



**Singleton Bowling Club
Co-Operative Limited**

ACN 92 048 107 466

**Annual Financial Report
for the year ended 30 June 2023**

Singleton Bowling Club Co-Operative Club ACN 92 048 107 466
Annual financial report for the year ended 30 June 2023

Contents

	Page
Directors' report	3-5
Auditor's independence declaration	6
Financial statements	
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11-20
Directors' declaration	21
Independent auditor's report to the members	22-23

These financial statements are the financial statements of Singleton Bowling Club Co-Operative Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 25 October 2023. The Directors have the power to amend and reissue the financial statements.

Directors' report

Your Directors' present their report on Singleton Bowling Club Co-Operative Limited (the Club) for the year ended 30 June 2023.

Directors details

The following persons were Directors of Singleton Bowling Club Co-Operative Limited during the financial year, and up to the date of this report:

Mr Kerry Hardy

President

Director since 2007

Plant operator in the mining industry since 1979.

Mr David Maxwell

Director

Director since 2017

Background in agriculture and transport. Currently employed in the mining industry.

Mr Les Harriss

Director

Director since December 2022

Trade qualified mechanical fitter and is currently semi-retired.

Mr Alan Swan

Director

Director since 2019, resigned April 2023

10 years experience as a small business owner/operator and 15 years in hotel management including licensee.

Mr Ian Skilton

Vice President

Director since 2017

Retired deputy principal of Singleton High School after 38 years in secondary education. B. Mathematics and Dip. Education (secondary).

Mr James Savage

Director

Director since 2017

Building trade qualified with 50 years experience & former company director.

Mr Shane Davey

Director

Director since December 2022

Self-employed marketing professional & newspaper publisher.

Mr Bruce Taylor

Director

Director since 2014, resigned October 2022

Mechanic trade qualified. Small business operator and sales management experience.

Director's meetings

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

Board members	Board meetings		
	A	B	
Mr Kerry Hardy	12	10	
Mr Ian Skilton	12	12	
Mr David Maxwell	12	12	
Mr James Savage	12	11	
Mr Shane Davey	Appointed December 2022	8	7
Mr Les Harriss	Appointed December 2022	8	6
Mr Alan Swan	Resigned April 2023	9	6
Mr Bruce Taylor	Resigned October 2022	5	4

Where:

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

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2023, the following land and buildings are considered to be core and non-core property:

Core - Land and Buildings upon which the Club and carpark are situated (including #1 and #2 greens), being 50 Pitt Street, Singleton.

Non-Core - This comprises: property at 29 William Street, Singleton, land (lots 526 and 525 of DP 1089479, Lot 570 of DP 1089441, Lot 1 of DP 955799, Lot 1 of DP 1009908 and Lot 1 of DP 966788) at Pitt/William Street, Singleton.

Directors' report (continued)

Principal activities

During the year, the principal activities of the Club was the running of a licensed club for the benefit of its members and to meet the Co-operative's objectives under its constitution.

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

Review of operations and financial results

The profit achieved for the year was \$154,345 (2022 profit \$62,335).

	2023	2022
	\$	\$
Revenue	3,763,648	3,068,560
Expenses	(3,609,303)	(3,006,225)
Profit before income tax	154,345	62,335
Income tax	-	-
Gain on revaluation of land and buildings	857,347	-
Total comprehensive income / (loss) for the year	1,011,692	62,335

Significant changes in state of affairs

No significant changes in the Clubs state of affairs occurred during the financial year.

Events since the end of the financial year

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

Likely developments and expected results of operations

No new developments are anticipated in the operations of the Club. The expected results for future years are of growth in revenue whilst the Club will control costs wherever possible.

Environmental regulation

The Club's operations are not regulated by any significant environmental regulations under the law of the Commonwealth or of a state or territory of Australia.

Dividends paid or recommended

The Club is prohibited from paying dividends under its Constitution.

Options

No options over issued shares or interests in the Club were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Club indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs in successfully defending legal proceedings.

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

Directors' report (continued)

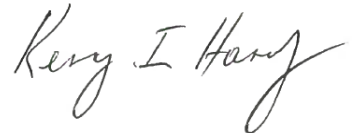
Rounding of amounts

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Co-operatives National Law 2014 (NSW) is set out on page 6 and forms part of this Directors' report.

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



Kerry Hardy - Director



Ian Skilton - Director

Dated: 25 October 2023
Singleton, NSW

Auditor's independence declaration

To the Directors of Singleton Bowling Club Co-Operative Limited

In accordance with the requirements of Co-operatives National Law (NSW), as lead auditor for the audit of Singleton Bowling Club Co-Operative Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Co-operatives National Regulations (NSW) in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Kirsty Porteous - Partner



Pitcher Partners NH Partnership
Chartered Accountants

Dated: 25 October 2023
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Pitcher Partners is an association of independent firms. An independent company. ABN 53 001 876 320. Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



bakertilly
NETWORK MEMBER

www.pitchernewcastle.com.au

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue from continuing operations	2	3,672,897	2,958,330
Other Income	3	90,751	110,230
Bar cost of goods sold		(321,062)	(200,862)
Bar direct expenses		(299,066)	(196,831)
Cafe cost of goods sold		(36,675)	(15,877)
Cafe direct expenses		(68,017)	(31,240)
Gaming direct expenses		(830,388)	(684,973)
Bowls direct expenses		(71,659)	(62,646)
Clubhouse expenses		(719,711)	(712,349)
Administration expenses		(1,189,669)	(1,042,014)
Finance costs		(9,527)	(11,325)
Keno & tab expenses		(63,529)	(48,108)
		(3,609,303)	(3,006,225)
Profit / (loss) before income tax		154,345	62,335
Income tax expense	1 (d)	-	-
Profit / (loss) for the year		154,345	62,335
Other comprehensive income			
Gain on revaluation of land and buildings		857,347	-
Total comprehensive income / (loss) for the year		1,011,692	62,335

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

Statement of financial position

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,566,695	1,240,763
Trade receivables	5	44,449	55,870
Inventories	6	36,201	45,019
Financial assets at amortised cost	7	25,729	87,170
Other assets	8	71,890	60,949
Total current assets		1,744,964	1,489,771
Non-current assets			
Property, plant and equipment	9	3,738,866	3,057,696
Lease asset	10 (a)	386,055	407,631
Total non-current assets		4,124,921	3,465,327
Total assets		5,869,885	4,955,098
LIABILITIES			
Current liabilities			
Trade and other payables	11	271,173	262,796
Financial liabilities	12	8,803	-
Provisions	13	115,042	114,520
Other liabilities	14	40,219	30,281
Lease liabilities	10 (b)	156,412	187,001
Total current liabilities		591,649	594,598
Non-current liabilities			
Provisions	13	32,557	23,374
Other liabilities	14	45,753	58,129
Lease liabilities	10 (b)	62,642	153,405
Total non-current liabilities		140,952	234,908
Total liabilities		732,601	829,506
Net assets		5,137,284	4,125,592
MEMBERS FUNDS			
Reserves	15	925,151	67,804
Retained profits		4,212,133	4,057,788
Total members funds		5,137,284	4,125,592

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

Singleton Bowling Club Co-Operative Limited

Statement of changes in equity

For the year ended 30 June 2023

	Asset Revaluation Reserve	Retained Profits \$	Total \$
Balance at 1 July 2021	67,804	3,995,453	4,063,257
Profit for the year	-	62,335	62,335
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	62,335	62,335
Balance at 30 June 2022	67,804	4,057,788	4,125,592
Profit for the year	-	154,345	154,345
Other comprehensive income	857,347	-	857,347
Total comprehensive income for the year	857,347	154,345	1,011,692
Balance at 30 June 2023	925,151	4,212,133	5,137,284

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

Statement of cash flows

For the year ended 30 June 2023

Notes	2023 \$	2022 \$
Cash flows from operating activities		
Receipts from members and customers	4,141,840	3,213,716
Receipts from government stimulus funding	-	95,276
Payments to suppliers and employees	(3,480,106)	(2,730,088)
Interest received	8,899	378
Interest paid	(9,527)	(11,325)
Net cash inflow (outflow) from operating activities	661,106	567,957
Cash flows from investing activities		
Payments for property, plant and equipment	(195,306)	(366,194)
Proceeds from sale of property, plant and equipment	1,897	5,364
Transfer (to)/from interest bearing deposit	51,404	(118)
Net cash inflow (outflow) from investing activities	(142,005)	(360,948)
Cash flows from financing activities		
Proceeds from borrowings	8,803	-
Repayment of lease liabilities	(201,972)	(168,392)
Repayment of borrowings	-	(39,653)
Net cash inflow (outflow) from financing activities	(193,169)	(208,045)
Net increase in cash and cash equivalents	325,932	(1,036)
Cash and cash equivalents at the beginning of the financial year	1,240,763	1,241,799
Cash and cash equivalents at the end of the financial year	1,566,695	1,240,763

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

Notes to the financial statements

For the year ended 30 June 2023

1 Summary of significant accounting policies

(a) Information about the entity

- Singleton Bowling Club Co-Operative Limited is a co-operative.
- Singleton Bowling Club Co-Operative Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is 50 Pitt Street, Singleton, NSW 2330.
- The principal place of business of the Club is 50 Pitt Street, Singleton, NSW 2330.

(b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosure and the Co-operatives National Law (NSW). Singleton Bowling Club Co-Operative Limited (the Club) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

(c) Statement of compliance

This financial report complies with Australian Accounting Standards - *Simplified Disclosure* for For-Profit and Not-for Profit Tier 2 Entities as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs, except for land and buildings which have been measured at fair value. The financial report is presented in Australian Dollars.

(d) Income taxes

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

(e) Goods and services tax

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

(f) Rounding of amounts

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

Notes to the financial statements

For the year ended 30 June 2023

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

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

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowling revenue	Other revenue	Total
2023	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	810,964	2,376,044	14,611	262,650	8,393	183,055	3,655,717
Other revenue (not covered by AASB15)	-	17,180	-	-	-	-	17,180
	810,964	2,393,224	14,611	262,650	8,393	183,055	3,672,897

Timing of revenue recognition

At a point in time	810,964	2,376,044	-	262,650	8,393	183,055	3,641,106
Over time	-	17,180	14,611	-	-	-	31,791
	810,964	2,393,224	14,611	262,650	8,393	183,055	3,672,897

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowling revenue	Other revenue	Total
2022	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	512,816	1,902,151	12,816	367,633	2,317	143,417	2,941,150
Other revenue (not covered by AASB15)	-	17,180	-	-	-	-	17,180
	512,816	1,919,331	12,816	367,633	2,317	143,417	2,958,330

Timing of revenue recognition

At a point in time	512,816	1,902,151	-	367,633	2,317	143,417	2,928,334
Over time	-	17,180	12,816	-	-	-	29,996
	512,816	1,919,331	12,816	367,633	2,317	143,417	2,958,330

(b) Accounting policies and significant judgements

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

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

(i) Sale of goods - food and beverage

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

(ii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the Club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out.

Notes to the financial statements

For the year ended 30 June 2023

2 Revenue (continued)**(b) Accounting policies and significant judgements (continued)***(iii) Provision of services - membership revenue*

Membership subscriptions are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

(iv) Provision of services - raffle and bingo revenue

Revenue comprises revenue from raffle and bingo and is recognised at a point in time when the customer takes possession of the ticket and the raffle or bingo game has been conducted as at this point the performance obligations have been satisfied.

(v) Provision of services - bowls revenue

Bowls revenue comprises revenue greens fees and competition fees and is recognised at a point in time when the game of bowls has been completed as at this point the performance obligations have been satisfied.

(vi) Other revenue

The Company recognises other revenue at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2023	2022
	\$	\$
(a) Other income		
Economic government stimulus - JobSaver	-	95,276
Economic government stimulus - Other	5,000	-
Apprentice incentive payments	69,466	13,992
Interest income	12,730	358
Insurance proceeds	3,443	-
Profit on disposal of fixed assets	112	604
	90,751	110,230

(i) Economic government stimulus funding

The Club recognises stimulus funding from Revenue NSW when it is considered to be receivable.

(ii) Apprentice incentive payments

The Club recognises apprentice incentive income when it becomes receivable.

(iii) Interest income

Interest income is recognised on an accruals basis.

(iv) Insurance proceeds

The Club recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

(v) Profit on disposal of fixed assets

The Club recognised gains and losses on disposal of property, plant and equipment by comparing proceeds received on sale with the carrying amount of the asset being sold.

(b) Other expenses

Employee benefits expense	1,087,298	900,804
Loss on disposal of assets	948	-
Interest costs	9,527	11,325
Depreciation	386,122	387,241
Amortisation - lease assets	102,196	84,136

Notes to the financial statements

For the year ended 30 June 2023

4 Cash and cash equivalents

	2023	2022
	\$	\$
Current		
Cash and cash equivalents	1,566,695	1,240,763
	<u>1,566,695</u>	<u>1,240,763</u>

As at 30 June 2023, the Club had \$75,000 in an unused overdraft facility available.

Accounting policy

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

5 Trade receivables

Current		
Trade receivables	44,449	55,870
	<u>44,449</u>	<u>55,870</u>

Accounting policy

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

6 Inventories

Current		
Stock on hand - bar	27,033	26,958
Stock on hand - café	3,022	2,271
Stock on hand - other	6,146	15,790
	<u>36,201</u>	<u>45,019</u>

Accounting policy

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

7 Financial assets at amortised cost

Current		
Term deposits	17,638	69,043
Other receivables	4,205	18,073
Accrued interest	3,886	54
	<u>25,729</u>	<u>87,170</u>

Accounting policy

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

8 Other assets

Current		
Prepayments	71,890	60,949
	<u>71,890</u>	<u>60,949</u>

Accounting policy

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

Notes to the financial statements

For the year ended 30 June 2023

9 Property, plant and equipment

	Land and buildings \$	Plant and equipment \$	Poker machines \$	Capital WIP \$	Total \$
Non-current assets					
At 1 July 2022					
Cost	2,480,319	1,836,048	1,259,614	308,852	5,884,833
Accumulated depreciation	(512,889)	(1,245,310)	(1,068,938)	-	(2,827,137)
Net book amount	1,967,430	590,738	190,676	308,852	3,057,696
Year ended 30 June 2023					
Opening net book amount	1,967,430	590,738	190,676	308,852	3,057,696
Additions	-	125,023	26,000	59,759	210,782
Valuation	857,347	-	-	-	857,347
Disposals	-	(201)	(636)	-	(837)
Transfers	170,124	48,931	-	(219,055)	-
Depreciation charge	(119,901)	(176,730)	(89,491)	-	(386,122)
Closing net book amount	2,875,000	587,761	126,549	149,556	3,738,866
At 30 June 2023					
Cost	2,875,000	1,998,396	1,210,713	149,556	6,233,665
Accumulated depreciation	-	(1,410,635)	(1,084,164)	-	(2,494,799)
Net book amount	2,875,000	587,761	126,549	149,556	3,738,866

Accounting policy**(a) Land and buildings**

Freehold land and buildings are shown at their fair value based on valuations by external independent valuers, less subsequent depreciation for buildings. Independent valuation from external experts is obtained every three years. Freehold land and buildings were revalued on 19 September 2023 by a licensed professional valuer Vanessa Howard of Preston Rowe Paterson. Preston Rowe Paterson frequently assess the market values for properties similar to those held by the Club in the same areas, having regard to past sales prices of other properties and current market conditions.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of gain on revaluation of land and buildings. All other decreases are charged to the statement of profit or loss and other comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the income statement, which is based on the revalued carrying amount of the asset, and the depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

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.

(b) Plant and equipment

Each class of plant and equipment is carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

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

Buildings	11 - 15 years
Plant & equipment	2.5 - 20 years
Poker machines	2.5 - 5 years

(d) Impairment

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

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

9 Property, plant and equipment (continued)

(d) Impairment (continued)

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

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

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

(e) Capital work in progress

Capital work in progress represents costs incurred to date for projects which have not been completed at balance date. When such time these projects are completed, the fixed assets will be recognised and depreciated over their effective life.

10 Leases assets and lease liabilities

2023
\$

2022
\$

The Club leases several poker machine assets.

a) Lease assets

Non-current

Poker machines

386,055 407,631

Reconciliation of lease assets

Carrying amount at the beginning of the year
Additions
Transfers
Amortisation
Carrying amount at the end of the year

Poker Machines \$	2023 \$	2022 \$
407,631	407,631	460,129
80,620	80,620	80,460
-	-	(48,822)
(102,196)	(102,196)	(84,136)
386,055	386,055	407,631

b) Lease liabilities

Current

Lease liabilities

156,412 156,412 187,001

Non-current

Lease liabilities

62,642 62,642 153,405

Total

219,054 219,054 340,406

Reconciliation of lease liabilities

Carrying amount at the beginning of the year
Additions
Interest expense
Lease payments
Carrying amount at the end of the year

Poker Machines \$	2023 \$	2022 \$
340,406	340,406	428,338
80,620	80,620	80,460
9,512	9,512	10,186
(211,484)	(211,484)	(178,578)
219,054	219,054	340,406

Maturity analysis of future lease payments

Not later than 1 year
Later than 1 year and not later than 5 years

Poker Machines \$	2023 \$	2022 \$
161,296	161,296	194,880
64,044	64,044	156,552
225,340	225,340	351,432

Lease payments

Notes to the financial statements

For the year ended 30 June 2023

10 Leases (continued)

Accounting policy

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

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

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

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

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

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 3.3%.

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

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

Lessor

Leases for which the Club is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Club recognises lease payments as income. The underlying asset is depreciated on a straight line basis over its expected useful life.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

11 Trade and other payables

	2023	2022
	\$	\$
Current		
Trade payables	251,633	242,562
GST payable	19,540	20,234
	271,173	262,796

Accounting policy

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

Notes to the financial statements

For the year ended 30 June 2023

12 Financial liabilities

	2023	2022
	\$	\$
Current		
Bank loans (i)	8,803	-
Total financial liabilities	<u>8,803</u>	<u>-</u>

(i) Secured liabilities

The Club has a \$1.49 million facility. At 30 June 2023, the Club has available committed capacity (undrawn) of \$1.49m under this facility. The Club's freehold land is provided as security being 50 Pitt Street, Singleton.

Accounting policy

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

13 Provisions**Current**

Employee entitlements (i) & (ii)	85,215	81,455
Jackpots (iii)	29,827	33,065
	<u>115,042</u>	<u>114,520</u>

Non-current

Employee entitlements (ii)	32,557	23,374
	<u>32,557</u>	<u>23,374</u>

Accounting policy*(i) Annual leave*

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

(ii) Long service leave

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

(iii) Jackpots

The provision for poker machine jackpot relates to the amounts payable in the event of players winning the jackpot on the poker machine as at 30 June 2023.

Notes to the financial statements

For the year ended 30 June 2023

14 Other liabilities	2023	2022
	\$	\$
Current		
Contract liabilities - membership income	9,360	9,400
Other liabilities	30,859	20,881
	<u>40,219</u>	<u>30,281</u>
Non-current		
Contract Liabilities - membership income	12,977	11,717
Other liabilities	32,776	46,412
	<u>45,753</u>	<u>58,129</u>

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

15 Reserves	Asset revaluation	Total
	\$	\$
Balance at 1 July 2022	67,804	67,804
Revaluation of land and building	857,347	857,347
Balance at 30 June 2023	<u>925,151</u>	<u>925,151</u>

(i) *Nature and purpose of reserves**Asset revaluation*

The asset revaluation reserve is used to record increments and decrements on the revaluation of land and buildings classified as part of property, plant and equipment which are measured at fair value. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

16 Commitments	2023	2022
	\$	\$
(i) <i>Capital commitments</i>		
Building works	132,380	32,264
Poker Machines	75,783	-
	<u>208,163</u>	<u>32,264</u>

17 Contingent liabilities

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
---	--------------	--------------

18 Related parties

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

(a) *Key management personnel compensation*

Total key management personnel benefits	<u>158,072</u>	<u>147,958</u>
---	----------------	----------------

19 Remuneration of auditors*Auditor of the company*

Audit of the financial statements	17,100	15,700
Other services - consulting services	14,600	10,920
	<u>31,700</u>	<u>26,620</u>

Notes to the financial statements

For the year ended 30 June 2023

20 Critical accounting estimates and judgements

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

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

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

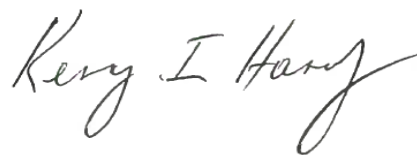
- Estimation of useful lives of non-current assets (*notes 9 and 10(a)*) - The useful life of property, plant and equipment and lease assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Estimated fair value of land and buildings (*note 9(a)*) - The fair value of land and buildings is estimated at each reporting date, based on independent assessments of the market value of the property conducted at least every three years and other available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 20 are in accordance with the Co-operatives National Law (NSW), including:
- (i) comply with Australian Accounting Standards - Simplified Disclosure, and the Co-operatives National Regulations (NSW).
 - (ii) giving a true and fair view of the Club's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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



Kerry Hardy - Director



Ian Skilton - Director

Singleton, NSW
25 October 2023

Independent auditor's report to the members of Singleton Bowling Club Co-Operative Limited

Opinion

We have audited the financial report of Singleton Bowling Club Co-Operative Limited (the Club) which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Club is in accordance with the Co-operatives National Law (NSW) including:

- (i) giving a true and fair view of the Clubs financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) comply with Australian Accounting Standards - Simplified Disclosure, and the Co-operatives National Regulations (NSW) .

Basis for opinion

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

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

Responsibilities of the Directors for the financial report

The Directors of the Club are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosure and the Co-operatives National Law (NSW) and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Club for the year ended 30 June 2023 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Pitcher Partners is an association of independent firms. An independent company. ABN 53 001 876 320.
Liability limited by a scheme approved under Professional Standards Legislation.
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

 **bakertilly**
NETWORK MEMBER

www.pitchernewcastle.com.au

Independent auditor's report (continued)

Auditor's responsibilities for the audit of the financial report

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

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



Kirsty Porteous - Partner



Pitcher Partners NH Partnership
Chartered Accountants

25 October 2023
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Pitcher Partners is an association of independent firms. An independent company. ABN 53 001 876 320.
Liability limited by a scheme approved under Professional Standards Legislation.
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



bakertilly
NETWORK MEMBER

www.pitchernewcastle.com.au