



**Telarah Bowling  
Club**

ACN 42 000 616 704

**Annual Financial Report  
for the year ended 30 June 2021**

## **Annual financial report for the year ended 30 June 2021**

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These financial statements are the financial statements of Telarah Bowling Club. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 1 November 2021. The Directors have the power to amend and reissue the financial statements.

# Director's report

Your Directors present their report on Telarah Bowling Club (the Club) for the year ended 30 June 2021.

## Directors details

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

### Mr Brian Lee

President  
Director since 2020  
Retired Business Development Manager

### Mr Hugh Morrison

Vice President  
Director since 2014  
Retired Printer

### Mr Neale Savertsen

Director  
Director since 2008  
Retired Project Manager

### Ms Debra Cheetham

Director  
Director since 2014 (3 previous years served as a Director)  
Office Administrator

### Ms Deborah Smith

Director  
Director since 2015  
Employment Consultant

### Mr Alan Pritchard

Director  
Director since 2018  
Retired Railway Officer

### Mr Keith Taylor

Director  
Director since 2020  
Carpenter

## Company secretary

Joanne Henderson has been a Company Secretary of Telarah Bowling Club since 2007.

## 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 Brian Lee	Appointed 25 October 2020	9	9
Mr Hugh Morrison		13	13
Mr Neale Savertsen		13	13
Ms Debra Cheetham		13	13
Ms Deborah Smith		13	12
Mr Alan Pritchard		13	12
Mr Keith Taylor	Appointed 25 October 2020	9	8
Mr John Payne	Resigned 25 October 2020	4	2
Ms Violet Bowtell	Resigned 25 October 2020	4	0

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 2021, the following land and buildings are considered to be core and non-core property:

**Core** - Freehold land and buildings and leased car park situated at Clark Street, Telarah

**Non-Core** - nil

## Principal activities

During the year, the principal activities of the Club was to run a licensed Club in accordance with its objectives for the benefit of its members.

### Short-term and long-term objectives

The Club's short-term objectives are to:

- Provide the best facilities available to members and their guests with a special interest in bowling activities.

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

During the year the principal activities of the Club consisted of:

- Maintain or increase existing revenue levels and control costs to maintain profitability which will allow the Club's premises to be continually improved;
- Ensure greens are kept to an optimum standard by employing quality greenkeepers and undertaking regular maintenance;
- Employing a bowls co-ordinator and ensuring appropriate support for bowlers of all skill levels.

### Performance measurement

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

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

### Significant changes in state of affairs

No significant changes in the Club's state of affairs occurred during the financial year other than the easing of restrictions first imposed in March 2020 as a result of the COVID-19 pandemic.

### Events since the end of the financial year

From 5 August 2021 the Club was required to close again due to lockdowns imposed as a result of the COVID-19 pandemic. The Club focused on controlling costs throughout the period of closure until it was able to recommence trading from 11 October 2021.

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

The Club expects to reopen and increase its level of operations over the coming months in line with the Governments announced plans to gradually reduce restrictions imposed as a result of the COVID-19 Pandemic.

### Contribution in winding up

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Club. At 30 June 2021 the total amount that members of the Club are liable to contribute if the Club was wound up is \$20,900 (2020: \$32,000).

### Rounding of amounts

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

### Auditor's independence declaration

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

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



Brian Lee - Director



Hugh Morrison - Director

**Dated: 1 November 2021**

## Auditor's independence declaration

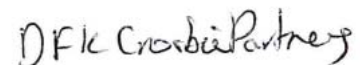
To the Directors of Telarah Bowling Club

In accordance with the requirements of Corporations Act 2001, as lead auditor for the audit of Telarah Bowling Club for the year ended 30 June 2021, 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 Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Shaun Mahony - Partner



DFK Crosbie Partners  
Chartered Accountants

Dated: 1 November 2021  
**Newcastle West**

**Newcastle | Sydney**

Liability limited by a scheme approved under the Professional Standards legislation.

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

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>Revenue from continuing operations</b>	2	<b>2,226,420</b>	2,131,072
Other Income	3	<b>160,022</b>	198,723
Bar cost of goods sold		<b>(284,053)</b>	(299,431)
Bar direct expenses		<b>(195,619)</b>	(199,293)
Poker Machine Expenses		<b>(373,337)</b>	(295,853)
Paper Gaming		<b>(22,237)</b>	(18,122)
Bowls Operation		<b>(104,770)</b>	(93,817)
Clubhouse expenses		<b>(363,111)</b>	(358,180)
Administration expenses		<b>(506,964)</b>	(519,948)
Borrowing Costs		<b>(65,525)</b>	(94,774)
Members amenities		<b>(223,421)</b>	(292,146)
		<b>(2,139,037)</b>	(2,171,564)
<b>Profit / (loss) before income tax</b>		<b>247,405</b>	158,231
Income tax expense		-	-
<b>Profit / (loss) for the year</b>		<b>247,405</b>	158,231
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>247,405</b>	158,231

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 2021

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	258,048	91,742
Inventories	5	25,358	20,693
Financial assets at amortised cost	6	5,832	120,990
Other assets	7	51,266	50,349
<b>Total current assets</b>		<b>340,504</b>	<b>283,774</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	2,832,255	2,871,695
Right-of-use asset	9	215,070	222,326
<b>Total non-current assets</b>		<b>3,047,325</b>	<b>3,094,021</b>
<b>Total assets</b>		<b>3,387,829</b>	<b>3,377,795</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	182,861	216,924
Financial liabilities	11	125,354	101,135
Provisions	12	123,023	98,846
Other liabilities	13	33,002	17,360
Lease liabilities	9	88,850	115,953
<b>Total current liabilities</b>		<b>553,090</b>	<b>550,218</b>
<b>Non-current liabilities</b>			
Financial liabilities	11	900,120	1,149,457
Provisions	12	14,276	9,548
Other liabilities	13	5,237	6,911
Lease liabilities	9	99,700	93,660
<b>Total non-current liabilities</b>		<b>1,019,333</b>	<b>1,259,576</b>
<b>Total liabilities</b>		<b>1,572,423</b>	<b>1,809,794</b>
<b>Net assets</b>		<b>1,815,406</b>	<b>1,568,001</b>
<b>MEMBERS FUNDS</b>			
Retained profits		1,815,406	1,568,001
<b>Total members funds</b>		<b>1,815,406</b>	<b>1,568,001</b>

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

Telarah Bowling Club

## Statement of changes in equity

For the year ended 30 June 2021

	Retained Profits	Total
	\$	\$
<b>Balance at 1 July 2019</b>	<b>1,409,770</b>	<b>1,409,770</b>
Profit for the year	158,231	158,231
<b>Total comprehensive income for the year</b>	<b>158,231</b>	<b>158,231</b>
<b>Balance at 30 June 2020</b>	<b>1,568,001</b>	<b>1,568,001</b>
Profit for the year	247,405	247,405
<b>Total comprehensive income for the year</b>	<b>247,405</b>	<b>247,405</b>
<b>Balance at 30 June 2021</b>	<b>1,815,406</b>	<b>1,815,406</b>

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



**Statement of cash flows**

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from members and customers		2,443,368	2,307,593
Receipts from government stimulus funding		196,147	100,557
Payments to suppliers and employees		(1,911,948)	(1,973,849)
Interest received		104	140
Interest paid		(60,963)	(94,705)
<b>Net cash inflow (outflow) from operating activities</b>		<b>666,708</b>	<b>339,736</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(181,570)	(149,847)
Proceeds from sale of property, plant and equipment		35,961	20,000
<b>Net cash inflow (outflow) from investing activities</b>		<b>(145,609)</b>	<b>(129,847)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		99,633	1,308,361
Repayment of borrowings		(324,751)	(1,476,680)
Repayment of lease liabilities		(129,675)	(86,351)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(354,793)</b>	<b>(254,670)</b>
<b>Net increase in cash and cash equivalents</b>		<b>166,306</b>	<b>(44,781)</b>
Cash and cash equivalents at the beginning of the financial year		91,742	136,523
<b>Cash and cash equivalents at the end of the financial year</b>		<b>258,048</b>	<b>91,742</b>

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 2021

### 1 Summary of significant accounting policies

#### (a) Basis of preparation

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

#### (b) Statement of compliance

This financial report complies with Australian Accounting Standards - *Reduced Disclosure Requirements* as issued by the Australian Accounting Standards Board (AASB).

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

#### (c) Working capital deficiency

As at 30 June 2021, Telarah Bowling Club has a working capital deficiency of \$212,586, represented by current assets of \$340,504 and current liabilities of \$553,090.

The Club was required to close again from 5 August 2021 to 11 October 2021 due to lockdowns imposed as a result of the COVID-19 pandemic.

The Directors have determined that the going concern basis is appropriate given:

- (a) The Club has a cash balance at 30 June 2021 of \$258,048.
- (b) The Club do not foresee any issues in continuing to meet the terms and conditions of its loans with the Bank.
- (c) During the lockdown period subsequent to year end the Club worked to control costs where possible and applied and received financial assistance under the Jobsaver Scheme.
- (d) The Club reported positive operating cashflows of \$666,708 for the year ended 30 June 2021. Whilst this was impacted by the COVID19 pandemic the Club expects to be able to continue to generate positive operating cashflows no that it has been able to reopen.
- (e) The Club expects to continue to receive support from its suppliers and members.
- (f) The Club expects that now the Club has been able to reopen following the lifting of restrictions it will be able to return to generating positive operating cashflows and overall net profit.

The Directors are of the opinion the above will be achieved and the Club will continue as a going concern and meet its debts and commitments as they fall due. As a result, the Directors have prepared the financial report on a going concern basis.

#### (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 2021

**(g) Sub Clubs**

The Men's Bowls and Women's Bowls Sub Clubs have been consolidated into the Club's financial statements, due to the Club's constitution providing effective control over each Sub Club, with the bank balances of the Sub Clubs included on the statement of financial position. A corresponding liability for each Sub Club has also been brought to account recognising the commitment of the identified funds to the future operation of the respective Sub Clubs.

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

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

	Beverage revenue	Gaming revenue	Raffle revenue	Bowls revenue	Other revenue	Total
2021	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	708,196	1,249,353	125,696	17,898	108,097	2,209,240
Other revenue (not covered by AASB15)	-	17,180	-	-	-	17,180
	<b>708,196</b>	<b>1,266,533</b>	<b>125,696</b>	<b>17,898</b>	<b>108,097</b>	<b>2,226,420</b>

*Timing of revenue recognition*

At a point in time	708,196	1,249,353	125,696	17,898	82,052	2,183,195
Over time	-	17,180	-	-	26,045	43,225
	<b>708,196</b>	<b>1,266,533</b>	<b>125,696</b>	<b>17,898</b>	<b>108,097</b>	<b>2,226,420</b>

	Beverage revenue	Gaming revenue	Raffle revenue	Bowls revenue	Other revenue	Total
2020	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	735,910	1,107,989	139,902	13,118	116,973	2,113,892
Other revenue (not covered by AASB15)	-	17,180	-	-	-	17,180
	<b>735,910</b>	<b>1,125,169</b>	<b>139,902</b>	<b>13,118</b>	<b>116,973</b>	<b>2,131,072</b>

*Timing of revenue recognition*

At a point in time	735,910	1,107,989	139,902	13,118	88,645	2,085,564
Over time	-	17,180	-	-	28,328	45,508
	<b>735,910</b>	<b>1,125,169</b>	<b>139,902</b>	<b>13,118</b>	<b>116,973</b>	<b>2,131,072</b>

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

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

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

*(i) Sale of goods - beverage*

Revenue from the sale of 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. Commission income where the Club acts as an agent for third parties who provide wagering services to customers is recognised at a point in time when the wagering transaction has been completed.

**Notes to the financial statements**

For the year ended 30 June 2021

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

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

*(iv) Provision of services - bowls revenue*

Revenue from rendering services from bowling activities to members and other patrons of the Club is recognised when the services are provided.

*(v) Other 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.

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

**3 Other income and expense items**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>(a) Other income</b>		
Insurance proceeds	1,335	9,173
Interest Income	104	140
Government Stimulus Payments - JobKeeper	96,750	107,250
Government Stimulus Payments - Cashflow Boost	30,544	50,910
Government Stimulus Payments - Grants	-	11,250
Gain on disposal of property, plant and equipment	31,289	20,000
	<u>160,022</u>	<u>198,723</u>

*(i) 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.

*(ii) Interest income*

Interest income is recognised on an accruals basis.

*(iii) Government stimulus payments*

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

*(iv) Gain on disposal of property, plant and equipment*

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	603,148	602,124
Depreciation and amortisation	346,298	356,541
Interest costs	65,525	94,774

**Notes to the financial statements**

For the year ended 30 June 2021

**4 Cash and cash equivalents**

	2021	2020
	\$	\$
<b>Current</b>		
Cash and Cash Equivalents	258,048	91,742
	<u>258,048</u>	<u>91,742</u>

**Accounting policy**

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

**5 Inventories**

<b>Current</b>		
Stock on hand	25,358	20,693
	<u>25,358</u>	<u>20,693</u>

**Accounting policy**

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

**6 Financial assets at amortised cost**

<b>Current</b>		
Other receivables	5,832	120,990
	<u>5,832</u>	<u>120,990</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.

**7 Other assets**

<b>Current</b>		
Prepayments	51,266	50,349
	<u>51,266</u>	<u>50,349</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 2021

**8 Property, plant and equipment**

	Work in Progres	Land and buildings	Plant and equipment	Poker machines	Greens and Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Non-current assets</b>						
<b>At 1 July 2020</b>						
Cost	-	4,384,500	745,941	1,109,977	547,746	6,788,164
Accumulated depreciation	-	(2,145,812)	(558,335)	(959,160)	(253,162)	(3,916,469)
Net book amount	-	2,238,688	187,606	150,817	294,584	2,871,695
<b>Year ended 30 June 2021</b>						
Opening net book amount	-	2,238,688	187,606	150,817	294,584	2,871,695
Reallocation from Right-of-use assets	-	-	-	7,844	-	7,844
Additions	4,510	1,892	84,923	120,862	-	212,187
Disposals	-	-	(5,757)	(1,959)	-	(7,716)
Depreciation charge	-	(122,183)	(38,815)	(66,139)	(24,618)	(251,755)
Closing net book amount	4,510	2,118,397	227,957	211,425	269,966	2,832,255
<b>At 30 June 2021</b>						
Cost	4,510	4,386,392	822,455	1,096,135	547,746	6,857,238
Accumulated depreciation	-	(2,267,995)	(594,498)	(884,710)	(277,780)	(4,024,983)
Net book amount	4,510	2,118,397	227,957	211,425	269,966	2,832,255

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

Freehold land and buildings are carried at cost less any accumulated depreciation and any impairment in value.

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

Plant and equipment, poker machines, greens and equipment are carried at cost less any accumulated depreciation and any impairment in value.

**(c) Depreciation**

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

Buildings	10 - 40 years
Plant and Equipment	2.5 - 10 years
Poker Machines	4 - 5 years
Greens and Equipment	5 - 13 years

**(d) Impairment**

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

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

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

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

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

**Notes to the financial statements**

For the year ended 30 June 2021

**9 Leases**

<b>2021</b>	<b>2020</b>
<b>\$</b>	<b>\$</b>

The Club leases several assets including poker machines, point-of-sale hardware and a photocopier.

**a) Right-of-use asset****Non-current**

Right-of-use assets

215,070	222,326
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**Reconciliation of right-of-use assets****2021**

At 1 July 2020

Additions

Disposals

Transfers

Amortisation

**30 June 2021**

	<b>Poker Machines</b>	<b>Plant and Equipment</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
At 1 July 2020	201,894	20,432	222,326	230,031
Additions	-	104,050	104,050	78,260
Disposals	-	(8,919)	(8,919)	-
Transfers	(7,844)	-	(7,844)	-
Amortisation	(76,073)	(18,470)	(94,543)	(85,965)
<b>30 June 2021</b>	<b>117,977</b>	<b>97,093</b>	<b>215,070</b>	<b>222,326</b>

**b) Lease liabilities****Current**

Lease liabilities

**Non-current**

Lease liabilities

**Total**

70,611	18,239	88,850	115,953
19,669	80,031	99,700	93,660
<b>90,280</b>	<b>98,270</b>	<b>188,550</b>	<b>209,613</b>

**Reconciliation of lease liabilities****2021**

At 1 July 2020

Additions

Interest expense

Lease payments

**Net movement during year****30 June 2021**

	<b>Poker Machines</b>	<b>Plant and Equipment</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
At 1 July 2020	188,410	21,203	209,613	217,704
Additions	-	104,050	104,050	78,260
Interest expense	898	3,664	4,562	3,116
Lease payments	(99,028)	(30,647)	(129,675)	(89,467)
<b>Net movement during year</b>	<b>90,280</b>	<b>98,270</b>	<b>188,550</b>	<b>209,613</b>

**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 right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Right-of-use 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 4.44%.

**Notes to the financial statements**

For the year ended 30 June 2021

**9 Leases (continued)**

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 right of use 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.

**Peppercorn Lease**

The Club has entered into a lease agreement with Maitland City Council to lease the carpark adjacent to the Club. The Club has elected to apply a temporary exemption available which allows the associated right-of-use asset to be measured at cost and not fair value. As this lease is for \$1 annually (with a term of 5 years remaining), no lease liability or associated right of use asset has been recognised.

**10 Trade and other payables**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Current</b>		
Trade payables	144,030	200,972
GST payable	38,831	15,952
	<u>182,861</u>	<u>216,924</u>

**Accounting policy**

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

**11 Financial liabilities****Current***Secured*

Bank loans (i)	77,924	67,698
Total secured financial liabilities	<u>77,924</u>	<u>67,698</u>

*Unsecured*

Insurance loans	47,430	33,437
Total unsecured financial liabilities	<u>47,430</u>	<u>33,437</u>
	<u>125,354</u>	<u>101,135</u>

**Non-current***Secured*

Bank loans (i)	900,120	1,149,457
Total secured financial liabilities	<u>900,120</u>	<u>1,149,457</u>

*(i) Secured liabilities*

The bank loans are secured by first mortgage over the Clubs non residential real property located at Clarke Street, Telarah as well as a general security interest in the assets of the Club.

**Accounting policy**

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

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



**Notes to the financial statements**

For the year ended 30 June 2021

**12 Provisions**

	2021	2020
	\$	\$
<b>Current</b>		
Employee entitlements (i) & (ii)	102,301	83,149
Members points liability	20,722	15,097
Jackpots	-	600
	<u>123,023</u>	<u>98,846</u>
<b>Non-current</b>		
Employee entitlements (ii)	14,276	9,548
	<u>14,276</u>	<u>9,548</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.

**13 Other liabilities****Current**

Contract liabilities - membership income	12,071	2,819
Other liabilities	20,931	14,541
	<u>33,002</u>	<u>17,360</u>

**Non-current**

Contract Liabilities - membership income	5,237	6,911
	<u>5,237</u>	<u>6,911</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.

**Notes to the financial statements**

For the year ended 30 June 2021

<b>14</b>	<b>Commitments</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
(i)	<i>Capital Commitments</i>		
	Poker Machines	23,049	-
		<u>23,049</u>	<u>-</u>

**15** **Contingent liabilities**

- (i) *Bank guarantee substituting for a security deposit for TAB facilities*

The Club has a bank guarantee for \$5,000 (2020: \$5,000) issued in favour of TAB Limited. The guarantee is provided by the Commonwealth Bank of Australia and is secured by a term deposit held with the Bank.

- (ii) *Creditor Claim*

The Club has received a claim from a supplier in the amount of \$43,250 which the Club is disputing. Limited correspondence has been received by the Club in relation to the matter, nor has the creditor commenced legal proceedings. The Directors are of the view that no amount is payable in relation to the claim.

**16** **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.

<b>(a)</b>	<i>Key management personnel compensation</i>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
	Total key management personnel benefits	129,902	103,272

The wife of Director Brian Lee is engaged by the Club as the Bowls Co-ordinator. The amount paid for these services during the year totalled \$5,850.

**17** **Critical accounting estimates and judgements**

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

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

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

- Estimation of useful lives of non-current assets (notes 8 and 9) - The useful life of property, plant and equipment and right-of-use 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. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. 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.

**18** **Subsequent Events**

From 5 August 2021 the Club was required to close again due to lockdowns imposed as a result of the COVID-19 pandemic. The Club has since reopened from 11 October 2021 with trading restrictions in place. The Club is controlling costs where possible and was also eligible for government funding via the jobsaver program during the shutdown period.

## Directors' declaration

### In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 18 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Club's financial position as at 30 June 2021 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.



Brian Lee - Director



Hugh Morrison - Director

Telarah  
1 November 2021

## **Independent auditor's report to the members of Telarah Bowling Club**

### **Opinion**

We have audited the financial report of Telarah Bowling Club (the Club) which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (i) giving a true and fair view of the Clubs financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

### **Basis for opinion**

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

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

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the detailed profit and loss statement.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing further to report in this regard.

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

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

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

### **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 2021 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.

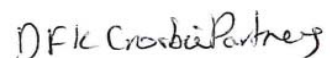
### **Auditor's responsibilities for the audit of the financial report**

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

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



Shaun Mahony - Partner



DFK Crosbie Partners  
Chartered Accountants

1 November 2021  
**Newcastle West**

Newcastle | Sydney

Liability limited by a scheme approved under the Professional Standards legislation.



# Telarah Bowling Club

## Detailed Profit and Loss Statement

### Bar Trading



	2021 \$	2020 \$
Sales	708,196	735,910
<b>LESS COST OF GOODS SOLD</b>		
Opening Stock	20,693	16,990
Purchases	288,719	303,133
	<u>309,411</u>	<u>320,123</u>
Closing Stock	25,358	20,693
	<u>284,053</u>	<u>299,431</u>
<b>GROSS PROFIT</b>	<u>424,143</u>	<u>436,479</u>
<b>LESS DIRECT EXPENSES</b>		
Electricity & Gas	1,556	2,412
Freight And Cartage	3,726	4,307
Repairs And Maintenance	8,881	6,246
Replacements	959	1,007
Senpos Tills	-	24
Wages	180,496	185,297
	<u>195,619</u>	<u>199,293</u>
<b>NET PROFIT</b>	<u>228,524</u>	<u>237,186</u>

# Telarah Bowling Club

## Detailed Profit and Loss Statement

### Poker Machine Operations



	2021 \$	2020 \$
Net Revenue	1,191,125	1,050,077
Gaming Tax Rebate	17,180	17,180
<b>GROSS PROFIT</b>	<b>1,208,305</b>	<b>1,067,257</b>
<b>LESS DIRECT EXPENSES</b>		
Depreciation	147,020	148,174
Gaming Machine Tax	87,163	43,387
Monitoring Expenses	26,860	21,314
Promotions	-	590
Jackpot	(1,650)	(8,870)
Repairs And Maintenance	23,944	16,258
Wages	90,000	75,000
	<b>373,337</b>	<b>295,853</b>
<b>NET PROFIT</b>	<b>834,968</b>	<b>771,404</b>
<b>Poker Machine Operations</b>		
Keno Commission	43,537	43,858
TAB Commission	14,691	14,053
	<b>58,228</b>	<b>57,912</b>
<b>GROSS PROFIT</b>	<b>58,228</b>	<b>57,912</b>
<b>LESS DIRECT EXPENSES</b>		
Repairs And Maintenance	6,449	2,019
Subscriptions	15,788	16,103
	<b>22,237</b>	<b>18,122</b>
<b>NET PROFIT</b>	<b>35,991</b>	<b>39,790</b>

# Telarah Bowling Club

## Detailed Profit and Loss Statement

### Bowls Operations



	2021 \$	2020 \$
Sales:		
Match & Green Fees	9,146	6,120
Sponsorship & Advertising	4,080	9,409
	<u>13,226</u>	<u>15,529</u>
<b>GROSS PROFIT</b>	<u>13,226</u>	<u>15,529</u>
<b>LESS DIRECT EXPENSES</b>		
Affiliation Fees	2,926	4,440
Administration Costs	11,765	15,933
Catering	2,520	1,122
Depreciation	23,881	24,971
Prizes	8,769	9,745
Sub Clubs	27,128	26,221
Repairs And Maintenance	12,896	4,364
Wages	14,885	7,020
	<u>104,770</u>	<u>93,817</u>
<b>NET PROFIT (LOSS)</b>	<u>(91,544)</u>	<u>(78,288)</u>
<b>TOTAL TRADING PROFIT</b>	1,007,939	970,093
<b>Other Income</b>		
Interest Received	104	140
Insurance Recoveries	1,335	9,173
Government Stimulus Payment	30,544	50,910
JobKeeper	96,750	107,250
Commissions:		
Cigarette Machine	54	54
Other	1,031	1,309
ATM	24,470	24,805
Pool Tables	897	1,647
Commissions	15	-
	<u>26,467</u>	<u>27,815</u>
Sundry Income	11,903	18,600
Sub Club	22,970	26,118
Raffles	125,696	139,902
Rent	11,750	14,900
Room Hire	13,633	10,051
Subscriptions	26,045	28,328
Profit on sale of non-current assets	31,289	20,000
<b>TOTAL INCOME</b>	<u>1,406,426</u>	<u>1,423,279</u>



# Telarah Bowling Club

## Detailed Profit and Loss Statement

### Expenses



	2021 \$	2020 \$
<b>CLUBHOUSE</b>		
Contractors	71,612	55,322
Depreciation	175,358	183,395
Electricity & Gas	67,988	78,189
Repairs And Maintenance	38,514	32,425
Waste Disposal	9,639	8,849
Total Clubhouse	<u>363,111</u>	<u>358,180</u>
<b>ADMINISTRATION</b>		
Advertising	5,392	8,757
Bank Charges	4,219	2,915
Computer Costs	17,767	25,280
Donations	4,448	857
Provision for Long Serv Leave	8,335	6,508
General Expenses	3,453	5,800
Insurance	108,462	93,472
Loss on Disposal of Assets	3,044	2,390
Printing And Stationery	7,856	11,439
Professional Fees	25,172	24,948
Rates And Taxes	16,875	18,284
Rent Photocopier	42	251
Security Costs	4,556	13,030
Staff Training And Welfare	6,195	9,709
Subscriptions - General	11,165	14,218
Superannuation Contributions	51,399	46,518
Telephone	4,067	3,977
Uniforms	441	514
Wages:		
Wages - Administration	123,538	102,065
Wages - Door	84,557	42,346
Wages - Jobkeeper	15,982	86,671
	<u>224,076</u>	<u>231,081</u>
Total Administration	<u>506,964</u>	<u>519,949</u>

# Telarah Bowling Club

## Detailed Profit and Loss Statement

### Expenses



	2021 \$	2020 \$
<b>BORROWING COSTS</b>		
Interest Paid	3,665	4,109
Interest - Loan	61,860	90,665
Total Borrowing Costs	65,525	94,774
<b>MEMBERS AMENITIES</b>		
Entertainment Expenses	9,027	42,269
Bus Expenses	22,191	34,767
Member Expenses	159,037	179,733
Promotions	6,285	17,912
Subscriptions - Foxtel	26,880	17,465
Total Members Amenities	223,421	292,146
<b>TOTAL EXPENSES</b>	1,159,021	1,265,048
<b>NET OPERATING PROFIT (LOSS)</b>	247,404	158,231