales (NSW) provided certain statutory requirements are met. The Act came into effect on 2 April 2001.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and cash at bank which is subject to an insignificant risk of change in value.

Term deposits with an investment term greater than three (3) months is not deemed to be cash and cash equivalents, and are therefore recognised as financial assets within the statement of financial position.

(i) 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.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Austral Bowling Club Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

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.

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.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Impairment of poker machine entitlements

At the end of each reporting period the Company determines whether there is any evidence of impairment indicators by comparing the cost reported for each individual poker machine licence with the market values for the area. In the event the cost reported exceeds the market values, the licences are immediately reduced to their recoverable amount by recognising an impairment through the statement of profit or loss and other comprehensive income.

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.

Estimation of useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Fair value of land, buildings, and bowling greens

The Company's land, buildings, and bowling greens are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the assets could be affected by changes in these assumptions and inputs.

An independent valuation of property (land and buildings) carried at fair value was obtained in 2015. The Directors have reviewed this valuation and do not believe there has been a material movement in the value of the building and bowling green assets. The valuation is an estimation which would only be realised if the property is sold.

In absence of an independent third party valuation, the Company used the NSW Valuer General's land values which has also resulted in a further increment in the asset revaluation reserve.

Income tax exemption - self assessment

The Directors have performed their annual self assessment in relation to income tax and have determined that the Company remains exempt.

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Notes to the Financial Statements For the Year Ended 31 December 2022

	2022	2021
	\$	\$
4 Revenue and Other Income		
Revenue from continuing operations		
Revenue from contracts with customers (AASB 15) - At a Point in Time		
- Gaming income	4,549,207	2,799,435
- Bar	939,386	630,603
- Membership fees	39,123	24,841
- Bowls income (men & ladies)	31,645	36,318
	<u>5,559,361</u>	3,491,197
Revenue recognised on receipt (not enforceable or sufficiently specific)		
- Government Grants (Job Keeper and Job Saver)	7,388	82,636
- Government Grants (Others)	1,100	15,000
	<u>8,488</u>	97,636
Total Revenue	<u>5,567,849</u>	3,588,833
Other Income		
- Other income	156,080	112,635
- Sponsorships	-	560
- Net gain on disposal of property, plant, and equipment	3,409	1,964
- Insurance claims	64,080	-
- Finance income	2,233	999
Total Other Income	<u>225,802</u>	116,158
Total Revenue and Other Income	<u>5,793,651</u>	3,704,991
5 Cash and Cash Equivalents		
CURRENT		
Cash on hand	250,000	220,600
Cash at bank	1,412,182	2,253,320
	<u>1,662,182</u>	2,473,920
6 Auditors' Remuneration		
Remuneration of the auditor, Fitzpatrick + Robinson, for:		
- auditing, accounting and compilation of the financial statements	<u>20,004</u>	15,200

Austral Bowling Club Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

	2022	2021
	\$	\$
7 Property, plant and equipment		
NON-CURRENT		
Freehold land At fair value	<u>4,980,000</u>	4,760,000
Buildings At fair value	5,099,428	2,676,525
Accumulated depreciation	<u>(2,029,418)</u>	(1,864,547)
	<u>3,070,010</u>	811,978
Capital works in progress At cost	<u>15,350</u>	939,367
Plant and equipment At cost	1,454,925	1,067,450
Accumulated depreciation	<u>(1,088,991)</u>	(903,342)
	<u>365,934</u>	164,108
Motor vehicles At cost	127,950	127,950
Accumulated depreciation	<u>(33,608)</u>	(14,122)
	<u>94,342</u>	113,828
Poker machines At cost	1,753,990	1,782,352
Accumulated depreciation	<u>(1,292,642)</u>	(1,262,813)
	<u>461,348</u>	519,539
Bowling greens At fair value	<u>286,500</u>	286,500
Total property, plant and equipment	<u><u>9,273,484</u></u>	<u><u>7,595,320</u></u>

Austral Bowling Club Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

7 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:

	Capital Works in Progress	Land	Buildings	Plant and Equipment
	\$	\$	\$	\$
Year ended 31 December 2022				
Balance at the beginning of year	939,367	4,760,000	811,978	177,914
Additions	1,498,887	-	-	279,560
Disposals	-	-	-	-
Transfers	(2,422,904)	-	2,422,904	-
Depreciation expense	-	-	(164,872)	(91,540)
Revaluation increase	-	220,000	-	-
Balance at the end of the year	15,350	4,980,000	3,070,010	365,934

	Motor Vehicles	Poker Machines	Bowling Greens	Total
	\$	\$	\$	\$
Year ended 31 December 2022				
Balance at the beginning of year	113,828	505,733	286,500	7,595,320
Additions	-	212,102	-	1,990,549
Disposals	-	(29,773)	-	(29,773)
Transfers	-	-	-	-
Depreciation expense	(19,486)	(226,714)	-	(502,612)
Revaluation increase	-	-	-	220,000
Balance at the end of the year	94,342	461,348	286,500	9,273,484

Austral Bowling Club Ltd

ABN: 67 000 485 218

Notes to the Financial Statements For the Year Ended 31 December 2022

	2022	2021
	\$	\$
8 Intangible Assets		
NON-CURRENT		
Poker Machine Entitlements At cost	<u>349,376</u>	<u>349,376</u>
9 Trade and Other Payables		
CURRENT		
Trade payables	126,985	203,523
GST payable	85,248	(10,114)
Sundry payables and accrued expenses	237,822	302,792
Other payables	<u>32,614</u>	<u>43,670</u>
	<u>482,669</u>	<u>539,871</u>

10 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on land, buildings, and bowling greens held under the revaluation model. During the year ended 31 December 2022, the Company obtained a copy of the NSW Valuer General's land valuation report which resulted in a \$220,000 increment to the land value reported (2021: \$3,250,000) in the statement of financial position.

Refer to Note 2(d) Property, Plant, and Equipment for further detail on the Company's accounting policies under the fair value model.

11 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company during the year ended 31 December 2022 consisted of wages and salaries and amounted to \$ 145,106 (2021: \$ 133,121).

12 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (31 December 2021: None).

Austral Bowling Club Ltd

ABN: 67 000 485 218

Notes to the Financial Statements For the Year Ended 31 December 2022

13 Related Parties

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

Key Management Personnel

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

Key management personnel of the Company during the year were as follows:

- President;
- Vice-President;
- Treasurer;
- Board Directors; and
- General Manager.

For remuneration paid to key management personnel, refer to Note 11.

Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Other than remuneration paid to key management personnel, there were no other related party transactions which occurred during the year.

14 Events after the end of the Reporting Period

The financial report was authorised for issue on 17 April 2023 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.

15 Statutory Information

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

Austral Bowling Club Ltd
Corner 8th and Edmondson Avenue
AUSTRAL NSW 2179

Austral Bowling Club Ltd

ABN: 67 000 485 218

Directors' Declaration

For the Year Ended 31 December 2022

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 20, are in accordance with the *Corporations Act 2001* and:
 - a. comply with the Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 31 December 2022 and financial performance of the Company for the year then ended.
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
Terrance Hooper - President

Director
Kenneth Williams - Treasurer

Dated 17 April 2023



**FITZPATRICK
+ ROBINSON**
ACCOUNTING & BUSINESS SPECIALISTS

Austral Bowling Club Ltd

Independent Auditor's Report to the members of Austral Bowling Club Limited

Report on the Audit of the Financial Report

Qualified Opinion

I have audited the financial report of Austral Bowling Club Ltd (the Company), which comprises the statement of financial position as at 31 December 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 my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

We did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2022, which are stated in the statement of financial position at \$57,722.

As a result, we were unable to determine the existence and completeness of inventory on hand and whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and accounts receivable, and the elements making up the statement of profit or loss, statement of changes in equity and statement of cash flows as at 31 December 2022.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am 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 (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of Directors for the Financial Report

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

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



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**FITZPATRICK
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Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fitzpatrick + Robinson
Certified Practising Accountants

Rick Fitzpatrick
Director
Suite 1003, 31C Lasso Road, Gregory Hills, NSW, 2557
Dated this 17th day of April 2023



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