



JESMOND BOWLO

**Heaton Birmingham Gardens
Bowling Club Limited**

ACN 000 989 168

**Annual Financial Report
for the year ended 31 March 2021**

Heaton Birmingham Gardens Bowling Club Limited ACN 000 989 168

Annual financial report for the year ended 31 March 2021

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These financial statements are the financial statements of Heaton Birmingham Gardens Bowling Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 24 May 2021. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Heaton Birmingham Gardens Bowling Club Limited (the Company) for the year ended 31 March 2022

Directors details

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

Mr William Johnson

Chairperson
Director since 2016

A Foreman Boilermaker, also worked as a site supervisor. Has been approved for working with children and has a first aid certificate.

Mr Russell Wilson

Vice Chairperson
Director since 2017

Retired. Worked as a paymaster at the Dockyard.

Mrs Dawn Hardes

Director
Director since 2018

Catering / Tailoress

Ms Barbara Wills

Director
Director since 2020

Worked at a hardware store. Ran/owned security business. Worked as store security at David Jones.

Mr Darren Kemp

Vice Chairperson
Director since 2018

Over 25 years experience as a Company Director.

Mr Warren Steel

Director
Director since 2006

Worked as a leading hand and was in control of rostering of drivers as a supervisor of Linfox Transport

Mr Brian Boyce

Director
Director since 2020

Worked at Comsteel for 49 years as Electrical Superintendent and was in charge of maintenance, breakdowns and new works.

Director's meetings

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

Board members	Board meetings		
	A	B	
Mr William Johnson	10	6	
Mr Darren Kemp	10	10	
Mr Russell Wilson	10	10	
Mr Warren Steel	10	9	
Mrs Dawn Hardes	10	9	
Mr Brian Boyce	10	9	
Ms Barbara Wills	Appointed 28/09/2020	6	5
Mr Geoffrey Horton	Resigned 28/09/2020	3	3
Ms Pam Steel	Resigned 27/07/2020	1	0

Where:

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

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 31 March 2021, the following land and buildings are considered to be core and non-core property:

- Core - Leasehold property situated at 48 Mordue Parade, Jesmond.
- Non-Core - Nil

Principal activities

During the year, the principal activities of the Company was the running of a licensed club for the benefit of its members and to meet the Company objectives under its constitution.

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

Long-term objectives

The Company's long-term objectives are to:

- Provide the best facilities available to members and their guests, including the promotion of the game of bowls.

Strategy for achieving short and long-term objectives

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

- (a) Maintain or increase existing revenue levels and control costs to improve profitability which will allow the Company's premises to be continually improved.

Performance measurement

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

Contribution in winding up

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 \$4 each towards meeting any outstanding obligations of the Company. At 31 March 2021 the total amount that members of the Company are liable to contribute if the Company wound up is \$876 (2020: \$2,732).

Rounding of amounts

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

Auditor's independence declaration

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

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



William Johnson - Director



Darren Kemp - Director

Dated: 24 May 2021

Jesmond

Auditor's independence declaration

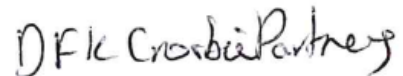
To the Directors of Heaton Birmingham Gardens Bowling Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Heaton Birmingham Gardens Bowling Club Limited for the year ended 31 March 2021, I declare that, to the best of my knowledge and belief, there have been:

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



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

Dated: 24 May 2021
Newcastle

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
Revenue from continuing operations	2	666,331	757,846
Other Income	3	181,549	31,212
Bar cost of goods sold		(142,626)	(179,906)
Bar direct expenses		(198,672)	(161,844)
Gaming direct expenses		(26,651)	(25,178)
Green expenses		(17,862)	(15,472)
Bowls expenses		(64,096)	(87,865)
Members amenities		(6,076)	(13,133)
Clubhouse expenses		(132,324)	(136,665)
Administration expenses		(193,271)	(185,758)
		(781,578)	(805,821)
Profit / (loss) before income tax		66,302	(16,763)
Income tax expense		-	-
Profit / (loss) for the year		66,302	(16,763)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		66,302	(16,763)

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

Statement of financial position

For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	209,809	128,246
Trade receivables	5	1,500	3,700
Inventories	6	16,896	12,188
Financial assets at amortised cost	7	10,546	10,455
Other assets	8	5,911	10,502
Total current assets		244,662	165,091
Non-current assets			
Property, plant and equipment	9	268,287	290,218
Intangible assets	10	55,895	55,895
Right-of-use asset	11	105,200	79,257
Total non-current assets		429,382	425,370
Total assets		674,044	590,461
LIABILITIES			
Current liabilities			
Trade and other payables	12	40,335	45,323
Provisions	13	22,505	18,726
Other liabilities	14	4,191	2,946
Lease liabilities	11	22,226	12,221
Total current liabilities		89,257	79,216
Non-current liabilities			
Provisions	13	1,078	614
Lease liabilities	11	65,804	59,028
Total non-current liabilities		66,882	59,642
Total liabilities		156,139	138,858
Net assets		517,905	451,603
MEMBERS FUNDS			
Retained profits		517,905	451,603
Total members funds		517,905	451,603

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

Statement of changes in equity

For the year ended 31 March 2021

	Note	Retained Profits \$	Total \$
Balance at 1 April 2019		468,366	468,366
Profit/(Loss) for the year		(16,763)	(16,763)
Total comprehensive income for the year		(16,763)	(16,763)
Balance at 31 March 2020		451,603	451,603
Profit/(Loss) for the year		66,302	66,302
Total comprehensive income for the year		66,302	66,302
Balance at 31 March 2021		517,905	517,905

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

Statement of cash flows

For the year ended 31 March 2021

Notes	2021 \$	2020 \$
Cash flows from operating activities		
Receipts from members and customers	735,196	853,717
Receipts from government stimulus payments	179,297	-
Payments to suppliers and employees	(764,342)	(813,591)
Interest received	274	270
Net cash inflow (outflow) from operating activities	150,425	40,396
Cash flows from investing activities		
Payments for property, plant and equipment	(38,045)	(35,842)
Proceeds from sale of property, plant and equipment	-	5,500
Transfer to/from interest bearing deposit	(91)	(148)
Net cash inflow (outflow) from investing activities	(38,136)	(30,490)
Cash flows from financing activities		
Repayment of lease liabilities	(30,726)	(16,341)
Net cash inflow (outflow) from financing activities	(30,726)	(16,341)
Net increase in cash and cash equivalents	81,563	(6,435)
Cash and cash equivalents at the beginning of the financial year	128,246	134,681
Cash and cash equivalents at the end of the financial year	209,809	128,246

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

Notes to the financial statements

For the year ended 31 March 2021

1 Summary of significant accounting policies

(a) Basis of preparation

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

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

(b) Statement of compliance

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

(c) Income Taxes

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

(d) Goods and Services Tax

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

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

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

(f) Rounding of amounts

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

Notes to the financial statements

For the year ended 31 March 2021

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

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

	Beverage Revenue	Gaming Revenue	Membership Revenue	Raffle Revenue	Bowls Revenue	Other Revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2021							
Revenue from contracts with customers	344,319	227,551	11,316	40,210	16,770	9,921	650,087
Other revenue (not covered by AASB15)	-	16,244	-	-	-	-	16,244
	<u>344,319</u>	<u>243,795</u>	<u>11,316</u>	<u>40,210</u>	<u>16,770</u>	<u>9,921</u>	<u>666,331</u>

Timing of revenue recognition

At a point in time	344,319	243,795	-	40,210	16,770	9,921	655,015
Over time	-	-	11,316	-	-	-	11,316
	<u>344,319</u>	<u>243,795</u>	<u>11,316</u>	<u>40,210</u>	<u>16,770</u>	<u>9,921</u>	<u>666,331</u>

	Beverage Revenue	Gaming Revenue	Membership Revenue	Raffle Revenue	Bowls Revenue	Other Revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2020							
Revenue from contracts with customers	410,595	216,446	12,240	44,084	24,427	35,737	743,529
Other revenue (not covered by AASB15)	-	14,317	-	-	-	-	14,317
	<u>410,595</u>	<u>230,763</u>	<u>12,240</u>	<u>44,084</u>	<u>24,427</u>	<u>35,737</u>	<u>757,846</u>

Timing of revenue recognition

At a point in time	410,595	230,763	-	44,084	24,427	35,737	745,606
Over time	-	-	12,240	-	-	-	12,240
	<u>410,595</u>	<u>230,763</u>	<u>12,240</u>	<u>44,084</u>	<u>24,427</u>	<u>35,737</u>	<u>757,846</u>

(b) Accounting policies and significant judgements

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

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

(i) Sale of goods - beverage revenue

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

(ii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and guests of the Company is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission revenue where the Company acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transactions has been completed.

(iii) Provision of services - membership revenue

The Company generates revenue from membership fees where customers purchase a membership subscription at the Company, with fees payable in advance. The period of membership is usually 1 April 2020 to 31 March 2021. Only those member fee receipts that are attributable to the current financial year are recognised as revenue.

Fee receipts for periods beyond the current financial year are shown in the Statement of financial position under the heading of current liabilities as other liabilities.

Notes to the financial statements

For the year ended 31 March 2021

(c) Accounting policies and significant judgements (continued)

(iv) *Provision of services - raffle revenue*

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

(v) *Provision of services - bowls revenue*

Revenue from rendering services from bowling activities to members and other patrons of the Company is recognised at a point in time when the game of bowls has been completed as at this point the performance obligations have been satisfied.

(vi) *Other revenue*

Other revenue is recognised at a point in time when the performance obligations have been satisfied.

3 Other income and expense items

	2021	2020
	\$	\$
(a) Other income		
Insurance claim	-	18,500
Interest income	274	270
Gain on disposal of fixed assets	-	5,500
Government stimulus payment - JobKeeper	142,500	-
Government stimulus payment - Cashflow Boost and other	36,797	6,942
Lease concession benefit	1,978	-
	181,549	31,212

(i) *Interest income*

Interest income is recognised on an accruals basis.

(ii) *Government stimulus payments*

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

(iii) *Gain on disposal of fixed assets*

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

(iv) *Lease concession benefit*

The Company recognises lease repayment concessions when they are formally given from the lessor. The benefit in the current year was a result of the lessor providing concessions to the Company as a result of Covid-19.

(b) Other expenses

Employee benefits expense	315,456	246,561
Interest costs	3,007	2,481
Depreciation	78,316	76,009

4 Cash and cash equivalents

Current

Cash and cash equivalents	209,809	128,246
	209,809	128,246

Accounting policy

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

Notes to the financial statements

For the year ended 31 March 2021

5 Trade receivables

	2021	2020
	\$	\$
Current		
Trade receivables	1,500	3,700
	<u>1,500</u>	<u>3,700</u>

Accounting policy

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

6 Inventories

Current		
Stock on hand	16,896	12,188
	<u>16,896</u>	<u>12,188</u>

Accounting policy

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

7 Financial assets at amortised cost

Current		
Term deposits	10,546	10,455
	<u>10,546</u>	<u>10,455</u>

Accounting policy

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

8 Other assets

Current		
Prepayments	5,911	10,502
	<u>5,911</u>	<u>10,502</u>

Accounting policy

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

9 Property, plant and equipment

	Leasehold Improvements \$	Plant and equipment \$	Poker Machine \$	Total \$
Non-current assets				
At 1 April 2020				
Cost	1,241,116	659,180	262,016	2,162,312
Accumulated depreciation	(1,099,501)	(544,377)	(228,216)	(1,872,094)
Net book amount	<u>141,615</u>	<u>114,803</u>	<u>33,800</u>	<u>290,218</u>
Year ended 31 March 2021				
Opening net book amount	141,615	114,803	33,800	290,218
Additions	15,355	9,790	12,900	38,045
Disposals	-	(1,105)	(1,091)	(2,196)
Depreciation charge	(26,684)	(19,692)	(11,404)	(57,780)
Closing net book amount	<u>130,286</u>	<u>103,796</u>	<u>34,205</u>	<u>268,287</u>
Year ended 31 March 2021				
Cost	1,256,194	617,564	245,349	2,119,107
Accumulated depreciation	(1,125,908)	(513,768)	(211,144)	(1,850,820)
Net book amount	<u>130,286</u>	<u>103,796</u>	<u>34,205</u>	<u>268,287</u>

Notes to the financial statements

For the year ended 31 March 2021

9 Property, plant and equipment (continued)

Accounting policy

(a) Leasehold Improvements

Leasehold improvements are carried at cost less any accumulated depreciation and any impairment in value

(b) Plant and equipment and poker machines

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

(c) Depreciation

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

Leasehold improvements	10 - 20 years
Plant & equipment	2.5 - 20 years
Poker machines	2.5 - 5 years

(d) Impairment

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

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

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

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

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

10 Intangible assets

	Poker machine entitlements \$	Total \$
Non-current assets		
As at 31 March 2020		
Cost	55,895	55,895
Accumulated amortisation	-	-
Net book amount	55,895	55,895
As at 31 March 2021		
Cost	55,895	55,895
Accumulated amortisation	-	-
Net book amount	55,895	55,895

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

The value shown for the Poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

Notes to the financial statements

For the year ended 31 March 2021

11 Leases

2021	2020
\$	\$

The Company leases Land where the Club Buildings are situated, as well as phone and gaming systems

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

Right-of-use assets	105,200	79,257
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	Phone System	Gaming System	Club Land	2021	2020
Reconciliation of right-of-use assets	System	System	Club Land	Total	Total
2021	\$	\$	\$	\$	\$
At 1 April 2020	-	-	79,257	79,257	95,109
Additions	16,499	29,980	-	46,479	-
Amortisation	(1,645)	(3,039)	(15,852)	(20,536)	(15,852)
31 March 2021	14,854	26,941	14,854	105,200	79,257

b) Lease liabilities**Current**

Lease liabilities	2,909	4,697	14,620	22,226	12,221
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Non-current

Lease liabilities	12,220	9,176	44,408	65,804	59,028
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Total	15,129	13,873	59,028	88,030	71,249
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	Phone System	Gaming System	Club Land	Total	Total
Reconciliation of lease liabilities	System	System	Club Land	Total	Total
2021	\$	\$	\$	\$	\$
At 1 April 2020	-	-	71,249	71,249	85,109
Additions	16,499	29,980	-	46,479	-
Rental waiver	-	-	(1,978)	(1,978)	-
Interest expense	637	292	2,077	3,006	2,481
Lease payments	(2,007)	(16,399)	(12,320)	(30,726)	(16,341)
Net movement during year	15,129	13,873	59,028	88,030	71,249
31 March 2021					

Accounting policy

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

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

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

Right-of-use assets are initially measured at cost, comprising the following:

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

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The weighted average incremental borrowing rate is 5.32%.

Notes to the financial statements

For the year ended 31 March 2021

11 Leases (continued)

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

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

12 Trade and other payables

	2021	2020
	\$	\$
Current		
Trade payables	19,040	35,721
Other payables and accruals	11,680	5,790
GST payable	9,615	3,812
	40,335	45,323

Accounting policy

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

13 Provisions

	2021	2020
	\$	\$
Current		
Employee entitlements (i) & (ii)	12,505	8,726
Provision for make good (iii)	10,000	10,000
	22,505	18,726
Non-current		
Employee entitlements (ii)	1,078	614
	1,078	614

Accounting policy**(i) Annual leave**

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

(ii) Long service leave

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

(iii) Provision for Make Good

The Company (lessee) is required to restore the leased premises which it occupies at the end of the lease term to the condition at the beginning of the lease subject to fair wear and tear. A provision has been recognised for the estimated expenditure required to meet the requirements of the lease in relation to "make good". These costs have been included in the calculation of the right-of-use assets and are amortised over the term of the lease.

Notes to the financial statements

For the year ended 31 March 2021

14 Other liabilities**Current**

Contract liabilities - membership revenue	4,191	2,946
	<u>4,191</u>	<u>2,946</u>

Accounting policy

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

15 Contingent liabilities

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

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

(a) *Key management personnel compensation*

Total key management personnel benefits	<u>41,171</u>	<u>9,358</u>
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17 Commitments

2021	2020
\$	\$

(i) *Capital Commitments*
Poker Machines

17,600	-
<u>17,600</u>	<u>-</u>

18 Critical accounting estimates and judgements

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

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

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

- Estimation of useful lives of non-current assets (notes 9, 10 and 11) - The useful life of property, plant and equipment, intangible assets and right-of-use assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Estimation of provision for make good (note 13) - there is estimation uncertainty in relation to a number of components when assessing the measurement of the provision for make good including but not limited to the condition required to restore the premises to, the extent of assets required to be removed and the timing of the cash outflows to satisfy these. The current measurement of the provision for make good represents the Company's best estimate of these components.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 17 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 31 March 2021 and of its performance for the financial year ended on that date, and
- (b) 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 Directors.



William Johnson - Director



Darren Kemp - Director

24 May 2021
Jesmond

Independent auditor's report to the members of Heaton Birmingham Gardens Bowling Club Limited

Opinion

We have audited the financial report of Heaton Birmingham Gardens Bowling Club Limited (the Company) which comprises the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 March 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2021, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Detailed profit and loss statement.

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

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

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

Responsibilities of the Directors for the financial report

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

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

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Company for the year ended 31 March 2021 included on the Company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

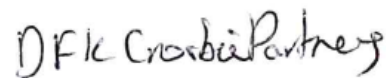
Auditor's responsibilities for the audit of the financial report

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

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



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

24 May 2021
Newcastle

Heaton Birmingham Gardens Bowling Club Limited

Detailed profit and loss statement

Bar trading

	2021 \$	2020 \$
Sales	<u>344,319</u>	<u>410,595</u>
	<u>344,319</u>	<u>410,595</u>
LESS COST OF GOODS SOLD		
Opening Stock	12,188	16,354
Purchases	<u>147,334</u>	<u>175,740</u>
	<u>159,522</u>	<u>192,094</u>
Closing Stock	<u>(16,896)</u>	<u>(12,188)</u>
	<u>142,626</u>	<u>179,906</u>
GROSS PROFIT	<u>201,693</u>	<u>230,689</u>
LESS DIRECT EXPENSES		
Bar repairs & maintenance	9,164	5,936
Depreciation	2,604	2,622
Wages	184,004	150,771
Wastage	<u>2,900</u>	<u>2,515</u>
	<u>198,672</u>	<u>161,844</u>
NET PROFIT	<u>3,021</u>	<u>68,845</u>

Poker Machine Trading

Net Revenue	211,006	196,842
Gaming tax rebate	<u>16,244</u>	<u>14,317</u>
	<u>227,250</u>	<u>211,159</u>
LESS DIRECT EXPENSES		
Depreciation	11,404	16,598
DMS Fees	7,252	8,392
Loss on disposal of assets	2,196	-
Provision for jackpot movement	-	(7,623)
Repairs & maintenance	<u>5,799</u>	<u>7,811</u>
	<u>26,651</u>	<u>25,178</u>
NET PROFIT	<u>200,599</u>	<u>185,981</u>
TOTAL TRADING PROFIT	203,620	254,826

Detailed profit and loss statement - Not Covered by Audit Report on Pages 19-20

Heaton Birmingham Gardens Bowling Club Limited

Detailed Profit and Loss Statement

Other Income

	2021	2020
	\$	\$
Commissions	3,704	6,789
Government stimulus payment - JobKeeper	142,500	-
Government stimulus payment - Cashflow Boost and other	36,797	6,942
Green fees, galas & entry fees	16,770	24,427
Insurance claim	-	18,500
Interest received	274	270
Keno income	5,762	7,925
Members subscriptions	11,316	12,240
Profit on sale of assets	-	5,500
Raffle & bingo income	40,210	44,084
Rent	-	10,000
Rent waiver	1,978	-
Sponsorship	5,697	17,869
Sundry income	520	1,079
TAB income	10,783	11,679
	<u>276,311</u>	<u>167,304</u>
TOTAL INCOME	479,931	422,130

Greens Expenses

Depreciation	8,084	8,231
Repairs & maintenance	4,859	4,314
Rates - water	4,919	2,927
	<u>17,862</u>	<u>15,472</u>

Bowling Activities

Advertising	3,049	4,173
NDBA	3,925	8,203
Raffle & bingo expenses	42,483	46,160
Trophies & galas	3,034	16,504
Volunteer drinks	11,605	12,825
	<u>64,096</u>	<u>87,865</u>

Detailed profit and loss statement - Not Covered by Audit Report on Pages 19-20

Heaton Birmingham Gardens Bowling Club Limited

Detailed Profit and Loss Statement

Members Amenities

	2021 \$	2020 \$
Entertainment & promotions	6,076	13,133
	<u>6,076</u>	<u>13,133</u>

Clubhouse Expenses

Amortisation	42,534	42,722
Cleaning & laundry	833	981
Electricity, gas, heating	27,052	37,034
Land lease	1,321	1,351
Rates - council	4,133	4,739
Repairs & maintenance	15,738	13,251
Security	9,323	10,913
Wages	31,390	25,674
	<u>132,324</u>	<u>136,665</u>

Administration Expenses

Accountancy & audit	11,730	20,050
Bank charges	1,482	1,176
Cash variances	1,761	1,522
Depreciation	13,685	5,836
Donations	170	3,538
Holiday leave paid	4,243	2,491
Insurance	28,130	30,208
Interest expense	3,007	2,481
Keno expenses	1,198	1,771
Out of pocket expenses	1,052	-
Postage & stationery	2,852	2,844
Rental of equipment	7,732	9,446
Staff training	90	1,033
Subscriptions	4,074	9,773
Superannuation	20,951	21,869
TAB expenses	12,520	22,757
Telephone	3,660	3,121
Uniform	-	86
Wages & salaries	74,934	45,756
	<u>193,271</u>	<u>185,758</u>
TOTAL EXPENSES	413,629	438,893
OPERATING PROFIT/(LOSS)	<u>66,302</u>	<u>(16,763)</u>

Detailed profit and loss statement - Not Covered by Audit Report on Pages 19-20