

Toongabbie Sports and Bowling Club Limited

ABN 32 001 050 371

Annual Report - 30 June 2022

Toongabbie Sports and Bowling Club Limited

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30 June 2022

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Toongabbie Sports and Bowling Club Limited

Directors' report

30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

David Nugent
Duane Gorry
Rob Brownlow
Tim Heyes
John Burgess
David Rothery
Peter Smith

Operating results

The operating surplus of the company for the financial year after providing for income tax amounted to \$888,946 (2021: surplus of \$1,260,694).

Objectives

The Company's objective is to provide excellence in service and amenities for all members and guests and to foster, encourage, promote and control the development of sports within the local community through the sustainable management of a Registered Club business.

Short term objectives

- To manage the Company's revenue to ensure the ongoing financial viability of the Company for the benefit of all members and community stakeholders;
- To maintain modern facilities, services and amenities for the benefit of the local community;
- To ensure ongoing legislated compliance and best practice principles; and
- To support the competitive and social endeavours of lawn bowlers and local sports.

Long term objectives

- Continual improvement of the Company's business to provide a sustainable local community resource;
- To maintain the club as an integral part of the local community; and
- To provide continuing support for the community by ensuring ongoing employment, investment in facilities and direct contributions to not for profit community organisations.

Strategy for achieving the objectives

- Forecasting and measuring income and expenditure expectations based on prior results and identified industry and local trends;
- Ongoing investigation to other opportunities to strengthen the Company's financial position;
- Providing members and guests with a range of activities to foster participation;
- Regular training, attendance at industry seminars and on line learning for Board and management; and
- Maintaining relationships with local community organisations.

Key performance indicators

- Monthly review of financial performance to forecast expectations and prior year results;
- Monthly review of departmental results to verified industry and regional results where available;
- Monthly review of membership growth; and
- Regular meetings with local community groups.

Principal activities

The principal activities of the Company during the financial year were:

- The operation of a licenced club for the benefit of its members and guests;
- The promotion of lawn bowls and sporting activities within the local community.

Total number of members at year end is 10,107 (2021: 8,674).

Toongabbie Sports and Bowling Club Limited

Directors' report

30 June 2022

Environmental issues

The Directors believe the company has complied with all significant environmental regulations under a law of Commonwealth or of a state or territory.

Indemnifying officer or auditor

During the year, the Company effected a Directors and Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors and Officers of the Company.

The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

Significant changes in the year

The Company acquired new non-core properties, which settled on 16 May 2022.

Information on directors

Name: David Nugent
Member: 23 years
Qualifications: State Manager
Years as a director: 18 years
Special responsibilities: Chairman

Name: Duane Gorry
Member: 20 years
Qualifications: Construction Site Manager
Years as a director: 13 years
Special responsibilities: Vice Chairman

Name: Rob Brownlow
Member: 11 years
Qualifications: Business Development Manager - Banking
Years as a director: 8 years

Name: Tim Heyes
Member: 22 years
Qualifications: Facilities and Operations Manager
Years as a director: 10 years

Name: John Burgess
Member: 11 years
Qualifications: Operations Manager
Years as a director: 5 years

Name: David Rothery
Member: 17 years
Qualifications: Maintenance Manager
Years as a director: 5 years

Name: Peter Smith
Member: 8 years
Qualifications: General Manager - Logistics
Years as a director: 2 year

Events after balance date

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the club's operations, the results of those operations, or the company's state of affairs in future financial years.

Toongabbie Sports and Bowling Club Limited
Directors' report
30 June 2022

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Eligible Meetings	Meetings Attended
David Nugent	15	13
Duane Gorry	15	15
Rob Brownlow	15	15
Tim Heyes	15	15
John Burgess	15	14
David Rothery	15	14
Peter Smith	15	14

Held: represents the number of meetings held during the time the director held office.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Duane Gorry
Director

31 August 2022

**HEAD OFFICE**

Unit 1, 1 Pioneer Avenue
Tuggerah NSW 2259

OFFICES

- Sydney CBD
- Drummoyne
- Erina

**BISHOP COLLINS
AUDIT PTY LTD**

ABN: 98 159 109 305

ALL CORRESPONDENCE

PO Box 3399
Tuggerah NSW 2259

W: <https://www.bishopcollins.com.au>

E: mail@bishopcollins.com.au

T: (02) 4353 2333

F: (02) 4351 2477

**INDEPENDENT AUDITOR'S DECLARATION
TO THE MEMBERS OF
TOONGABBIE SPORTS AND BOWLING CLUB LIMITED**

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

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

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

31 August 2022



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Glenn A Harris CA, Martin Le Marchant CA,
Johan Van Der Westhuizen CA

Associate Directors: Cecille Capucac CA



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TOONGABBIE SPORTS AND BOWLING CLUB LIMITED**

Opinion

We have audited the accompanying financial report of Toongabbie Sports and Bowling Club Limited which comprises the statement of financial position as at 30 June 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion the accompanying financial report of Toongabbie Sports and Bowling Club Limited is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards – Simplified Disclosures (including the Australian Accounting Interpretations) 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 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; and we have 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 of our opinion.

Directors' Responsibility 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 to the extent described in Note 2 to the financial report, 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.



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Glenn A Harris CA, Martin Le Marchant CA,
Johan Van Der Westhuizen CA

Associate Directors: Cecille Capucio CA



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.

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 in the preparation of the financial report. We also conclude, 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 disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. 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.



We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor



Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

31 August 2022

Toongabbie Sports and Bowling Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	5,467,762	6,181,594
Other income	5	132,500	293,815
Total revenue		<u>5,600,262</u>	<u>6,475,409</u>
Expenses			
Employee benefits expense		(1,301,582)	(1,410,097)
Cost of goods sold		(583,187)	(686,344)
Gaming machine taxation		(568,995)	(670,010)
Club promotions		(241,591)	(195,236)
Depreciation and amortisation expense		(476,729)	(455,038)
Sports expenses		(196,616)	(226,800)
Entertainment expenses		(228,144)	(189,609)
Club grants		(66,439)	(25,368)
Function expenses		(94,004)	(47,661)
Utilities expenses		(46,128)	(121,009)
Raffle expenses		(125,814)	(134,809)
Repairs and maintenance expenses		(115,544)	(160,349)
Accounting and audit fees		(56,852)	(61,378)
Cleaning expenses		(49,318)	(68,799)
Insurance expense		(90,124)	(75,607)
Security expenses		(90,869)	(77,521)
Professional fees		(27,121)	(77,118)
Finance costs		(19,353)	(4,697)
Advertising and promotion expenses		(14,725)	(16,847)
Water expenses		(15,614)	(22,342)
Computer software expenses		(50,255)	(35,069)
TAB expenses		(11,074)	(10,976)
Contribution to development expenses		-	(249,202)
Other expenses		(241,238)	(192,829)
Total expenses		<u>(4,711,316)</u>	<u>(5,214,715)</u>
Surplus for the year attributable to the members of Toongabbie Sports and Bowling Club Limited	20	888,946	1,260,694
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of Toongabbie Sports and Bowling Club Limited		<u><u>888,946</u></u>	<u><u>1,260,694</u></u>

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

Toongabbie Sports and Bowling Club Limited
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,891,391	2,342,175
Trade and other receivables	7	50,538	35,386
Inventories	8	53,659	52,174
Financial assets	9	-	3,000,000
Total current assets		<u>3,995,588</u>	<u>5,429,735</u>
Non-current assets			
Investment properties	10	6,930,713	1,043,467
Property, plant and equipment	11	11,528,094	11,653,998
Intangibles	12	791,323	609,000
Total non-current assets		<u>19,250,130</u>	<u>13,306,465</u>
Total assets		<u>23,245,718</u>	<u>18,736,200</u>
Liabilities			
Current liabilities			
Trade and other payables	13	694,295	493,221
Borrowings	14	272,400	47,670
Provisions	15	436,866	337,042
Other	16	55,852	22,012
Total current liabilities		<u>1,459,413</u>	<u>899,945</u>
Non-current liabilities			
Borrowings	17	3,674,600	580,139
Provisions	18	17,596	50,953
Total non-current liabilities		<u>3,692,196</u>	<u>631,092</u>
Total liabilities		<u>5,151,609</u>	<u>1,531,037</u>
Net assets		<u>18,094,109</u>	<u>17,205,163</u>
Equity			
Reserves	19	4,968,040	4,968,040
Retained surpluses	20	13,126,069	12,237,123
Total equity		<u>18,094,109</u>	<u>17,205,163</u>

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

Toongabbie Sports and Bowling Club Limited
Statement of changes in equity
For the year ended 30 June 2022

	Asset revaluation reserve \$	Capital surplus reserve \$	Retained surplus \$	Total equity \$
Balance at 1 July 2020	2,914,982	2,053,057	10,976,430	15,944,469
Surplus for the year	-	-	1,260,694	1,260,694
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,260,694	1,260,694
Balance at 30 June 2021	<u>2,914,982</u>	<u>2,053,057</u>	<u>12,237,124</u>	<u>17,205,163</u>
	Asset revaluation reserve \$	Capital surplus reserve \$	Retained surplus \$	Total equity \$
Balance at 1 July 2021	2,914,982	2,053,057	12,237,124	17,205,163
Surplus for the year	-	-	888,946	888,946
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	888,946	888,946
Balance at 30 June 2022	<u>2,914,982</u>	<u>2,053,057</u>	<u>13,126,070</u>	<u>18,094,109</u>

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

Toongabbie Sports and Bowling Club Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,023,016	6,814,265
Payments to suppliers and employees (inclusive of GST)		<u>(4,484,551)</u>	<u>(5,263,752)</u>
		1,538,465	1,550,513
Interest received		10,532	23,315
Interest and other finance costs paid		(19,353)	(4,697)
Receipts from government stimulus package		<u>121,968</u>	<u>336,500</u>
Net cash from operating activities	26	<u>1,651,612</u>	<u>1,905,631</u>
Cash flows from investing activities			
Payments for intangibles	12	(182,323)	-
Proceeds from investments		3,000,000	-
Payments for property, plant and equipment	11	(352,018)	(391,823)
Payments for investment property		<u>(5,887,246)</u>	<u>(290,000)</u>
Net cash used in investing activities		<u>(3,421,587)</u>	<u>(681,823)</u>
Cash flows from financing activities			
Proceeds from borrowings		4,221,278	-
Repayment of borrowings		<u>(4,245,469)</u>	<u>(48,000)</u>
Net cash used in financing activities		<u>(24,191)</u>	<u>(48,000)</u>
Net increase/(decrease) in cash and cash equivalents		(1,794,166)	1,175,808
Cash and cash equivalents at the beginning of the financial year		<u>2,342,175</u>	<u>1,166,367</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>548,009</u></u>	<u><u>2,342,175</u></u>

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

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 1. General information

The financial statements cover Toongabbie Sports and Bowling Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Toongabbie Sports and Bowling Club Limited's functional and presentation currency.

Toongabbie Sports and Bowling Club Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
12 Station Road, Toongabbie, NSW, 2146	12 Station Road, Toongabbie, NSW, 2146

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

Income tax

The directors are of the opinion that the company is exempt from Income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at fair value, and are subsequently remeasured at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Property, plant and equipment

Land and buildings are held at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. 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. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 - 100 years
Leasehold improvements	3 - 10 years
Plant and equipment	3 - 7 years
Plant and equipment under lease	2 - 7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Note 2. Significant accounting policies (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Note 2. Significant accounting policies (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets

The company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

	2022	2021
	\$	\$
Gaming machine revenue	3,438,847	3,898,568
Bar sales	1,443,592	1,687,769
Raffle, bingo and entertainment income	95,580	112,109
Sports sales	92,493	116,486
Rental income	101,073	112,196
Tab income	28,988	33,642
Keno sales	48,651	47,230
Function sales	115,551	67,884
Other sales	102,987	105,710
Revenue	<u>5,467,762</u>	<u>6,181,594</u>

Note 5. Other income

	2022	2021
	\$	\$
Interest received	10,532	23,315
Government stimulus	121,968	270,500
Other income	<u>132,500</u>	<u>293,815</u>

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 6. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank and on hand	548,009	2,342,175
Cash held in offset account	3,343,382	-
	<u>3,891,391</u>	<u>2,342,175</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	3,891,391	2,342,175
Bank loans (note 14)	(3,343,382)	-
	<u>548,009</u>	<u>2,342,175</u>
Balance as per statement of cash flows	<u>548,009</u>	<u>2,342,175</u>

Note 7. Current assets - trade and other receivables

	2022	2021
	\$	\$
Trade receivables	10,690	-
Other receivables	34,848	30,386
Security deposit	5,000	5,000
	<u>39,848</u>	<u>35,386</u>
	<u>50,538</u>	<u>35,386</u>

Note 8. Current assets - inventories

	2022	2021
	\$	\$
Stock on hand - at cost	<u>53,659</u>	<u>52,174</u>

Note 9. Current assets - financial assets

	2022	2021
	\$	\$
Term deposit	<u>-</u>	<u>3,000,000</u>

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 10. Non-current assets - investment properties

	2022 \$	2021 \$
14 Wentworth Avenue, Toongabbie - at fair value	2,378,041	-
10 Wentworth Avenue, Toongabbie - at fair value	1,500,000	753,467
18 Wentworth Avenue, Toongabbie - at fair value	1,526,336	145,000
20 Wentworth Avenue, Toongabbie - at fair value	1,526,336	145,000
	<u>6,930,713</u>	<u>1,043,467</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	1,043,467	753,467
Additions	5,887,246	290,000
Revaluation increments	746,533	-
Revaluation decrements	(746,533)	-
Closing fair value	<u>6,930,713</u>	<u>1,043,467</u>

Valuations of investment properties

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. During the year the Club acquired the investment properties at 18 Wentworth Avenue, Toongabbie, and 20 Wentworth Avenue, Toongabbie on 2 July 2021 and 14 Wentworth Avenue, Toongabbie on 16 May 2022. The directors do not consider there has been a material change in the aggregated fair value of the investment property portfolio. However the directors have undergone a considered process of estimating fair value as at 30 June 2022 for each property based on market conditions existing at balance date. It is the intention of the board of directors to obtain a valuation for all property (including investment property) measured at fair value in the 2022/23 year.

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 11. Non-current assets - property, plant and equipment

	2022 \$	2021 \$
Freehold land - at valuation	2,226,148	2,226,148
Bowling greens - at valuation	1,273,852	1,273,852
	<u>3,500,000</u>	<u>3,500,000</u>
Buildings - at valuation	5,500,000	5,500,000
Less: Accumulated depreciation	(165,000)	(110,000)
	<u>5,335,000</u>	<u>5,390,000</u>
Freehold improvements - at valuation	1,760,417	1,654,483
Less: Accumulated depreciation	(185,837)	(106,936)
	<u>1,574,580</u>	<u>1,547,547</u>
Plant and equipment - at cost	1,847,676	1,656,218
Less: Accumulated depreciation	(772,715)	(489,184)
	<u>1,074,961</u>	<u>1,167,034</u>
Motor vehicles - at cost	58,647	58,647
Less: Accumulated depreciation	(15,094)	(9,230)
	<u>43,553</u>	<u>49,417</u>
	<u><u>11,528,094</u></u>	<u><u>11,653,998</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Freehold land and Greens - at valuation \$	Buildings - at valuation \$	Freehold Improvements - at valuation \$	Plant and equipment - at cost \$	Motor Vehicle \$	Total \$
Balance at 1 July 2021	3,500,000	5,390,000	1,547,547	1,167,034	49,417	11,653,998
Additions	-	-	108,599	243,419	-	352,018
Disposals	-	-	-	(1,193)	-	(1,193)
Depreciation expense	-	(55,000)	(81,566)	(334,299)	(5,864)	(476,729)
Balance at 30 June 2022	<u><u>3,500,000</u></u>	<u><u>5,335,000</u></u>	<u><u>1,574,580</u></u>	<u><u>1,074,961</u></u>	<u><u>43,553</u></u>	<u><u>11,528,094</u></u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last revalued on 12 April 2019, based on independent assessments by a member of the Australian Property Institute. The directors do not believe that there has been a material movement in fair value since the revaluation date.

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 11. Non-current assets - property, plant and equipment (continued)

Core Property and Non-Core Property

As required by the Registered Clubs Act 1976 (the "Act"), No 31 section 41J(2), the club's core and non-core property is as follows:

Core Properties

12 Station Road, Toongabbie [Lot 501/DP 1106209]

Non-Core Properties

10 Wentworth Avenue, Toongabbie [Lot 6/DP 22506]

14 Wentworth Avenue, Toongabbie [Lot 4/DP 22506]

18 Wentworth Avenue, Toongabbie [Lot 2/DP 22506]

20 Wentworth Avenue, Toongabbie [Lot 1/DP 22506]

Note 12. Non-current assets - intangibles

	2022	2021
	\$	\$
Gaming machine entitlements - at cost	<u>791,323</u>	<u>609,000</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Gaming Machine Entitlements \$	Total \$
Balance at 1 July 2021	609,000	609,000
Additions	<u>182,323</u>	<u>182,323</u>
Balance at 30 June 2022	<u>791,323</u>	<u>791,323</u>

Note 13. Current liabilities - trade and other payables

	2022	2021
	\$	\$
Trade payables	236,900	69,963
Members redeemable points	206,492	168,437
Gaming taxation payable	70,685	41,675
BAS payable	102,570	85,496
Accrued expenses	<u>77,648</u>	<u>127,650</u>
	<u>694,295</u>	<u>493,221</u>

Note 14. Current liabilities - borrowings

	2022	2021
	\$	\$
Bank loans	<u>272,400</u>	<u>47,670</u>

Refer to note 17 for further information on assets pledged as security and financing arrangements.

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 15. Current liabilities - provisions

	2022	2021
	\$	\$
Annual leave	124,249	104,311
Long service leave	156,162	85,079
Sick leave	58,147	57,652
Other	98,308	90,000
	<u>436,866</u>	<u>337,042</u>

Note 16. Current liabilities - other

	2022	2021
	\$	\$
Income in advance	12,500	13,012
Refundable security deposit	9,000	9,000
Credit card	4,104	-
Deposits held on behalf of customers	30,248	-
	<u>55,852</u>	<u>22,012</u>

Note 17. Non-current liabilities - borrowings

	2022	2021
	\$	\$
Bank loans	<u>3,674,600</u>	<u>580,139</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2022	2021
	\$	\$
Bank loans	<u>3,947,000</u>	<u>627,809</u>

Assets pledged as security

The bank loan is secured by first mortgages over the company's land and buildings.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2022	2021
	\$	\$
Total facilities		
Bank loans	<u>3,947,000</u>	<u>627,809</u>
Used at the reporting date		
Bank loans	<u>603,618</u>	<u>627,809</u>
Unused at the reporting date		
Bank loans	<u>3,343,382</u>	<u>-</u>

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 18. Non-current liabilities - provisions

	2022 \$	2021 \$
Long service leave	<u>17,596</u>	<u>50,953</u>

Note 19. Equity - reserves

	2022 \$	2021 \$
Revaluation surplus reserve	2,914,984	2,914,984
Capital profits reserve	<u>2,053,056</u>	<u>2,053,056</u>
	<u>4,968,040</u>	<u>4,968,040</u>

Note 20. Equity - retained surpluses

	2022 \$	2021 \$
Retained surpluses at the beginning of the financial year	12,237,123	10,976,429
Surplus for the year	<u>888,946</u>	<u>1,260,694</u>
Retained surpluses at the end of the financial year	<u>13,126,069</u>	<u>12,237,123</u>

Note 21. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2022 \$	2021 \$
Aggregate compensation	<u>340,511</u>	<u>338,320</u>

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	2022 \$	2021 \$
<i>Fees to Bishop Collins Audit</i>		
Assurance Services	<u>18,500</u>	<u>17,500</u>
Preparation of Financial Statements		
Other Services	<u>3,000</u>	<u>3,000</u>
	<u>21,500</u>	<u>20,500</u>

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 23. Related party transactions (continued)

Note 23. Related party transactions

Parent entity

Toongabbie Sports and Bowling Club Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties

The following transactions occurred with related parties:

	2022 \$	2021 \$
Benefits approved by members at AGM:		
Honoraria	14,250	17,750
Meeting costs	5,248	3,804
A related party of a member of key management was employed by the Club on a casual basis and received remuneration for services in accordance with the national award	1,112	-

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 25. Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding debts and obligation of the company. At 30 June 2022, total members were 10,107 (2021: 8,674).

Toongabbie Sports and Bowling Club Limited
Notes to the financial statements
30 June 2022

Note 26. Reconciliation of surplus to net cash from operating activities

	2022	2021
	\$	\$
Surplus for the year	888,946	1,260,694
Adjustments for:		
Depreciation and amortisation	476,729	455,038
Net loss on disposal of property, plant and equipment	1,193	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(15,152)	76,406
Increase in inventories	(1,485)	(8,658)
Increase/(decrease) in trade and other payables	201,074	(13,377)
Increase in employee benefits	66,467	130,773
Increase in other liabilities	33,840	4,755
Net cash from operating activities	<u>1,651,612</u>	<u>1,905,631</u>

Toongabbie Sports and Bowling Club Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Duane Gorry
Director

31 August 2022