



**Kahibah Bowling Club
Co-op Ltd**

ABN 52 069 232 319

**Annual Financial Report
for the year ended 31 May 2023**

Kahibah Bowling Club Co-op Ltd ABN 52 069 232 319
Annual financial report for the year ended 31 May 2023

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These financial statements are the financial statements of Kahibah Bowling Club Co-operative Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 26 July 2023. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Kahibah Bowling Club Co-operative Limited (the Club) for the year ended 31 May 2023.

Directors details

The following persons were Directors of Kahibah Bowling Club Co-operative Limited during the financial year, and up to the date of this report:

Mrs S Smith

Chairperson
Director since 2019

Currently Company Director of Sarjo Conveyancing Pty Limited. Worked for over a decade in a large law firm and then in business since 2016. Obtained qualifications through Macquarie University Division of Law, Sydney. Also attended Power Business College following HSC in 2001 to complete Business Diploma prior to University.

Mr B Butters

Director
Director since 2022

National Sales Manager for a U S based Healthcare Company responsible for the South Pacific. Australia and New Zealand. Member of Castle Hill Bowling Club and held the positions of Director, President and Chairman.

Mr C Mogg

Director
Director since 2022

Retired Finance Professional, main role in managing electricity hedging and futures contracts, trading in the Wholesale Electricity Market, finishing up at Macquarie Generation. Bachelor of Commerce.

Mr R Tait

Director
Director since 2022

Retired Fire Fighter, life member of the Fire Brigade Union and on the State committee, Mens Probus Club President, activities officer and Bowls Co-ordinator.

Mr T McEwan

Deputy Chairperson
Director since 2017

Chief Operating Officer for St Vincent's Public Hospital in Sydney. Has worked for 30 years in the public health sector as a nurse and departmental manager. Qualifications include DipAppSci (Nursing) Newcastle, Bbus (Economics/Politics) Southern Cross.

Mrs M Cameron

Director
Director since 2021

Currently 2IC for Ramsay Health Care Billing Hubs- NSW/QLD. Billing Officer Lake Macquarie Private Hospital. 34 years Service at Nib Health Funds in various Leadership Roles. Business Owner and Treasurer for 7 Years at Charlestown Netball Association. 14 Years Netball Coach - 5 of them at Representative Level. Girl Guide Leader.

Mr R Cleaver

Director
Director since 2021

Police Officer 1989-2003. Served as a Board member for Barraba Bowling Club for 2 years (2007-2008). Owner/Operator Barraba Licensed Post Office 2004-2009.

Mr D Ingle

Director
Director since 2022

Company director and owner of Ingle and Associates Pty Ltd since 2004 and SolOrient Pty Limited since 2010. 25 years experience across roles in retail, accounting and software development. Master of Business and Technology UNSW Diploma Computing Studies University of Newcastle Accounting Certificate Hunter TAFE.

Director's report (continued)

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	
Mrs S Smith	5	5	
Mr T McEwan	3	3	
Mr B Butters	Elected at AGM	5	4
Mrs M Cameron		5	4
Mr C Mogg	Elected at AGM	3	3
Mr R Cleaver		5	5
Mr R Tait	Elected at AGM	3	3
Mr D Ingle	Elected at AGM	3	3
Mrs L Gardner	Not Re-elected at AGM	2	2
Mr J Gardner	Not Re-elected at AGM	2	2

Where:

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

The Annual General Meeting (AGM) was held 27 August 2022

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 31 May 2023, the following land and buildings are considered to be core and non-core property:

Core - Land and buildings upon which the Club and carpark are situated, being 63 Kenibea Avenue, Kahibah, NSW 2290.

Non-Core - Nil.

Principal activities

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

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

Review of operations and financial results

The Club incurred a loss for the year of \$117,722 compared to a loss of \$252,339 recorded in the previous year. The result for the year saw recovery from the previous year which was impacted by the spread of COVID-19 which saw the Federal Government announce restrictions around Club operations with trading ceasing for two months. Significant increases in revenue have been largely offset by increases in expenditure.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the financial year.

Events since the end of the financial year

No 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.

Likely developments and expected results of operations

No new likely developments are anticipated in the operations of the Club. The expected results for future years are of growth in revenue whilst the Club will control costs wherever possible.

Environmental regulation

The Club's operations are not regulated by any significant environmental regulations under the law of the Commonwealth or of a state or territory of Australia.

Dividends paid or recommended

The Club is prohibited from paying dividends under its constitution.

Director's report (continued)

Options

No options over issued shares or interests in the Club were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Club indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs in successfully defending legal proceedings.

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

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 the Co-operatives National Regulations (NSW) 2014 is set out on page 6 and forms part of this Directors' report.

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



S. Smith - Chairperson



T. McEwan - Deputy Chairperson

Dated: 26 July 2023
Kahibah, NSW

Auditor's independence declaration


To the Directors of Kahibah Bowling Club Co-operative Limited

In accordance with the requirements of the Co-operatives National Regulations (NSW) 2014, as lead auditor for the audit of Kahibah Bowling Club Co-operative Limited for the year ended 31 May 2023, 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 Co-operatives National Regulations (NSW) 2014 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: 26 July 2023
Newcastle, 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 May 2023

	Notes	2023 \$	2022 \$
Revenue from continuing operations	2	3,664,361	2,333,171
Other Income	3	149,114	297,339
Bar cost of goods sold		(592,769)	(381,871)
Bar direct expenses		(439,747)	(166,341)
Coffee direct expenses		(19,345)	(86,455)
Greens direct expenses		(158,318)	(141,633)
Gaming direct expenses		(516,707)	(412,811)
Rental operations		(900)	6,571
Members amenities		(551,049)	(249,112)
Clubhouse expenses		(672,003)	(614,867)
Administration expenses		(827,855)	(733,193)
Finance costs		(77,886)	(52,897)
Bowling Activities		(74,618)	(50,240)
		(3,931,197)	(2,882,849)
(Loss) / profit before income tax		(117,722)	(252,339)
Income tax expense		-	-
(Loss) / profit for the year		(117,722)	(252,339)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) / income for the year		(117,722)	(252,339)

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

Kahibah Bowling Club Co-operative Limited
Statement of financial position
For the year ended 31 May 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	361,412	370,862
Trade receivables	5	22,621	22,885
Inventories	6	55,160	45,674
Financial assets at amortised cost	7	14,468	626,066
Other assets	8	1,805,028	54,631
Total current assets		2,258,689	1,120,118
Non-current assets			
Other assets	8	-	1,660,000
Property, plant and equipment	9	5,217,129	5,135,151
Intangible assets	10	96,000	96,000
Lease assets	15	172,400	27,946
Total non-current assets		5,485,529	6,919,097
Total assets		7,744,218	8,039,215
LIABILITIES			
Current liabilities			
Trade and other payables	11	329,636	240,073
Financial liabilities	12	119,281	1,661,778
Provisions	13	71,885	110,046
Other liabilities	14	265,689	10,967
Lease liabilities	15	63,258	9,912
Total current liabilities		849,749	2,032,776
Non-current liabilities			
Financial liabilities	12	1,058,952	136,627
Provisions	13	10,454	7,957
Other liabilities	14	4,184	4,294
Lease liabilities	15	101,690	20,650
Total non-current liabilities		1,175,280	169,528
Total liabilities		2,025,029	2,202,304
Net assets		5,719,189	5,836,911
MEMBERS FUNDS			
Reserves	16	2,086	2,086
Retained profits		5,717,103	5,834,825
Total members funds		5,719,189	5,836,911

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

Kahibah Bowling Club Co-operative Limited
Statement of changes in equity
For the year ended 31 May 2023

	Reserves	Retained	Total
	\$	\$	\$
Balance at 1 June 2021	2,086	6,087,164	6,089,250
Profit/(Loss) for the year	-	(252,339)	(252,339)
Total comprehensive income for the year	-	(252,339)	(252,339)
Balance at 31 May 2022	2,086	5,834,825	5,836,911
Profit/(Loss) for the year	-	(117,722)	(117,722)
Total comprehensive income for the year	-	(117,722)	(117,722)
Balance at 31 May 2023	2,086	5,717,103	5,719,189

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 May 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from members and customers		4,223,655	2,600,657
Payments to suppliers and employees		(3,971,165)	(2,698,789)
Interest paid		(77,886)	(52,897)
Government funding		260,000	101,714
Net cash (outflow) inflow from operating activities		434,604	(49,315)
Cash flows from investing activities			
Payments for property, plant and equipment		(407,853)	(149,830)
Proceeds from sale of property, plant and equipment		22,091	15,582
Transfer from interest bearing deposit		600,000	-
Net cash outflow from investing activities		214,238	(134,248)
Cash flows from financing activities			
Proceeds from borrowings		132,337	387,238
Repayment of borrowings		(752,509)	(351,164)
Repayment of lease liabilities		(38,120)	(9,912)
Net cash inflow from financing activities		(658,292)	26,162
Net (decrease) increase in cash and cash equivalents		(9,450)	(157,402)
Cash and cash equivalents at the beginning of the financial year		370,862	528,264
Cash and cash equivalents at the end of the financial year		361,412	370,862

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 May 2023

1 Summary of significant accounting policies

(a) Information about the entity

- Kahibah Bowling Club Co-operative Limited is a Co-operative.
- Kahibah Bowling Club Co-operative Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is 63 Kenibea Ave, Kahibah NSW 2290.
- The principal place of business of the Club is 63 Kenibea Ave, Kahibah NSW 2290.

(b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and the Co-operatives National Regulations (NSW) 2014.

The prior year financial report was prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards – Simplified Disclosures has not affected the Club's reported financial position, financial performance and cash flows.

(c) Statement of compliance

This financial report complies with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities 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, except other assets - development property receivable which has been measured at fair value. The financial report is presented in Australian Dollars.

(d) Income Taxes

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

(e) 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 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.

Notes to the financial statements

For the year ended 31 May 2023

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	Rental revenue	Gaming revenue	Raffle revenue	Bowls revenue	Other revenue	Total
2023	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,578,607	-	1,468,232	175,662	62,209	274,641	3,559,351
Other revenue (not covered by AASB15)	-	87,830	17,180	-	-	-	105,010
	<u>1,578,607</u>	<u>87,830</u>	<u>1,485,412</u>	<u>175,662</u>	<u>62,209</u>	<u>274,641</u>	<u>3,664,361</u>

Timing of revenue recognition

At a point in time	1,578,607	-	1,468,232	175,662	62,209	251,029	3,535,739
Over time	-	87,830	17,180	-	-	23,612	128,622
	<u>1,578,607</u>	<u>87,830</u>	<u>1,485,412</u>	<u>175,662</u>	<u>62,209</u>	<u>274,641</u>	<u>3,664,361</u>

	Beverage Revenue	Rental revenue	Gaming revenue	Raffle revenue	Bowls revenue	Other revenue	Total
2022	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,001,155	-	980,334	89,216	45,206	166,275	2,282,186
Other revenue (not covered by AASB15)	-	33,805	17,180	-	-	-	50,985
	<u>1,001,155</u>	<u>33,805</u>	<u>997,514</u>	<u>89,216</u>	<u>45,206</u>	<u>166,275</u>	<u>2,333,171</u>

Timing of revenue recognition

At a point in time	1,001,155	-	980,334	89,216	45,206	144,650	2,260,561
Over time	-	33,805	17,180	-	-	21,625	72,610
	<u>1,001,155</u>	<u>33,805</u>	<u>997,514</u>	<u>89,216</u>	<u>45,206</u>	<u>166,275</u>	<u>2,333,171</u>

(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 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.

(iii) Provision of services - rental revenue

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.

(iii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons 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.

Notes to the financial statements

For the year ended 31 May 2023

2 Revenue (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 event 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 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

Included within other revenue is membership subscriptions which are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

The balance of other revenue is recognised at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2023	2022
	\$	\$
(a) Other income		
Government stimulus funding	10,000	101,714
Gain on disposal of property, plant and equipment	22,091	15,582
Change in fair value of development property receivable	70,000	160,000
Rental income	20,060	20,043
Insurance recovery	26,963	-
	<u>149,114</u>	<u>297,339</u>

(i) Government stimulus payments

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

(ii) Gain on disposal of property, plant and equipment

The Club 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.

(iii) Change in fair value of development property receivable

The Club recognises the change in fair value of the development property receivable based on the assessment of an independent expert, representing the non-cash gain in relation to fair value of town houses receivable upon completion of the development.

(iv) 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.

(v) Insurance recoveries

The Club recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

(b) Other expenses

Employee benefits expense	1,188,359	929,622
Loss on disposal of Assets	-	22,042
Interest costs	77,886	52,897
Depreciation and amortisation	353,927	412,168

Notes to the financial statements

For the year ended 31 May 2023

4 Cash and cash equivalents

	2023	2022
	\$	\$
Current		
Cash at bank and on hand	361,412	370,862
	<u>361,412</u>	<u>370,862</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	22,621	22,885
	<u>22,621</u>	<u>22,885</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	55,160	45,674
	<u>55,160</u>	<u>45,674</u>

Accounting policy

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

7 Financial assets at amortised cost

Current		
Term deposits	6,478	606,478
Other receivables	7,990	19,588
	<u>14,468</u>	<u>626,066</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	75,028	54,631
Development property receivable	1,730,000	-
	<u>1,805,028</u>	<u>54,631</u>

Non-current

Development property receivable	-	1,660,000
	<u>-</u>	<u>1,660,000</u>

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period. The Development property receivable represents the fair value of townhouses to be received upon their construction by Club as part of the development agreement entered into by Club in the 2021 financial year. The Club then agreed to sell its investment properties and a portion of the Club carpark in exchange for \$600,000 in cash upfront, as well as two townhouses upon the completion of their construction.

Notes to the financial statements

For the year ended 31 May 2023

9 Property, plant and equipment

	Capital WIP \$	Land and buildings \$	Plant and equipment \$	Poker machines \$	Total \$
Non-current assets					
At 1 June 2022					
Cost	-	6,233,085	1,503,230	1,611,477	9,347,792
Accumulated depreciation	-	1,961,249	1,054,346	1,197,046	4,212,641
Net book amount	-	4,271,836	448,884	414,431	5,135,151
Year ended 31 May 2023					
Opening net book amount	-	4,271,836	448,884	414,431	5,135,151
Reallocation from Right-of-use	-	-	-	-	-
Additions	227,272	13,590	145,103	21,888	407,853
Disposals	-	-	-	-	-
Transfers to investment property	-	-	-	-	-
Depreciation charge	-	145,308	85,856	94,711	325,875
Closing net book amount	227,272	4,140,118	508,131	341,608	5,217,129
Year ended 31 May 2023					
Cost	227,272	6,246,675	1,648,334	1,593,835	9,716,116
Accumulated depreciation	-	2,106,557	1,140,203	1,252,227	4,498,987
Net book amount	227,272	4,140,118	508,131	341,608	5,217,129

Accounting policy**(a) Land and buildings**

Freehold land and buildings are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines

Plant and equipment and poker machines 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:

Buildings	10 - 40 years
Plant & Equipment	3 - 20 years
Poker Machines	6 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 Intangible assets

	Poker machine entitlements	Total \$
Non-current assets		
As at 31 May 2022		
Cost	96,000	96,000
Net book amount	<u>96,000</u>	<u>96,000</u>
As at 31 May 2023		
Cost	96,000	96,000
Net book amount	<u>96,000</u>	<u>96,000</u>

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.

11 Trade and other payables

	2023 \$	2022 \$
Current		
Trade payables and accruals	329,636	240,073
	<u>329,636</u>	<u>240,073</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 Financial liabilities

Current

Secured

NAB business markets loan - (i)	93,336	1,498,784
NAB equipment loan (ii)	-	91,361
Konami equipment loan (ii)	-	26,950
IGT equipment loan (ii)	-	23,315
Scientific Gaming equipment loan (ii)	2,156	-

Unsecured

Insurance loan	23,789	21,368
Total financial liabilities	<u>119,281</u>	<u>1,661,778</u>

Non-current

Secured

NAB business markets loan - (i)	1,058,952	-
NAB equipment loan (ii)	-	95,795
IGT equipment loan (ii)	-	40,832
Total financial liabilities	<u>1,058,952</u>	<u>136,627</u>

(i) Secured liabilities - NAB

The above NAB business market loan is secured by a registered Mortgage over property situated at 110A Kahibah Road Kahibah NSW.

The Club has an unused amount of \$193,266 available on the market loan facilities as well as a further \$150,000 in unused asset finance and \$20,000 in unused overdraft facilities available.

(ii) Other secured liabilities

The other loans are secured by a fixed charge over the specific assets that are financed.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has a right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the financial statements

For the year ended 31 May 2023

13 Provisions

	2023	2022
	\$	\$
Current		
Employee entitlements (i) & (ii)	52,996	95,415
Poker machine jackpots	18,889	14,631
	<u>71,885</u>	<u>110,046</u>
Non-current		
Employee entitlements (ii)	10,454	7,957
	<u>10,454</u>	<u>7,957</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.

14 Other liabilities**Current**

Contract liabilities - membership revenue	15,689	10,967
Contract liabilities - funding in advance	250,000	-
	<u>265,689</u>	<u>10,967</u>

Non-current

Contract liabilities - membership revenue	4,184	4,294
	<u>4,184</u>	<u>4,294</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. Funding in advance relates to Government funding received from the Office of Sport to fund the purchase of synthetic greens, and will be recognised upon the completion of the project.

Notes to the financial statements

For the year ended 31 May 2023

15 Leases

The Club leases the point-of-sale hardware.

	2023	2022
	\$	\$
Right-of-use asset		
Non-current		
Right-of-use assets	172,400	27,946

Reconciliation of right-of-use assets

	Plant and Equipment	Poker Machines	Total	Total
	\$	\$	\$	\$
2023				
At 1 June 2022	27,946	-	27,946	36,957
Additions	52,100	120,406	172,506	-
Amortisation	11,809	16,243	28,052	9,011
31 May 2023	68,237	104,163	172,400	27,946

Lease liabilities**Current**

Lease liabilities	17,969	45,289	63,258	9,912
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Non-current

Lease liabilities	51,114	50,576	101,690	20,650
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Total

	69,083	95,865	164,948	30,562
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Reconciliation of lease liabilities

	Plant and Equipment	Poker Machines	Total	Total
	\$	\$	\$	\$
2023				
At 1 June 2022	30,562	-	30,562	40,474
Additions	52,100	120,406	172,506	-
Interest expense	7,513	11,580	19,093	2,185
Lease payments	21,092	36,121	57,213	12,097
31 May 2023	69,083	95,865	164,948	30,562

Maturity analysis of future lease payments

Not later than 1 year	27,515	45,289	72,804	12,096
Later than 1 year and not later than 5 years	65,787	50,576	116,363	25,200
Later than 5 years	-	-	-	-
Lease payments	93,302	95,865	189,167	37,296

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 lease asset and a lease liability is recognised.

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 5.98%.

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 lease 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 May 2023

16 Reserves	General	Total
	\$	\$
Balance at 1 June 2022	2,086	2,086
Balance at 31 May 2023	<u>2,086</u>	<u>2,086</u>

- (i) *Nature and purpose of reserves*
General reserve Historical carry forward balance on change to co-operative with no share capital.

17 Commitments	2023	2022
	\$	\$
(i) <i>Capital Commitments</i>		
Plant and equipment	<u>227,273</u>	<u>-</u>

Capital commitments relate to Club renovations to the bowling greens, which are being changed to synthetic.

18 Contingent liabilities

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
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19 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>		
Total key management personnel benefits	<u>163,420</u>	<u>129,641</u>
(b) <i>Transactions with other related parties</i>		
Purchases from Zek-Elec Electrical (Former Director Robert Szekeyhidy)	<u>-</u>	<u>1,982</u>

During their term as Directors of the Club, two sons of former Directors Leanne Gardner and Jeff Gardner were employed by the Club under normal award terms and conditions.

20 Remuneration of auditors

<i>Auditor of the company</i>		
Audit of the financial statements	22,900	21,556
Other services - consulting services	8,000	5,350
	<u>30,900</u>	<u>26,906</u>

21 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 15) - The useful life of property, plant and equipment, intangible assets and lease 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.
- Estimated fair value of development property receivable (note 8) - the fair value of the development property receivable is estimated at each reporting date, based on independent assessments of the market value of the properties and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 19 are in accordance with the Co-operatives National Law (NSW), including:
 - (i) comply with Australian Accounting Standards - Simplified Disclosures, and the Co-operatives National Regulations (NSW) 2014 and other mandatory professional reporting requirements.
 - (ii) giving a true and fair view of the Club's financial position as at 31 May 2023 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.



S. Smith - Chairperson



T. McEwan - Deputy Chairperson

Dated: 26 July 2023
Kahibah, NSW

Independent auditor's report to the members of Kahibah Bowling Club Co-operative Limited

Opinion

We have audited the financial report of Kahibah Bowling Club Co-operative Limited (the Club) which comprises the statement of financial position as at 31 May 2023, 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 Co-Operatives National Law (NSW), including:

- (i) giving a true and fair view of the Clubs financial position as at 31 May 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, and the Co-operatives National Regulations (NSW) 2014.

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 Co-operatives National Regulations (NSW) 2014 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 and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the Co-operatives National Law (NSW) 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. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 May 2023 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.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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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.

A handwritten signature in black ink, appearing to read 'Shaun Mahony'.

Shaun Mahony - Partner

A handwritten signature in black ink, appearing to read 'Pitcher Partners NH Partnership'.

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 26 July 2023
Newcastle, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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