

**Asquith Bowling & Recreation Club Limited**  
ABN 81 001 039 747

# **Financial Report**

**30 June 2024**

# Asquith Bowling & Recreation Club Limited

## Financial Report – 30 June 2024

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## Directors' Report

Your directors present their report on Asquith Bowling & Recreation Club Limited for the year ended 30 June 2024.

### Directors

The following persons were directors of Asquith Bowling & Recreation Club Limited during the financial year and up to the date of this report:

S Wilson  
 P Willis  
 M Loneragan  
 R Pilgrim  
 G Barton  
 J Maher (appointed on 22 October 2023)  
 S Cormio (appointed on 22 October 2023)  
 B Simmonds (resigned on 22 October 2023)  
 D Scott (resigned on 22 October 2023)

### Principal activities

The Company's principal continuing activities during the year consisted of operating as a registered club, promoting the game of Lawn Bowls and providing amenities to members and their guests.

The entity's short-term objectives are to:

- exceed members and guests needs and expectations on the provision of facilities, products and services.
- support a safe and friendly environment for staff and customers that encourages the principles of the Responsible Service of Alcohol and the Responsible Conduct of Gaming.

The entity's long-term objectives are to:

- provide the community a continual level of high quality services and facilities in a safe and friendly environment.
- generate profits that will be reinvested into improved services and facilities for members and community support.

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

- the board of directors, management and staff together are committed to achieving the best practice principles which are measurable by the continual support of community partnerships whilst exceeding financial benchmarks.
- meeting and surpassing our strategic goals is achieved through constant review and evaluation of business practices using the opinions of members and their guests, staff and professional alliances.

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

### Results

	2024	2023
	\$	\$
Net Profit/(Loss)	<u>(13,671)</u>	<u>(34,718)</u>

### Information on Directors

Director	Time on board	Special Responsibilities	Expertise
S Wilson	Director for 2 years and 5 months	Chairman	Retired Procurement Manager
P Willis	Director for 4 years and 4 months	Senior Deputy Chairman	Area Manager Transport NSW
M Loneragan	Director for 2 years and 5 months	Treasurer	Finance Manager
R Pilgrim	Director for 2 years	Deputy Chairman	Business Owner
G Barton	Director for 1 year and 8 months	Director	Retired Accountant
J Maher	Director for 8 months	Director	Electrician
S Cormio	Director for 8 months	Director	School Teacher

### Likely developments and expected results of operations

There were no likely developments in the Company's operations that were not finalised at the date of this report.

### Company Secretary

Peter McDade held the position of Company Secretary and Chief Executive Officer (CEO) for 2 years and resigned on 15 August 2023.

Samantha Ali held the position of Company Secretary and interim CEO from 16 August 2023 to 1 May 2024.

Gregory Edwards was appointed Company Secretary and CEO on 1 May 2024 and held the position at the date of signing this report.

**Directors' Report**  
(continued)

**Meetings of Directors**

The number of meetings of the Company's directors held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	<b>Normal Meetings</b>	<b>Special Meetings</b>
Number of meetings held:	12	2
Number of meetings attended by:		
S Wilson	12/12	2/2
P Willis	12/12	2/2
M Loneragan	11/12	2/2
R Pilgrim	12/12	2/2
G Barton	12/12	2/2
J Maher	8/9	1/1
S Cormio	9/9	1/1
B Simmonds	4/4	1/1
D Scott	4/4	1/1

**Retirement, election and continuation in office of directors**

J Maher and S Cormio were appointed as directors on 22 October 2023.  
B Simmonds and D Scott resigned as directors on 22 October 2023.

**Members' Guarantee**

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2024, the total amount that members of the Company are liable to contribute if the Company is wound up is \$30,610 (2023: \$26,120).

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and included on page 22.

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



S Wilson  
Chairman



M Loneragan  
Treasurer

Asquith  
10 September 2024

## Club Property Declarations

Pursuant to Section 41J(2) of the Registered Clubs Act the Directors declare that, for the financial year ended 30 June 2024, the classifications of the property held are as follows:

<b>Property Address</b>	<b>Current Usage</b>	<b>Classification</b>
1 Lodge Street, Asquith NSW 2077	Clubhouse, Car park, Sporting Facilities	Core Property

### Notes to Members

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
  - a) The defined premises of the Club; or
  - b) Any facility provided by the Club for use of its members and their guests; or
  - c) Any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
  - a) The property has been valued by a registered valuer within the meeting of the Valuers Act 2003; and
  - b) The disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
  - c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
  - a) Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer; and
  - b) Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.

**Income Statement**

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
<b>Revenue from operations</b>			
Sale of Good and Services	2	2,707,933	2,693,831
Other Income	2	47,716	20,321
		<u>2,755,649</u>	<u>2,714,152</u>
<b>Expenses from operations</b>			
Borrowing costs	3	1,947	1,345
Cost of goods sold	3	569,847	582,319
Depreciation and amortisation expenses	3	276,582	268,995
Employee benefits expense		700,574	711,783
Other expenses from continuing operations		1,220,370	1,184,428
		<u>2,769,320</u>	<u>2,748,870</u>
<b>Profit/(Loss) before income tax</b>		<b>(13,671)</b>	<b>(34,718)</b>
Income tax expense		-	-
<b>Profit/(Loss) from continuing operations</b>		<b>(13,671)</b>	<b>(34,718)</b>
<b>Total changes in equity</b>		<b>(13,671)</b>	<b>(34,718)</b>

*The above income statement should be read in conjunction with the accompanying notes.*

**Balance Sheet**

As at 30 June 2024

	Notes	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	4,18	671,630	830,426
Receivables	5,18	19,960	11,256
Inventories	6	36,037	48,541
Other	7	9,588	23,243
Total current assets		<u>737,215</u>	<u>913,466</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	3,765,692	3,621,623
Intangible assets	9	281,976	281,976
Total non-current assets		<u>4,047,668</u>	<u>3,903,599</u>
<b>Total assets</b>		<u>4,784,883</u>	<u>4,817,065</u>
<b>Current liabilities</b>			
Payables	10,18	157,095	199,267
Interest bearing liabilities	11,18	6,914	7,652
Provisions	12	71,045	42,344
Other	13	20,650	21,397
Total current liabilities		<u>255,704</u>	<u>270,660</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	14,18	13,837	3,053
Provisions	15	2,865	18,198
Other	16	11,710	10,716
Total non-current liabilities		<u>28,412</u>	<u>31,967</u>
<b>Total liabilities</b>		<u>284,116</u>	<u>302,627</u>
<b>Net assets</b>		<u>4,500,767</u>	<u>4,514,438</u>
<b>Equity</b>			
Retained profits	17	4,500,767	4,514,438
<b>Total equity</b>		<u>4,500,767</u>	<u>4,514,438</u>

*The above balance sheet should be read in conjunction with the accompanying notes.*

**Cash Flow Statement**

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		3,033,734	2,984,233
Payments to suppliers and employees (inclusive of goods and services tax)		(2,782,933)	(2,719,895)
		<u>250,801</u>	<u>264,338</u>
Borrowing costs		(1,947)	(1,345)
Interest received		5,536	3,141
<b>Net cash inflow (outflow) from operating activities</b>	20	<u>254,390</u>	<u>266,134</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(403,031)	(211,812)
<b>Net cash inflow (outflow) from investing activities</b>		<u>(403,031)</u>	<u>(211,812)</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(10,155)	(10,629)
<b>Net cash inflow (outflow) from financing activities</b>		<u>(10,155)</u>	<u>(10,629)</u>
<b>Net increase (decrease) in cash held</b>		<b>(158,796)</b>	43,693
Cash at the beginning of the financial year		830,426	786,733
<b>Cash at the end of the financial year</b>	4	<u>671,630</u>	<u>830,426</u>

*The above cash flow statement should be read in conjunction with the accompanying notes.*



## Statement of Changes in Equity

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
<b>Total equity at the beginning of the financial year</b>		<b>4,514,438</b>	4,549,156
<b>Total recognised income and expense for the year</b>	17	<b>(13,671)</b>	(34,718)
<b>Total equity at the end of the financial year</b>		<b><u>4,500,767</u></b>	<u>4,514,438</u>

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

## Notes to the Financial Statements

30 June 2024

### Note 1. Summary of significant accounting policies

The financial statements are for Asquith Bowling & Recreation Club Limited (the Company), incorporated and domiciled in Australia. Asquith Bowling & Recreation Club Limited is a company limited by guarantee.

#### Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Company is a not-for-profit entity.

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

#### Statement of Compliance

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the financial statements of the Company as a result of the change in the basis of preparation. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 10 September 2024 by the directors of the company.

#### Accounting Policies

##### (a) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue is recognised for the major business activities as follows:

(i) *Poker Machines*

Revenue is recognised as the net amount cleared from all machines.

(ii) *Other*

A sale is recorded when the goods or services have been provided to the customer.

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

##### (b) Inventories

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

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

##### (c) Property, plant and equipment

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

#### Freehold Property

Freehold land and buildings are measured on the cost basis. The carrying amount of freehold land and buildings is reviewed to ensure it is not in excess of the recoverable amount based on valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

## Notes to the Financial Statements

30 June 2024 (continued)

### Note 1. Summary of significant accounting policies (continued)

#### (c) Property, plant and equipment(continued)

Increases in the carrying amount arising on revaluation of land and buildings are credited to a 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 revaluation surplus. All other decreases are recognised in profit or loss.

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

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

#### Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Buildings	40 years
Plant and equipment	1-20 years

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

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

#### (d) Leases

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

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

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

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

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

## Notes to the Financial Statements

30 June 2024 (continued)

### Note 1. Summary of significant accounting policies (continued)

#### (d) Leases (continued)

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

#### (e) Financial Instruments

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

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

#### Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(p)), amortised cost using the effective interest method, or cost.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

#### (i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

#### (v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

## Notes to the Financial Statements

30 June 2024 (continued)

### Note 1. Summary of significant accounting policies (continued)

#### (e) Financial Instruments (continued)

##### Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### (f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in *AASB 116: Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

#### (g) Employee Benefits

##### Short-term employee benefits

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

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the balance sheet.

## Notes to the Financial Statements

30 June 2024 (continued)

### Note 1. Summary of significant accounting policies (continued)

#### (g) Employee Benefits (continued)

##### *Other long-term employee benefits*

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

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

##### *Retirement benefit obligations*

##### *Defined contribution superannuation benefits*

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution as per current legislation to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's balance sheet.

#### (h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### (i) Goods and Service Tax (GST)

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

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 as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement 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 included in receipts from customers or payments to suppliers.

#### (j) Income tax

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

#### (k) Intangibles

##### **Poker machine Entitlements**

Entitlements are recognised at cost of acquisition. Entitlements have an infinite life. Entitlements are tested annually for impairment and carried at cost less accumulated impairment losses.

#### (l) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (m) Trade and Other Payables

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

## Notes to the Financial Statements

30 June 2024 (continued)

### Note 1. Summary of significant accounting policies (continued)

**(n) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(o) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**Key Estimates**

*Impairment*

The freehold land and buildings were independently valued on 30 June 2024. The valuation was based on the fair value in accordance with *AASB 116: Property, Plant and Equipment*. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

At 30 June 2024, the directors have performed a directors' valuation on freehold land and buildings. The directors have reviewed the key assumptions made by the valuers and do not believe there has been a significant change in the assumptions at 30 June 2024. They directors therefore believe that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2024.

**(p) Fair Value of Assets and Liabilities**

The company measures some of its assets and liabilities at fair value on either a recurring or a non-recurring basis, depending on the requirements of the applicable Accounting Standard.

'Fair value' is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**Notes to the Financial Statements**

30 June 2024 (continued)

	2024	2023
	\$	\$
<b>Note 2. Revenue</b>		
<b>Revenue from continuing operations</b>		
Sale of goods	1,386,729	1,217,049
Services	1,321,204	1,476,782
	<u>2,707,933</u>	<u>2,693,831</u>
<b>Revenue from outside continuing operations</b>		
Donation	25,000	-
Interest	5,536	3,141
Poker Machine Rebate	17,180	17,180
	<u>47,716</u>	<u>20,321</u>
<b>Revenue from operations</b>	<u><b>2,755,649</b></u>	<u><b>2,714,152</b></u>

**Note 3. Profit/(Loss) from continuing operations****Net gains and expenses**

Profit/(loss) before income tax includes the following specific net gains and expenses:

**Expenses**

<i>Cost of Goods Sold</i>		
Bar	569,847	582,319
<i>Depreciation and Amortisation</i>		
Buildings	93,035	95,273
Plant and equipment	179,221	171,277
Right-of-use asset – photocopier	4,326	2,445
Total depreciation and amortisation	<u>276,582</u>	<u>268,995</u>
<i>Interest</i>		
Cash Redemption Terminal	580	1,139
Right-of-use asset	1,367	206
Total interest	<u>1,947</u>	<u>1,345</u>
Net loss/(gain) on disposal of non-current assets	<u>2,581</u>	<u>1,303</u>

**Note 4. Current assets – Cash and cash equivalents**

Cash at bank and on hand	<u>671,630</u>	<u>830,426</u>
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The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above	671,630	830,426
Less: Bank overdrafts	-	-
Balances per cash flow statement	<u>671,630</u>	<u>830,426</u>

**Note 5. Current assets – Receivables**

Accrued interest	-	531
Other debtors	18,528	9,293
Poker machine GST rebate	1,432	1,432
	<u>19,960</u>	<u>11,256</u>

**Other debtors**

These amounts generally arise from transactions outside the usual operating activities of the Company. Interest is not normally charged. Collateral is not normally obtained.



**Notes to the Financial Statements**

30 June 2024 (continued)

	2024 \$	2023 \$
<b>Note 6. Current assets – Inventories</b>		
Retail stock – at cost	<u>36,037</u>	<u>48,541</u>
<b>Note 7. Current assets – Other</b>		
Prepayments	<u>9,588</u>	<u>23,243</u>
<b>Note 8. Non-current assets – Property, plant and equipment</b>		
<b>Land and buildings</b>		
Freehold land at cost	497,310	497,310
Buildings and improvements at cost	4,513,109	4,339,519
Less: Accumulated depreciation	<u>(2,008,899)</u>	<u>(1,915,864)</u>
	<u>2,504,210</u>	<u>2,423,655</u>
Total land and buildings	<u>3,001,520</u>	<u>2,920,965</u>
<b>Plant and equipment</b>		
At cost	2,262,080	2,192,032
Less: Accumulated depreciation	<u>(1,514,405)</u>	<u>(1,491,997)</u>
	<u>747,675</u>	<u>700,035</u>
<b>Right-of-use Assets</b>		
At cost	20,200	12,226
Less: Accumulated amortisation	<u>(3,703)</u>	<u>(11,603)</u>
	<u>16,497</u>	<u>623</u>
Total property, plant and buildings	<u>3,765,692</u>	<u>3,621,623</u>

**Reconciliations**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are as set out below.

	Freehold land \$	Buildings and improvements \$	Plant and equipment \$	Right-of-use Assets \$	Total \$
Carrying amount at 1 July 2023	497,310	2,423,655	700,035	623	3,621,623
Additions	-	173,590	229,912	20,200	423,702
Disposals	-	-	(3,051)	-	(3,051)
Depreciation/amortisation expense	-	(93,035)	(179,221)	(4,326)	(276,582)
Carrying amount at 30 June 2024	<u>497,310</u>	<u>2,504,210</u>	<u>747,675</u>	<u>16,497</u>	<u>3,765,692</u>

	2024 \$	2023 \$
<b>Note 9. Non-current assets – Intangible assets</b>		
Poker machine entitlements	<u>281,976</u>	<u>281,976</u>
<b>Note 10. Current liabilities – Payables</b>		
Trade creditors	69,741	93,110
Accrued charges	26,887	33,503
Net Business Activity Statement liabilities	39,463	33,147
Other creditors	21,004	39,507
	<u>157,095</u>	<u>199,267</u>

**Notes to the Financial Statements**

30 June 2024 (continued)

	2024	2023
	\$	\$
<b>Note 11. Current liabilities – Interest bearing liabilities</b>		
Cash Redemption Terminal Lease	3,053	6,903
Photocopier Lease	3,861	749
	<u>6,914</u>	<u>7,652</u>
<b>Note 12. Current liabilities – Provisions</b>		
Employee entitlements	65,401	37,064
Other	5,644	5,280
	<u>71,045</u>	<u>42,344</u>
<b>Note 13. Current Liabilities – Other</b>		
Room hire in advance	1,045	964
Sponsorship in advance	4,545	2,636
Subscriptions in advance	15,060	17,797
	<u>20,650</u>	<u>21,397</u>
<b>Note 14. Non-current liabilities – Interest bearing liabilities</b>		
Cash Redemption Terminal Lease	-	3,053
Photocopier Lease	13,837	-
	<u>13,837</u>	<u>3,053</u>
<b>Note 15. Non-current liabilities – Provisions</b>		
Employee entitlements	2,865	18,198
<b>Note 16. Non-current liabilities – Other</b>		
Subscription in advance	11,710	10,716
<b>Note 17. Reserves and retained profits</b>		
Retained profits at the beginning of the financial year	4,514,438	4,549,156
Net profit/(loss)	(13,671)	(34,718)
Retained profits at the end of the financial year	<u>4,500,767</u>	<u>4,514,438</u>

**Note 18. Financial instruments****(a) Interest rate risk exposures**

The entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the entity intends to hold fixed rate assets and liabilities to maturity.

**Notes to the Financial Statements**

30 June 2024 (continued)

**Note 18. Financial instruments (continued)**

2024	Notes	Fixed interest maturing in:				Non-Interest Bearing	Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years		
		\$	\$	\$	\$	\$	
<b>Financial assets</b>							
Cash and cash equivalents	4	155,728	5,000	-	-	510,902	671,630
Receivables	5	-	-	-	-	19,960	19,960
		<u>155,728</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>530,862</u>	<u>691,590</u>
Weighted average interest rate		1.15%	4.80%				
<b>Financial liabilities</b>							
Payables	10	-	-	-	-	157,095	157,095
Lease Liabilities	11,14	-	6,914	13,837	-	-	20,751
		<u>-</u>	<u>6,914</u>	<u>13,837</u>	<u>-</u>	<u>157,095</u>	<u>177,846</u>
Weighted average interest rate			7.99%	7.60%			
Net financial assets (liabilities)		<u>155,728</u>	<u>(1,914)</u>	<u>(13,837)</u>	<u>-</u>	<u>373,767</u>	<u>513,744</u>
<b>2023</b>							
	Notes	Fixed interest maturing in:				Non-Interest Bearing	Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	\$	\$
		\$	\$	\$	\$	\$	\$
<b>Financial assets</b>							
Cash and cash equivalents	4	153,805	208,263	-	-	468,358	830,426
Receivables	5	-	-	-	-	11,256	11,256
		<u>153,805</u>	<u>208,263</u>	<u>-</u>	<u>-</u>	<u>479,614</u>	<u>841,682</u>
Weighted average interest rate		1.35%	3.03%				
<b>Financial liabilities</b>							
Payables	10	-	-	-	-	199,267	199,267
Lease Liabilities	11,14	-	7,652	3,053	-	-	10,705
		<u>-</u>	<u>7,652</u>	<u>3,053</u>	<u>-</u>	<u>199,267</u>	<u>209,972</u>
Weighted average interest rate			8.52%	8.48%			
Net financial assets (liabilities)		<u>153,805</u>	<u>200,611</u>	<u>(3,053)</u>	<u>-</u>	<u>280,347</u>	<u>631,710</u>

**(b) Net fair value of financial assets and liabilities**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

**Notes to the Financial Statements**

30 June 2024 (continued)

**Note 19. Remuneration of directors**

	2024 \$	2023 \$
Income paid or payable, or otherwise made available to directors in connection with the management of affairs of the Company	<u>Nil</u>	<u>Nil</u>
The number of directors whose total income from the Company was within the specified bands are as follows:		
\$0 - \$10,000	<u>9</u>	<u>9</u>

**Note 20. Reconciliation of net profit/(loss) to net cash inflow (outflow) from operating activities**

	2024 \$	2023 \$
Net profit/(loss)	(13,671)	(34,718)
Depreciation and amortisation	276,582	268,995
Loss/(profit) on disposal of property, plant and equipment	2,581	1,303
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other debtors	(8,704)	19,434
(Increase)/Decrease in inventories	12,504	(11,869)
(Increase)/Decrease in prepayments	13,655	(4,529)
Increase/(Decrease) in creditors and accruals	(42,172)	57,280
Increase/(Decrease) in other operating liabilities	247	2,151
Increase/(Decrease) in provisions	13,368	(31,913)
Net cash inflow (outflow) from operating activities	<u>254,390</u>	<u>266,134</u>

**Note 21. 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.

*Key Management Personnel compensation*

Total key management personnel benefits	<u>114,063</u>	<u>114,074</u>
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*Related Party Contracts*

Total Payments to Director – J Maher for electrical work	<u>13,897</u>	<u>-</u>
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## Directors' Declaration

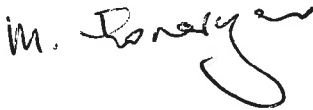
In accordance with a resolution of the directors of Asquith Bowling & Recreation Club Limited (the Company), the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 18, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards - Simplified Disclosures; and
  - (b) give a true and fair view of the financial position of the Company as at 30 June 2024 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



S Wilson  
Chairman



M Loneragan  
Treasurer

Asquith  
10 September 2024

## Independent Audit Report to the Members of Asquith Bowling & Recreation Club Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the accompanying financial report of Asquith Bowling & Recreation Club Limited (the Company), as set out on pages 4 to 19, which comprises the balance sheet as at 30 June 2024, the income statement, cash flow statement and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Asquith Bowling & Recreation Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

#### *Basis for Opinion*

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Asquith Bowling & Recreation Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### *Information Other than the Financial Report and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for the Financial Report*

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

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

## Independent Audit Report to the Members of Asquith Bowling & Recreation Club Limited (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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ben McEwan CA  
 Registered Company Auditor

Newcastle  
 10 September 2024

McEwan and Partners Pty Limited  
 Chartered Accountants

## Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been no contraventions of:

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

This declaration is in respect of Asquith Bowling & Recreation Club Limited for the year ended 30 June 2024.



Ben McEwan CA  
Registered Company Auditor

Newcastle  
10 September 2024

McEwan and Partners Pty Limited  
Chartered Accountants



## Disclaimer of Opinion on Additional Financial Data of Asquith Bowling & Recreation Club Limited

The additional financial data set out on page 24 is in accordance with the books and records of Asquith Bowling & Recreation Club Limited (the Company) and is made subject to the auditing procedures applied in the statutory audit of the Company for the year ended 30 June 2024.

It will be appreciated that the statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Company) in respect of the additional financial data, including any errors or omissions therein however caused.



Ben McEwan CA  
Registered Company Auditor

Newcastle  
10 September 2024

McEwan and Partners Pty Limited  
Chartered Accountants

**Operating Statement**

30 June 2024

	2024 \$	2023 \$
<b>Profit/(Loss) from</b>		
Bar Trading	444,039	305,305
Poker Machine Trading	662,492	805,245
Keno Trading	12,508	9,650
TAB Trading	(45,322)	(62,267)
Men's Bowling Club Trading	(1,630)	(4,603)
Women's Bowling Club Trading	(2,804)	(555)
Bowls Trading	(44,747)	(42,849)
Social Trading	(158,421)	(134,716)
Kitchen Trading	(6,938)	(12,888)
	<u>859,177</u>	<u>862,322</u>
<b>Administration and Other Expenses</b>		
Administration	475,796	463,699
Depreciation and amortisation	180,178	180,240
Employee Benefits Expense	212,039	256,047
Repairs and Maintenance	112,972	72,908
	<u>980,985</u>	<u>972,894</u>
<b>Net Trading Profit/(Loss)</b>	<u>(121,808)</u>	<u>(110,572)</u>
<b>Other Income</b>		
ATM Rebate	20,621	19,582
Commissions	-	478
Courtesy Bus Donations	4,835	3,350
Donations	25,000	-
Interest	5,356	3,141
Membership Subscriptions	34,801	34,800
Sponsorship	9,000	4,164
Sundry	8,524	10,339
	<u>108,137</u>	<u>75,854</u>
<b>Net Profit/Loss</b>	<u>(13,671)</u>	<u>(34,718)</u>
<b>EBITDA \$</b>	<u>264,744</u>	<u>235,622</u>
<b>EBITDA %</b>	9.6%	8.7%

*The above operating statement has not been subject to audit - refer to the Disclaimer on page 23.*