



JESMOND BOWLO

**Heaton Birmingham Gardens
Bowling Club Limited**

ACN 000 989 168

**Annual Financial Report
for the year ended 31 March 2022**

Heaton Birmingham Gardens Bowling Club Limited ACN 000 989 168

Annual financial report for the year ended 31 March 2022

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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 2022. The Directors have the power to amend and re-issue 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.

Mrs Dawn Hardes

Acting Chairperson
Director since 2018

Catering / Tailoress

Mr Russell Wilson

Vice Chairperson
Director since 2017

Retired. Worked as a paymaster at the Dockyard.

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.

Mr Barry Jones

Director
Director since 2021

Public servant for 40 years

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	9	6	
Mrs Dawn Hardes	9	9	
Mr Russell Wilson	9	8	
Mr Warren Steel	9	9	
Mr Brian Boyce	9	9	
Mr Barry Jones	Appointed 22/10/21	5	5
Ms Barbara Wills	Resigned 25/10/21	3	3
Mr Darren Kemp	Resigned 25/10/21	3	3

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 2022, 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 return to 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 2022 the total amount that members of the Company are liable to contribute if the Company is wound up is \$1,736 (2021: \$876).

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.



Russell Wilson - Vice Chairperson



Dawn Hardes - Acting Chairperson

Dated: 24 May 2022
Jesmond, NSW

Auditor's independence declaration

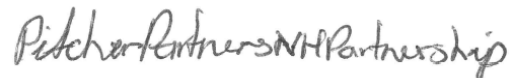
To the Directors of Heaton Birmingham Gardens Bowling Club Limited

In accordance with the requirements of the Corporations Act 2001, as lead auditor for the audit of Heaton Birmingham Gardens Bowling Club Limited for the year ended 31 March 2022, 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 section 307C of 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



Pitcher Partners NH Partnership
Chartered Accountants

Dated: 24 May 2022
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Statement of profit or loss and other comprehensive income

For the year ended 31 March 2022

	Notes	2022 \$	2021 \$
Revenue from continuing operations	2	627,951	666,331
Other Income	3	37,884	181,549
Bar cost of goods sold		(123,287)	(142,626)
Bar direct expenses		(134,256)	(198,672)
Gaming direct expenses		(32,721)	(26,651)
Green expenses		(20,452)	(17,862)
Bowls expenses		(72,534)	(64,096)
Members amenities		(21,135)	(6,076)
Clubhouse expenses		(120,609)	(132,324)
Administration expenses		(222,777)	(193,271)
		(747,771)	(781,578)
Profit / (loss) before income tax		(81,936)	66,302
Income tax expense		-	-
Profit / (loss) for the year		(81,936)	66,302
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		(81,936)	66,302

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 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	158,552	209,809
Trade receivables	5	-	1,500
Inventories	6	19,610	16,896
Financial assets at amortised cost	7	10,593	10,546
Other assets	8	4,631	5,911
Total current assets		193,386	244,662
Non-current assets			
Property, plant and equipment	9	244,801	268,287
Intangible assets	10	55,895	55,895
Right-of-use asset	11	76,056	105,200
Total non-current assets		376,752	429,382
Total assets		570,138	674,044
LIABILITIES			
Current liabilities			
Trade and other payables	12	41,043	40,335
Provisions	13	22,882	22,505
Other liabilities	14	2,728	4,191
Lease liabilities	11	23,283	22,226
Total current liabilities		89,936	89,257
Non-current liabilities			
Provisions	13	1,712	1,078
Lease liabilities	11	42,521	65,804
Total non-current liabilities		44,233	66,882
Total liabilities		134,169	156,139
Net assets		435,969	517,905
MEMBERS FUNDS			
Retained profits		435,969	517,905
Total members funds		435,969	517,905

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 2022

	Note	Retained Profits \$	Total \$
Balance at 1 April 2020		451,603	451,603
Profit/(Loss) for the year		66,302	66,302
Total comprehensive income for the year		<u>66,302</u>	<u>66,302</u>
Balance at 31 March 2021		<u>517,905</u>	<u>517,905</u>
Profit/(Loss) for the year		(81,936)	(81,936)
Total comprehensive income for the year		<u>(81,936)</u>	<u>(81,936)</u>
Balance at 31 March 2022		<u>435,969</u>	<u>435,969</u>

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 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members and customers		689,752	735,196
Payments to suppliers and employees		(713,768)	(764,342)
Interest received		152	274
Government stimulus received		21,732	179,297
Net cash inflow (outflow) from operating activities		(2,132)	150,425
Cash flows from investing activities			
Payments for property, plant and equipment		(42,852)	(38,045)
Transfer from / (to) Interest Bearing Deposit		(47)	(91)
Proceeds from sale of property, plant and equipment		16,000	-
Net cash inflow (outflow) from investing activities		(26,899)	(38,136)
Cash flows from financing activities			
Repayment of lease liabilities		(22,226)	(30,726)
Net cash inflow (outflow) from financing activities		(22,226)	(30,726)
Net increase in cash and cash equivalents		(51,257)	81,563
Cash and cash equivalents at the beginning of the financial year		209,809	128,246
Cash and cash equivalents at the end of the financial year	4	158,552	209,809

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 2022

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.

(e) Going concern basis of preparation

For the year ended 31 March 2022, the Club incurred a net loss of \$81,936 and a net cash outflow from operations of \$2,132. Whilst the Club had a positive working capital of \$103,450 at year-end, the Club has been impacted by the COVID-19 pandemic, which required the Club to cease trading from 5 August 2021 until 11 October 2021, and operate under social distancing restrictions in the months following this.

Whilst considering the above, the Directors are of the opinion that the going concern basis upon which the financial report has been prepared is appropriate due to the following:

- (i) The Club has a cash balance at 31 March 2022 of \$158,552 and a further \$10,593 invested in term deposits.
- (ii) The Club has no capital commitments or contingent liabilities.
- (iii) The Directors are of the belief that trading going forward will continue to improve now that social distancing restrictions have been relaxed.

It is on this basis that the Directors have determined that the going concern basis is appropriate.

(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 2022

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
2022	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	303,621	219,308	8,133	44,200	11,771	24,649	611,682
Other revenue (not covered by AASB15)	-	16,269	-	-	-	-	16,269
	<u>303,621</u>	<u>235,577</u>	<u>8,133</u>	<u>44,200</u>	<u>11,771</u>	<u>24,649</u>	<u>627,951</u>

Timing of revenue recognition

At a point in time	303,621	219,308	-	44,200	11,771	10,249	589,149
Over time	-	16,269	8,133	-	-	14,400	38,802
	<u>303,621</u>	<u>235,577</u>	<u>8,133</u>	<u>44,200</u>	<u>11,771</u>	<u>24,649</u>	<u>627,951</u>

	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>

(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 with the Company, with fees payable in advance. The period of membership is usually 1 April to 31 March. 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 2022

(b) 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, other than sponsorship which is recognised over time.

3 Other income and expense items

	2022	2021
	\$	\$
(a) Other income		
Interest income	152	274
Gain on disposal of property, plant and equipment	16,000	-
Government stimulus payment - JobSaver	21,732	-
Government stimulus payment - JobKeeper	-	142,500
Government stimulus payment - Cashflow Boost and other	-	36,797
Lease concession benefit	-	1,978
	37,884	181,549

(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 property, plant and equipment*

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 prior year was a result of the lessor providing concessions to the Company as a result of Covid-19.

(b) Other expenses

Employee benefits expense	245,021	315,456
Interest costs	3,767	3,007
Depreciation	95,482	78,316

4 Cash and cash equivalents

Current

Cash and cash equivalents	158,552	209,809
	158,552	209,809

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 2022

5 Trade receivables

	2022	2021
	\$	\$
Current		
Trade receivables	-	1,500
	<u>-</u>	<u>1,500</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	19,610	16,896
	<u>19,610</u>	<u>16,896</u>

Accounting policy

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

7 Financial assets at amortised cost

Current		
Term deposits	10,593	10,546
	<u>10,593</u>	<u>10,546</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	4,631	5,911
	<u>4,631</u>	<u>5,911</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 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>
Year ended 31 March 2022				
Opening net book amount	130,286	103,796	34,205	268,287
Additions	-	4,862	37,990	42,852
Disposals	-	-	-	-
Depreciation charge	(27,428)	(19,833)	(19,077)	(66,338)
Closing net book amount	<u>102,858</u>	<u>88,825</u>	<u>53,118</u>	<u>244,801</u>
Year ended 31 March 2022				
Cost	1,256,469	623,892	231,314	2,111,675
Accumulated depreciation	(1,153,611)	(535,067)	(178,196)	(1,866,874)
Net book amount	<u>102,858</u>	<u>88,825</u>	<u>53,118</u>	<u>244,801</u>

Notes to the financial statements

For the year ended 31 March 2022

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

Non-current assets	Poker machine entitlements	Total
As at 31 March 2021	\$	\$
Cost	55,895	55,895
Accumulated amortisation	-	-
Net book amount	55,895	55,895
As at 31 March 2022		
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 2022

11 Leases

2022
\$

2021
\$

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	76,056	105,200
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Reconciliation of right-of-use assets 2022	Phone System \$	Gaming System \$	Club Land \$	Total \$	Total \$
At 1 April 2021	14,854	26,941	63,405	105,200	79,257
Additions				-	46,479
Amortisation	(3,300)	(9,992)	(15,852)	(29,144)	(20,536)
31 March 2022	11,554	16,949	47,553	76,056	105,200

b) Lease liabilities

Current

Lease liabilities	3,150	5,087	15,046	23,283	22,226
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Non-current

Lease liabilities	9,069	4,090	29,362	42,521	65,804
Total	12,219	9,177	44,408	65,804	88,030

Reconciliation of lease liabilities 2022	Phone System \$	Gaming System \$	Club Land \$	Total \$	Total \$
At 1 April 2021	15,129	13,873	59,028	88,030	71,249
Additions	-	-	-	-	46,479
Rental waiver	-	-	-	-	(1,978)
Interest expense	1,105	940	1,721	3,766	3,006
Lease payments	(4,015)	(5,636)	(16,341)	(25,992)	(30,726)
Net movement during year	12,219	9,177	44,408	65,804	88,030
31 March 2022					

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 5.30%.

Notes to the financial statements

For the year ended 31 March 2022

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

	2022	2021
	\$	\$
Current		
Trade payables	27,745	19,040
Other payables and accruals	4,050	8,750
ATO payable	9,248	12,545
	41,043	40,335

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

Current

Employee entitlements (i) & (ii)	12,882	12,505
Provision for make good (iii)	10,000	10,000
	22,882	22,505

Non-current

Employee entitlements (ii)	1,712	1,078
	1,712	1,078

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 2022

14 Other liabilities

	2022	2021
	\$	\$
Current		
Contract liabilities - membership revenue	2,728	4,191
	<u>2,728</u>	<u>4,191</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>46,069</u>	<u>41,171</u>
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17 Commitments

(i) Capital Commitments

Poker Machines	-	17,600
	<u>-</u>	<u>17,600</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 2022 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.



Russell Wilson - Vice Chairperson



Dawn Hardes - Acting Chairperson

24 May 2022
Jesmond, NSW

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 2022, 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 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the 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 2022, 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.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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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 2022 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.

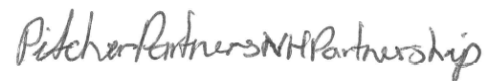
Auditor's responsibilities for the audit of the financial report

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



Pitcher Partners NH Partnership
Chartered Accountants

24 May 2022
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Heaton Birmingham Gardens Bowling Club Limited

Detailed profit and loss statement

	2022 \$	2021 \$
Bar trading		
Sales	<u>303,621</u>	<u>344,319</u>
	303,621	344,319
LESS COST OF GOODS SOLD		
Opening Stock	16,896	12,188
Purchases	<u>126,001</u>	<u>147,334</u>
	142,897	159,522
Closing Stock	<u>(19,610)</u>	<u>(16,896)</u>
	123,287	142,626
GROSS PROFIT	<u>180,334</u>	<u>201,693</u>
LESS DIRECT EXPENSES		
Bar repairs & maintenance	6,716	9,164
Depreciation	2,311	2,604
Wages	124,979	184,004
Wastage	250	2,900
	<u>134,256</u>	<u>198,672</u>
NET PROFIT	<u>46,078</u>	<u>3,021</u>
Poker Machine Trading		
Net Revenue	202,391	211,006
Gaming tax rebate	<u>16,269</u>	<u>16,244</u>
	218,660	227,250
LESS DIRECT EXPENSES		
Depreciation	18,948	11,404
DMS Fees	7,392	7,252
Loss on disposal of assets	-	2,196
Repairs & maintenance	<u>6,381</u>	<u>5,799</u>
	32,721	26,651
NET PROFIT	<u>185,939</u>	<u>200,599</u>
TOTAL TRADING PROFIT	232,017	203,620

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

	2022 \$	2021 \$
Other Income		
Commissions	4,352	3,704
Government stimulus payment - JobKeeper		142,500
Government stimulus payment - Cashflow Boost and other	21,732	36,797
Green fees, galas & entry fees	11,771	16,770
Insurance claim	-	-
Interest received	152	274
Keno income	5,657	5,762
Members subscriptions	8,133	11,316
Profit on sale of assets	16,000	-
Raffle & bingo income	44,200	40,210
Rent	-	-
Rent waiver		1,978
Sponsorship	14,400	5,697
Sundry income	5,896	520
TAB income	11,261	10,783
	<u>143,554</u>	<u>276,311</u>
TOTAL INCOME	375,571	479,931

Greens Expenses

Depreciation	7,920	8,084
Repairs & maintenance	6,532	4,859
Rates - water	6,000	4,919
	<u>20,452</u>	<u>17,862</u>

Bowling Activities

Advertising	1,938	3,049
NDBA	7,337	3,925
Raffle & bingo expenses	46,494	42,483
Trophies & galas	1,160	3,034
Volunteer drinks	15,605	11,605
	<u>72,534</u>	<u>64,096</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

	2022 \$	2021 \$
Members Amenities		
Entertainment & promotions	21,135	6,076
	<u>21,135</u>	<u>6,076</u>
Clubhouse Expenses		
Amortisation	43,279	42,534
Cleaning & laundry	753	833
Electricity, gas, heating	23,828	27,052
Land lease	330	1,321
Rates - council	3,975	4,133
Repairs & maintenance	20,412	15,738
Security	10,344	9,323
Wages	17,688	31,390
	<u>120,609</u>	<u>132,324</u>
Administration Expenses		
Accountancy & audit	16,120	11,730
Bank charges	1,808	1,482
Cash variances	751	1,190
Depreciation	22,714	13,685
Donations	500	170
Fringe Benefits Tax	821	-
Holiday leave paid	1,010	4,178
Insurance	31,799	28,130
Interest expense	3,767	3,007
Keno expenses	1,162	1,198
Kitchen expenses	4,996	-
Licenses & Subscriptions	7,959	3,862
Out of pocket expenses	3,051	1,391
Postage & stationery	3,043	2,854
Promotions	2,466	-
Rental of equipment	6,282	7,732
Staff training	-	90
Subscriptions	275	442
Superannuation	21,100	20,951
TAB expenses	11,190	12,520
Telephone	2,539	3,660
Wages & salaries	79,424	74,999
	<u>222,777</u>	<u>193,271</u>
TOTAL EXPENSES	457,507	413,629
OPERATING PROFIT/(LOSS)	<u>(81,936)</u>	<u>66,302</u>

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