



**Bar Beach Bowling  
and Sporting Club Limited**

ACN 001 029 232

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

# **Bar Beach Bowling and Sporting Club Limited** ACN 001 029 232

## **Annual financial report for the year ended 31 March 2021**

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These financial statements are the financial statements of Bar Beach Bowling and Sporting Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 25 May 2021. The Directors have the power to amend and reissue the financial statements.

# Director's report

Your Directors present their report on Bar Beach Bowling and Sporting Club Limited (the Club) for the year ended 31 March 2021.

## Directors details

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

### Mr Mark Hornby-Howell

President

Director since 2020

43 years as a School Teacher, 31 of them as School Principal.

### Mr Nick Attallah

Director

Director since 2019

Business Owner.

### Mr Edward Simpson

Treasurer

Director since 2021

Retired. Formerly a newsagent owner for 17 years, and brick truck owner for 3 years. Served 14 years on Souths Newcastle Juniors committee (life member).

### Mrs Tina Biasiol

Director

Director since 2020

Presently Managing Director, Director and Secretary of multiple Companies as well as an active registered business owner. Previously also a Committee member of a number of sporting organisations and Vice President of Kooragang Open Cycling Club.

### Mr Anthony Whitaker

Director

Director since 2021

Business Owner.

## Company secretary

Mr Mark Hornby-Howell is the Company Secretary of Bar Beach Bowling and Sporting Club Limited and was appointed to this position on 20 April 2021.

## 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 Mark Hornby-Howell	Elected 26/07/2020	8	7
Mr Edward Simpson	Elected 20/04/2021	-	-
Mr Nick Attallah		12	8
Mrs Tina Biasiol	Elected 09/11/2020	5	5
Mr Anthony Whitaker	Elected 20/04/2021	-	-
Mr Ian Phillips	Resigned AGM 26/07/2020	4	4
Ms Jo McKiernan	Elected 26/07/2020, Resigned 09/11/2020	3	3
Mr Neville Brown	Resigned 12/04/2021	12	11
Mr Mark Meehan	Resigned 12/04/2021	12	11
Mr Mick Caesar	Resigned 13/04/2021	12	11
Mr Scott Harrison	Resigned 15/04/2021	12	10

Where:

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

## Principal activities

During the year, the principal activities of the Club was the running of the Club in accordance with its objectives for the benefit of its members and promoting bowling activities.

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

### Significant changes in state of affairs

As a result of the spread of COVID-19 the Federal Government announced the closure of all Registered Clubs effective 23 March 2020. The Club recommenced trading on 3 June 2020.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in future financial years.

### Core and Non-Core Property

The Land on which the Club and greens are situated is leased from the Department of Industry - Crown Lands. The Directors have determined that all property of the Club shall be classified as follows in accordance with Section 41E (5) of the Registered Clubs Act 1976:

Core Property                                      Leasehold property located at 29 Kilgour Ave Merewether NSW 2291

Non-core Property                                Nil

### Short-term and Long-term objectives

The Club's short-term objectives are to:

- Improve the facilities of the Club and encourage members and visitors to engage in the Club;
- Continue to operate profitably;
- Facilitate and promote bowling activities.

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

- Maintain or increase existing revenue levels and control costs to return to profit which will allow the Club's premises to be continually improved.
- Improve the clubs facilities by engaging in capital improvements.

### Performance measurement

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

### Contribution in winding up

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Club. At the total amount that members of the Club are liable to contribute if the Club wound up is \$1,964.


### Rounding of amounts

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

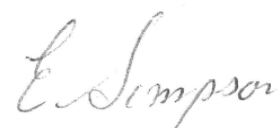
### Auditor's independence declaration

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

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



Mark Hornby-Howell - President



Edward Simpson - Treasurer

**Dated: 25 May 2021**

## Auditor's independence declaration

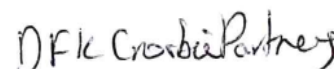
To the Directors of Bar Beach Bowling and Sporting Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Bar Beach Bowling and Sporting 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 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



DFK Crosbie Partners  
Chartered Accountants

Dated: 25 May 2021  
**Newcastle West**

## Statement of profit or loss and other comprehensive income

For the year ended 31 March 2021

		2021	2020
	Notes	\$	\$
<b>Revenue from continuing operations</b>	2	<b>1,169,482</b>	1,801,636
Other Income	3	<b>421,816</b>	59,063
Bar cost of goods sold		<b>(399,156)</b>	(594,645)
Bar direct expenses		<b>(314,565)</b>	(371,191)
Gaming direct expenses		<b>(28,140)</b>	(28,382)
Members amenities expenses		<b>(45,295)</b>	(73,032)
Clubhouse expenses		<b>(294,366)</b>	(279,835)
Administration expenses		<b>(443,597)</b>	(298,971)
Greens expenses		<b>(117,708)</b>	(102,835)
		<b>(1,642,827)</b>	(1,748,891)
<b>Profit / (loss) before income tax</b>		<b>(51,529)</b>	111,808
Income tax expense		-	-
<b>Profit / (loss) for the year</b>		<b>(51,529)</b>	111,808
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>(51,529)</b>	111,808

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 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	267,231	182,474
Trade receivables	5	1,077	637
Inventories	6	36,901	21,812
Financial assets at amortised cost	7	306,019	482,643
Other assets	8	32,189	31,787
<b>Total current assets</b>		<b>643,417</b>	<b>719,353</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	808,002	747,328
Right-of-use asset	10 (a)	466,046	457,410
<b>Total non-current assets</b>		<b>1,274,048</b>	<b>1,204,738</b>
<b>Total assets</b>		<b>1,917,465</b>	<b>1,924,091</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	131,371	109,665
Provisions	12	35,990	20,601
Other liabilities	13	3,865	4,612
<b>Total current liabilities</b>		<b>171,226</b>	<b>134,878</b>
<b>Non-current liabilities</b>			
Provisions	12	3,925	4,819
Other liabilities	13	3,818	3,005
Lease liabilities	10 (b)	466,046	457,410
<b>Total non-current liabilities</b>		<b>473,789</b>	<b>465,234</b>
<b>Total liabilities</b>		<b>645,015</b>	<b>600,112</b>
<b>Net assets</b>		<b>1,272,450</b>	<b>1,323,979</b>
<b>MEMBERS FUNDS</b>			
Retained profits		1,272,450	1,323,979
<b>Total members funds</b>		<b>1,272,450</b>	<b>1,323,979</b>

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

	<b>Retained Profits \$</b>	<b>Total \$</b>
<b>Balance at 1 April 2019</b>	1,212,171	1,212,171
Profit/(loss) for the year	111,808	111,808
<b>Total comprehensive income for the year</b>	<b>111,808</b>	<b>111,808</b>
<b>Balance at 31 March 2020</b>	<b>1,323,979</b>	<b>1,323,979</b>
Profit/(loss) for the year	(51,529)	(51,529)
<b>Total comprehensive income for the year</b>	<b>(51,529)</b>	<b>(51,529)</b>
<b>Balance at 31 March 2021</b>	<b>1,272,450</b>	<b>1,272,450</b>

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



## Statement of cash flows

For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from members and customers		1,297,312	2,001,589
Payments to suppliers and employees		(1,630,081)	(1,862,676)
Interest received		7,087	9,133
Interest paid		-	(1,575)
Receipts from government stimulus payments		387,427	20,320
Grants Received		-	12,000
<b>Net cash inflow (outflow) from operating activities</b>		<b>61,745</b>	<b>178,791</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(148,421)	(182,312)
Transfer (to)/from interest bearing deposit		171,433	(10,691)
<b>Net cash inflow (outflow) from investing activities</b>		<b>23,012</b>	<b>(193,003)</b>
<b>Cash flows from financing activities</b>			
Repayment of financial liabilities		-	(18,025)
<b>Net cash inflow (outflow) from financing activities</b>		<b>-</b>	<b>(18,025)</b>
<b>Net increase in cash and cash equivalents</b>		<b>84,757</b>	<b>(32,237)</b>
Cash and cash equivalents at the beginning of the financial year		182,474	214,711
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>267,231</b>	<b>182,474</b>

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

## Notes to the financial statements

For the year ended 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. Bar Beach Bowling and Sporting Club Limited (the Club) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

#### (b) Statement of compliance

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

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

#### (c) Income Taxes

The Club 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) Rounding of amounts

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

#### (f) Going concern basis of preparation

For the year ended 31 March 2021, the Club incurred a net loss of \$51,529. Whilst the Club had a positive working capital of \$472,191 for the year, the Club has been impacted by the COVID-19 pandemic, which required the Club to cease trading from 23 March 2020 until 3 June 2020, 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 2021 of \$267,231, and a further \$273,004 invested in term deposits.
- (ii) The Club achieved positive operating cashflows of \$61,745, though we note this was supported by the receipt of government stimulus.
- (iii) The Club has no contingent liabilities.
- (iv) The Directors are of the belief that trading going forward will continue to improve as social distancing restrictions are relaxed further.

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

**Notes to the financial statements**

For the year ended 31 March 2021

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

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

	Beverage Revenue	Gaming Revenue	Membership Revenue	Raffle Revenue	Function Revenue	Other Revenue	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2021</b>							
Revenue from contracts with customers	993,028	105,262	9,398	5,508	10,173	36,257	1,159,626
Other revenue (not covered by AASB15)	-	9,856	-	-	-	-	9,856
	<b>993,028</b>	<b>115,118</b>	<b>9,398</b>	<b>5,508</b>	<b>10,173</b>	<b>36,257</b>	<b>1,169,482</b>

*Timing of revenue recognition*

At a point in time	993,028	105,262	-	5,508	10,173	36,257	1,150,228
Over time	-	9,856	9,398	-	-	-	19,254
	<b>993,028</b>	<b>115,118</b>	<b>9,398</b>	<b>5,508</b>	<b>10,173</b>	<b>36,257</b>	<b>1,169,482</b>

	Beverage Revenue	Gaming Revenue	Membership Revenue	Raffle Revenue	Function Revenue	Other Revenue	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2020</b>							
Revenue from contracts with customers	1,520,279	127,245	7,311	11,582	56,280	66,801	1,789,498
Other revenue (not covered by AASB15)	-	12,138	-	-	-	-	12,138
	<b>1,520,279</b>	<b>139,383</b>	<b>7,311</b>	<b>11,582</b>	<b>56,280</b>	<b>66,801</b>	<b>1,801,636</b>

*Timing of revenue recognition*

At a point in time	1,520,279	127,245	-	11,582	56,280	66,801	1,782,187
Over time	-	12,138	7,311	-	-	-	19,449
	<b>1,520,279</b>	<b>139,383</b>	<b>7,311</b>	<b>11,582</b>	<b>56,280</b>	<b>66,801</b>	<b>1,801,636</b>

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

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

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

*(i) Sale of goods - beverage*

The Club sells a range of beverages. 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 Club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission income where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

*(iii) Provision of services - membership revenue*

The Club generates revenue from membership fees where customers purchase a membership subscription at the Club, 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

### (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 - function revenue*

The Club recognises revenue from function activities at a point in time when the function has been held as at this point the performance obligation has been satisfied.

### 3 Other income and expense items

	2021	2020
	\$	\$
<b>(a) Other income</b>		
Rental income	16,407	20,320
Grant Income	-	12,000
Government stimulus payment - JobKeeper	336,750	-
Government stimulus payment - cashflow boost and other	63,877	17,610
Interest Income	4,782	9,133
	<u>421,816</u>	<u>59,063</u>

#### (i) *Rental income*

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Club recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

#### (ii) *Grant Income*

The Club receives grant revenue which is recognised over the period of the grant agreement. The grant funding is conditional on the Club performing services in accordance with the grant agreement and satisfies its obligations over time. Payment for the full grant is received in advance for the period of which services will be provided and is recognised over the period of time that the performance obligation is being satisfied.

#### (iii) *Government stimulus funding*

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

#### (iv) *Interest income*

Interest income is recognised on an accruals basis.

### (b) Other expenses

Employee Benefits Expense	581,893	518,001
Interest costs	23,302	24,445
Depreciation	99,100	91,500

## Notes to the financial statements

For the year ended 31 March 2021

### 4 Cash and cash equivalents

	2021	2020
	\$	\$
<b>Current</b>		
Cash and cash equivalents	267,231	182,474
	<u>267,231</u>	<u>182,474</u>

#### Accounting policy

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

### 5 Trade receivables

#### Current

Trade receivables	1,077	637
	<u>1,077</u>	<u>637</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 Club 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 - bar	36,901	21,812
	<u>36,901</u>	<u>21,812</u>

#### Accounting policy

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

### 7 Financial assets at amortised cost

#### Current

Term deposits	273,004	444,437
Other receivables	33,015	38,206
	<u>306,019</u>	<u>482,643</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	32,189	31,787
	<u>32,189</u>	<u>31,787</u>

#### Accounting policy

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

**Notes to the financial statements**

For the year ended 31 March 2021

**9 Property, plant and equipment**

	Capital WIP \$	Bowling Green \$	Plant and equipment \$	Poker machines \$	Land and leasehold improvements \$	Total \$
<b>Non-current assets</b>						
<b>At 1 April 2020</b>						
Cost	39,746	126,150	909,740	187,127	839,525	2,102,288
Accumulated depreciation	-	(90,639)	(738,462)	(119,564)	(406,295)	(1,354,960)
Net book amount	39,746	35,511	171,278	67,563	433,230	747,328
<b>Year ended 31 March 2021</b>						
Opening net book amount	39,746	35,511	171,278	67,563	433,230	747,328
Additions	14,905	-	63,160	16,500	80,387	174,952
Transfers	(33,226)	-	-	-	33,226	-
Disposals	-	-	(14,038)	-	(1,140)	(15,178)
Depreciation charge	-	(4,227)	(37,544)	(21,122)	(36,207)	(99,100)
Closing net book amount	21,425	31,284	182,856	62,941	509,496	1,036,558
<b>Year ended 31 March 2021</b>						
Cost	21,425	126,150	909,010	172,311	946,305	2,175,201
Accumulated depreciation	-	(94,866)	(726,154)	(109,370)	(436,809)	(1,367,199)
Net book amount	21,425	31,284	182,856	62,941	509,496	808,002

**Accounting policy****(a) Land and leasehold improvements**

Land and leasehold improvements are carried at cost less any accumulated depreciation and any impairment in value.

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

Each class of plant and equipment, poker machines and bowling greens are carried at cost less any accumulated depreciation and any impairment in value.

**(c) Depreciation**

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

Leasehold Improvements	10 - 40 years
Plant & Equipment	4 - 20 years
Poker Machines	4 - 5 years
Bowling Greens	20 years

**(d) Impairment**

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

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

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

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

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

## 10 Leases

The Club leases the land where the Club buildings and facilities are situated.

### a) Right-of-use asset

#### Non-current

Right-of-use assets

2021  
\$

2020  
\$

	466,046	457,410
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#### Reconciliation of right-of-use assets

##### 2021

At 1 April 2020

Additions

31 March 2021

Land \$	Total \$	2020 \$
457,410	457,410	457,410
8,636	8,636	
466,046	466,046	457,410

### b) Lease liabilities

#### Current

Lease liabilities

#### Non-current

Lease liabilities

#### Total

-	-	-
466,046	466,046	457,410
466,046	466,046	457,410

#### Reconciliation of lease liabilities

##### 2021

At 1 April 2020

Additions

Interest expense

Lease payments

Net movement during year

31 March 2021

Land \$	Total \$	Total \$
457,410	457,410	457,410
8,636	8,636	-
23,302	23,302	22,870
(23,302)	(23,302)	(22,870)
8,636	8,636	-
466,046	466,046	457,410

### Accounting policy

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

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

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

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

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

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 5%.

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

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

## Notes to the financial statements

For the year ended 31 March 2021

### 10 Leases (continued)

#### Lessor

Leases for which the Club is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Club recognises lease payments as income. The underlying asset is depreciated on a straight line basis over its expected useful life.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 11 Trade and other payables

	2021	2020
	\$	\$
<b>Current</b>		
Trade payables	85,160	73,781
Other payables and accruals	36,213	28,726
GST payable	9,998	7,158
	<u>131,371</u>	<u>109,665</u>

#### Accounting policy

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

### 12 Provisions

#### Current

Employee entitlements (i) & (ii)	35,990	20,601
	<u>35,990</u>	<u>20,601</u>

#### Non-current

Employee entitlements (ii)	3,925	4,819
	<u>3,925</u>	<u>4,819</u>

#### Accounting policy

##### (i) Annual leave

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

##### (ii) Long service leave

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



**Notes to the financial statements**

For the year ended 31 March 2021

**13 Other liabilities**

	2021 \$	2020 \$
<b>Current</b>		
Contract liabilities - membership revenue	2,697	2,212
Contract liabilities - function revenue	1,168	2,400
	<u>3,865</u>	<u>4,612</u>
<b>Non-current</b>		
Contract liabilities - membership revenue	3,818	3,005
	<u>3,818</u>	<u>3,005</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.

**14 Commitments**

(i)	<i>Capital Commitments</i>		
	TAB installation and pool room remodel	33,438	-
		<u>33,438</u>	<u>-</u>

**15 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)	<i>Key management personnel compensation</i>	2021 \$	2020 \$
	Total key management personnel benefits	145,414	5,280
		<u>145,414</u>	<u>5,280</u>
(b)	<i>Transactions with other related parties</i>		

The son of former Director S. Harrison is employed by the Club under normal award terms and conditions.

**16 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:

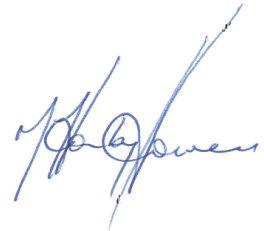
- Estimation of useful lives of non-current assets (notes 9 and 10) - The useful life of property, plant and equipment and right-of-use assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. 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.
- Accounting for Lease in Perpetuity with Crown Lands NSW (note 10) - The accounting treatment of the Club's lease in perpetuity with Crown Lands NSW involves judgement and estimates in determining whether the contract grants rights that result in transfer of control of the asset to the Club and therefore results in the in-substance purchase of the Land. The Directors have determined that control of the asset does not transfer to the Club and as such the contract has been treated as a lease in accordance with AASB16 Leases.

## 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 Club'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 Club will be able to pay its debts as and when they become due and payable.

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



Mark Hornby-Howell - President



Edward Simpson - Treasurer

**Bar Beach**  
25 May 2021

## **Independent auditor's report**

### **to the members of Bar Beach Bowling and Sporting Club Limited**

#### **Opinion**

We have audited the financial report of Bar Beach Bowling and Sporting Club Limited (the Club) 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 Club is in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the Clubs 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 Club in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

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

#### **Matters relating to the electronic presentation of the audited financial report**

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

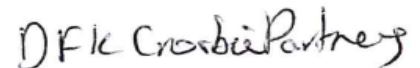
**Auditor's responsibilities for the audit of the financial report**

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

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



Shaun Mahony - Partner



DFK Crosbie Partners  
Chartered Accountants

25 May 2021  
**Newcastle West**

**Newcastle | Sydney**

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