

ANNUAL FINANCIAL REPORT

OF

**CARLINGFORD BOWLING, SPORTS AND RECREATION CLUB LIMITED
ABN 67 000 110 976**

FOR THE YEAR ENDED

30 JUNE 2021

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CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

DIRECTORS' REPORT

Your directors present their report on the financial statements of Carlingford Bowling, Sports & Recreation Club Limited ('the company') for the year ended 30 June 2021.

INFORMATION ON DIRECTORS

The names of directors who held office at any time during, or since the end of the year, are set out below together with the information on each director's experience, qualifications and special responsibilities:

Names of directors	Occupation/ Qualifications	Position/Special Responsibilities	Years as Director
Nick Martelli	Accountant/Company Director	Chairman	15
Graham Bale	Retired	Vice Chairman	10
John Roddy	Retired	Director	3
Richard Summerhayes- resigned 06.04.21	Retired	Director	3
Judy Turner	Retired	Director	3
Garry Cassidy - appointed 20.12.20	Accountant	Treasurer	1
David Gleeson - appointed 20.12.20	Business Owner Builder	Director	1
Kathy Uren - appointed 20.12.20	Retired	Director	1
David Linnert - resigned 20.12.20	Retired	Director	3
David Cochrane - resigned 30.06.20	Retired	Director	1

MEETINGS OF DIRECTORS

During the financial year 15 meetings of directors were held and attended as follows:

Name	Directors Meetings	
	No eligible to attend	Attended
Nick Martelli	15	13
Graham Bale	15	15
John Roddy	15	14
Richard Summerhayes	11	11
Judy Turner	15	15
Garry Cassidy - appointed 20.12.20	7	5
David Gleeson - appointed 20.12.20	7	7
Kathy Uren - appointed 20.12.20	7	7
David Linnert - resigned 20.12.20	8	4
David Cochrane - resigned 30.06.20	15	15

COMPANY SECRETARY

Shaun Johns was Company Secretary of the Company for the whole of the financial year and continues in office at the date of this report. Shaun joined the Club on 6 April 2010 and has been the Secretary Manager since that date. Shaun has 25 years of experience in the club industry, is a member of Clubs NSW, Clubs Directors Institute and Club Managers Association of NSW.

CORPORATE INFORMATION

The club is a 'not for profit' entity, registered as a company limited by guarantee. It does not issue shares to its members. Under its constitution it does not have the capacity to issue dividends to its members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the Constitution.

The club has varying classes of membership as set out below:

If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$5 each towards any outstanding obligations of the company. As at 30 June 2021 the number of members was 4,627 (2020: 4,160).

DETAILS ON MEMBERS

Each class of membership in the company:

Class	Number		Liability of members on a wind up	
	2021	2020	2021	2020
Ordinary Members (Non Bowling)	3,654	3,202	\$18,270	\$16,010
Ordinary Members (Bowling)	337	358	\$1,685	\$1,685
Social Life Members	610	580	\$3,050	\$3,050
Honorary Life Members	26	20	\$130	\$130
Total	4,627	4,160	\$23,135	\$20,875

SHORT AND LONG TERM OBJECTIVES OF THE ENTITY

The club's objectives are to focus on:

1. the development and delivery of premium club facilities and services to its members and guests
2. to foster the game of bowls
3. the promotion of the social welfare of its members and community sports and recreational organisations

STRATEGY FOR ACHIEVING THOSE OBJECTIVES

The strategy for achieving the objectives has been to:

1. update the premises to reflect the quality of appearance of the club
2. constantly monitor and improve the services of the gaming, bar and bistro areas
3. attract quality entertainment to the venue at reasonable prices
4. support the Men's and Ladies bowling activities
5. support local sporting and community organisations

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were those of a licensed club. No significant changes in the nature of these activities occurred during the year.

HOW THOSE ACTIVITIES ASSISTED IN ACHIEVING THE CLUB'S OBJECTIVES

The cash flows of the club will continue to be employed in enhancing the abovementioned facilities, meeting the needs of the debt reduction program and the provision of donations to the local sporting and community support organisations, public schools, including donations to Lions Club of Carlingford-Dundas, Alzheimer's Australia, NSW Yates Avenue OOSH Programme, Carlingford Cougars Junior Rugby League, North Rocks Junior Rugby Union to name a few.

HOW THE CLUB MEASURES ITS PERFORMANCE

The club measures its performance based on:

- a. the number of members and guests that the club has attracted in the year

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business operations, and the realisation of assets and settlement of liabilities in the ordinary course of business. The COVID-19 pandemic has created uncertainty in local and global economies, and is likely to impact normal business operations in the immediate future. The company has completed a comprehensive forecast for the next twelve months operations, and remains confident that it will be able to continue as a going concern.

OPERATING RESULTS

The net loss of the company for the year was \$254,263 (2020:profit \$92,283).

	2021	2020
	\$	\$
Operating profit/(loss) before depreciation and amortisation, and finance charges	265,474	638,402
Less:		
Depreciation and amortisation expense	(465,503)	(496,473)
Borrowing costs	(54,234)	(49,646)
	<u>(254,263)</u>	<u>92,283</u>

Significant factors affecting the performance were:


- COVID-19 club closures
- investment in the electronic ticketing software TITO to improve the poker machine service and reduce wages
- reduced performances were in the area of poker machines
- operating costs exceeded budget
- investment in the club's gaming room
- investment in the upgrades of the older poker machines
- investment in the club's premises, greens and grounds

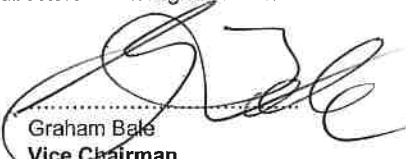
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this report on the following page.

RESOLUTION

This report is made in accordance with a resolution of the Board of directors and is signed for and on behalf of the directors by:


.....
David Gleeson
Chairman


.....
Graham Bale
Vice Chairman

Signed and dated in Sydney this 27th day of October 2021

W. L. BROWNE & ASSOCIATES PTY LTD

ABN 53 628 254 277

JOHN CHEADLE F.C.A.
BRADLEY TURNER C.A.

john@wlbrowne.com.au
brad@wlbrowne.com.au

Suite 8, 924 Pacific Highway
Gordon NSW 2072
PO Box 294, Gordon NSW 2072
Telephone: 02 9498 5250


AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Carlingford Bowling, Sports & Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

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



John C Cheadle
Registered Company Auditor

Dated: 27 October 2021

W. L. BROWNE & ASSOCIATES PTY LTD

ABN 53 628 254 277

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of Carlingford Bowling, Sports & Recreation Club Limited (the Company), which comprises the Statement of Financial Position as at 30 June 2021, Statement of profit or loss and other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my 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 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am 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. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than in the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the company's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibility of 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 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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



John C. Cheadle-Chartered Accountant
W L Browne & Associates
Suite 8, 924 Pacific Highway, Gordon NSW 2072
Dated: 27 October 2021

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements comprising the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity and accompanying notes to the financial statements:
 - (a) comply with Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position of the company as at 30 June 2021 and of the performance for the year ended on that date.
2. In the directors' opinion, 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 Board of Directors dated 27th day of October 2021.

.....
David Gleeson
Chairman

.....
Graham Bale
Vice Chairman

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Trading revenue - net poker machine		1,654,904	1,469,990
Trading revenue - other		1,480,118	1,288,897
Other revenue		425,594	903,998
Total revenue	2	<u>3,560,616</u>	<u>3,662,885</u>
Employee cost and entitlements		(1,032,062)	(897,141)
Poker Machine taxes		(153,152)	(179,963)
Other expenses		(2,109,928)	(1,947,379)
Total expenses	2	<u>(3,295,142)</u>	<u>(3,024,483)</u>
Profit before income tax expense, finance costs and depreciation		265,474	638,402
Finance costs		(54,234)	(49,646)
Depreciation		(465,503)	(496,473)
Profit/(Loss) for the year before income tax		(254,263)	92,283
Income tax expense	1(i)	-	-
Profit/(Loss) for the year		<u>(254,263)</u>	<u>92,283</u>

The above statements should be read in conjunction with
the accompanying notes to the financial statements

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Revaluation Reserve \$	Accumulated Funds \$	Total \$
Balance as at 30 June 2019		5,660,624	2,397,872	8,058,496
Profit for the year		-	92,283	92,283
Balance as at 30 June 2020		5,660,624	2,490,155	8,150,779
Profit for the year		-	(254,263)	(254,263)
Balance as at 30 June 2021		<u>5,660,624</u>	<u>2,235,892</u>	<u>7,896,516</u>

The above statements should be read in conjunction with
the accompanying notes to the financial statements

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash	3	51,228	42,809
Receivables	4	148,032	238,835
Inventories	5	45,736	29,811
TOTAL CURRENT ASSETS		<u>244,996</u>	<u>311,455</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	7,786,340	7,988,128
Intangibles	7	1,395,409	1,395,409
TOTAL NON-CURRENT ASSETS		<u>9,181,749</u>	<u>9,383,537</u>
TOTAL ASSETS		<u>9,426,745</u>	<u>9,694,992</u>
CURRENT LIABILITIES			
Payables	8	578,556	596,961
Interest bearing liabilities	9	632,603	584,727
Provisions	10	155,048	99,633
TOTAL CURRENT LIABILITIES		<u>1,366,207</u>	<u>1,281,321</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	9	164,022	262,892
TOTAL NON-CURRENT LIABILITIES		<u>164,022</u>	<u>262,892</u>
TOTAL LIABILITIES		<u>1,530,229</u>	<u>1,544,213</u>
NET ASSETS		<u>7,896,516</u>	<u>8,150,779</u>
FUNDS			
Accumulated Funds		7,895,516	8,150,779
TOTAL FUNDS		<u>7,895,516</u>	<u>8,150,779</u>

The Statement of Financial Position should be read in conjunction with
the accompanying notes to the financial statements

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash from operating activities:			
Receipt from customers		3,660,954	3,641,312
Payments to suppliers and employees		(3,283,592)	(3,434,373)
Interest paid		(54,234)	(49,646)
Net cash provided by operating activities	15(a)	<u>323,128</u>	<u>157,293</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		<u>(263,718)</u>	<u>(153,600)</u>
Net cash (used in) investing activities		<u>(263,718)</u>	<u>(153,600)</u>
Cash flows from financing activities:			
Proceeds from borrowings - H.P. Contracts		207,562	82,878
Repayment of borrowings - H.P. Contracts		(192,157)	(66,918)
Repayment of borrowings - Bank		<u>(66,396)</u>	<u>(58,199)</u>
Net cash provided/(used in) financing activities		<u>(50,991)</u>	<u>(42,239)</u>
Net increase/(decrease) in cash held		8,419	(38,546)
Cash at the beginning of the financial year		<u>42,809</u>	<u>81,355</u>
Cash at the end of the financial year	15(b)	<u><u>51,228</u></u>	<u><u>42,809</u></u>

The Statement of Cash Flows should be read in conjunction with
the accompanying notes to the financial statements

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for the year ended 30 June 2021 were authorised in accordance with a resolution of the directors on November 2021 as required by the *Corporations Act 2001*.

The financial statements are general purpose financial statements which have 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*.

Carlingford Bowling, Sports & Recreation Club Limited is a not-for-profit company limited by guarantee.

(a) The Basis of Accounting

The financial statements have been prepared on a historical cost basis/

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accompanying policies have been consistently applied, unless otherwise stated.

(b) Going Concern

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business operations, and the realisation of assets and settlement of liabilities in the ordinary course of business. The COVID-19 pandemic has created uncertainty in local and global economies, and is likely to impact normal business operations in the immediate future. The company has completed a comprehensive forecast for the next twelve months operations, and remains confident that it will be able to continue as a going concern.

(c) Depreciation of Property, Plant & Equipment

Property is brought to account at cost less, where applicable, any accumulated depreciation or amortisation. Plant and equipment are brought to account at cost, less any accumulated depreciation or amortisation.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed against depreciable replacement cost.

(c) Depreciation of Property, Plant and Equipment (continued)

The depreciable amount of all fixed assets including leasehold buildings and capitalised lease assets is depreciated over their useful lives to the economic entity, commencing from the time the asset is held ready for use. Leasehold improvements are amortised over shorter of either the unexpired period of the lease or the estimated useful lives of the improvements and the expected lease occupancy.

The rates applied to the classes of assets are:

Class	Method	Rate
Leasehold Buildings	Straight Line	2.5%-20%
Plant & Equipment	Straight Line	5%-33%
Computer Equipment	Straight Line	10%-33%
Office Equipment	Straight Line	20%-25%
Furniture & Fittings	Straight Line	10%-33%
Plant & Equipment Poker Machines	Straight Line	15%
Poker Machines	Straight Line	15%

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of Assets

At each reporting date the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount.

The recoverable amount is assessed against depreciable replacement cost for property, plant and equipment.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in first out principle of allocation.

(f) Employee Entitlements

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Club to employee superannuation funds and are charged as expenses when incurred.

(g) Revenue

Sales revenue and revenue from gaming activities is recognised as income on a receipts basis.

(h) Subscriptions from Members

Subscriptions are accounted for as income in the period to which they relate. Subscriptions received in advance for future periods are brought to account as a current liability. Subscriptions outstanding are not brought to account where recoverability is not assured.

(i) Income Tax

No income tax has been provided for in the accounts as the directors believe the club to be exempt from income tax under Section 50.45 of the Income Tax Assessment Act and that this exemption will continue in the future.

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(k) Interest-Bearing Liabilities

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings 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 comprehensive income over the period of the loans and borrowings using the effective interest method. All borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(l) Borrowing Costs

Borrowing costs incurred for the construction of a qualifying asset are recognised during the period of time that it is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed when incurred.

(m) Cash and Cash Equivalents

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

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Accounting Estimates and Judgements

i) Critical Judgements

Management has made the following judgements when apply the Club's accounting policies:

Impairment of the buildings in excess of normal amortisation over the useful life is not considered necessary as the club has met the tenure requirements for improvements as set out in Note 12.

In accordance with the AIFRS guidance for impairment of assets, the expected continuation of the lease on the land does not trigger an impairment event to warrant the accelerated amortisation of the building. Should the terms of the lease be breached or other events suggest the tenure may not be renewed then the building will be required to be amortised over the remaining terms of the lease.

ii) Intangible Assets

At 30 June 2021 the club had 84 gaming (poker) machine entitlements (refer Note 7).

The poker machine entitlement market is not an active market in accordance with the accounting standard. Hence, the entitlements are recorded at historical or deemed cost.

The licenses are assessed as having an indefinite life and are not amortised. The assessment of any impairment is based on the cash flow generated from their value in use.

(o) New Accounting Standards for Application in Current Periods

The company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the company:

There were no new or amended Accounting Standards issued during the year.

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
2. OPERATING PROFIT		
Revenue from Ordinary Activities		
Net Poker Machine Revenue	1,654,904	1,469,990
Promotions	34,472	69,913
Food and Beverage	1,267,691	1,042,740
Keno	48,607	47,648
TAB	15,930	14,870
Bowling	76,143	100,704
Functions	37,275	13,022
Total Trading Revenue	<u>3,135,022</u>	<u>2,758,887</u>
Government Grants	248,750	154,027
Rent Received	1,167	26,097
Net gain on sale of non-current assets	16,720	194,939
Other Revenue	158,957	528,935
Total Other Revenue	<u>425,594</u>	<u>903,998</u>
Total Revenue	<u>3,560,616</u>	<u>3,662,885</u>
Expenses from Ordinary Activities		
Employee Cost & Entitlements	1,032,062	897,141
Depreciation and Amortisation Expenses	465,503	496,473
Poker Machine Taxes	153,152	179,963
Cost of Goods Sold - Food and Beverage	548,842	466,421
Other Operational Expenses	1,561,086	1,480,958
Total Expenses excluding borrowing costs	<u>3,760,645</u>	<u>3,520,956</u>
Borrowing Costs	54,234	49,646
Total Expenses	<u>3,814,879</u>	<u>3,570,602</u>
Net operating profit/(loss) from ordinary activities	<u>(254,263)</u>	<u>92,283</u>

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
3. CASH		
Cash at Bank	(8,775)	4,744
Cash on Hand	60,003	38,065
	<u>51,228</u>	<u>42,809</u>
4. RECEIVABLES		
Sundry Debtors	39,363	122,115
Prepayments	108,669	116,720
	<u>148,032</u>	<u>238,835</u>
5. INVENTORIES		
Goods for sale	45,736	29,811
	<u>45,736</u>	<u>29,811</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Buildings, Greens & Grounds Leasehold Improvements at valuation	10,803,985	10,803,985
Less: Accumulated Amortisation	(4,157,583)	(3,945,842)
	<u>6,646,402</u>	<u>6,858,143</u>
Poker Machines Amortised	670,721	549,976
Less: Accumulated Amortisation	(432,219)	(452,987)
	<u>238,502</u>	<u>96,989</u>
Computer Equipment at cost	83,424	77,359
Less: Accumulated Depreciation	(75,664)	(73,426)
	<u>7,760</u>	<u>3,933</u>
Furniture & Fittings at cost	153,917	220,466
Less: Accumulated Depreciation	(115,394)	(137,792)
	<u>38,523</u>	<u>82,674</u>
Office Equipment at cost	12,673	11,308
Less: Accumulated Depreciation	(11,498)	(11,308)
	<u>1,175</u>	<u>-</u>
Plant & Equipment at cost	1,316,569	1,198,439
Less: Accumulated Depreciation	(828,597)	(767,556)
	<u>487,972</u>	<u>430,883</u>
Poker Machines & Associated Plant at cost	1,306,698	1,294,818
Less: Accumulated Depreciation	(940,692)	(779,312)
	<u>366,006</u>	<u>515,506</u>
Total Property, Plant & Equipment	<u>7,786,340</u>	<u>7,988,128</u>

Buildings, Greens & Grounds Leasehold Improvements

Denistone Sports Club Ltd amalgamated with this entity on 1 July 2016. National Australia Bank Ltd on 6 May 2017 valued the Denistone property at \$2,100,000 - valuer LandMark White (Sydney) Pty Ltd. The property is reflected in the Club's assets at this value.

Brush Park Bowling Club amalgamated with this entity on 1 May 2018.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2021	2020
	\$	\$
7. INTANGIBLE ASSETS		
Poker Machine Entitlements at cost	1,301,829	1,301,829
Legal Fees on Acquisition	84,226	84,226
Software Capitalised	9,354	9,354
	1,395,409	1,395,409

At 30 June 2021, the Club had 84 gaming (poker) machine entitlements ('entitlements').

It is generally considered that a market value for gaming machine entitlements can be estimated by observing recent market transfers. However, fair value as measured by reference to an active market as defined in accordance with the Australian Accounting Standards is not generally accepted in the industry.

The Club's entitlements are therefore held at cost (including deemed cost).

8. PAYABLES

Accounts payable	161,341	229,271
Accrued expenses	327,423	257,675
Unearned income	37,586	20,000
GST payable	9,546	28,763
Poker machine tax payable	42,660	61,252
	578,556	596,961

9. INTEREST BEARING LIABILITIES

Current

Bank Loan - secured	385,004	451,400
Hire Purchase liabilities - secured	247,599	133,327
	632,603	584,727

Non-Current

Bank Loan - secured	-	-
Hire purchase liabilities - secured	164,022	262,892
	164,022	262,892

Total Interest Bearing Liabilities	796,625	847,619
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The bank loan is secured against the Club's assets.

On 25 September 2018 the Club refinanced the loan facility with the NAB. The loan is now a NAB Business Markets Loan payable with monthly instalments with an expiry date 30 November 2020. The facility limit is \$501,400 broken up as to \$451,400 payable monthly instalments and \$50,000 overdraft - see note 18 (c)

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
10. PROVISIONS		
Annual Leave	84,103	56,206
Long Service Leave	70,945	43,427
	<u>155,048</u>	<u>99,633</u>
11. MEMBERS' GUARANTEE		
The Club is Limited by Guarantee. If the Club is wound up, the Memorandum states each member is required to contribute a maximum amount of \$5.00 each towards meeting the outstanding obligations of the Club.		
12. FUTURE DEVELOPMENTS		
Carlingford Bowling Sports and Recreation Club (CBSRC) and Eastwood Badminton Association are in the process of building an international badminton centre at CBSRC. The club believes that a new indoor badminton centre will attract new patrons which will give CBSRC a point of difference and integrate the local community to the club.		
13. EXPENDITURE COMMITMENTS		
(a) Hire purchase commitments		
Not later than one year	247,599	133,327
Later than one year but not later than two years	87,900	179,378
Later than two years but not later than five years	124,434	113,724
	<u>459,933</u>	<u>426,429</u>
Less Future Finance Charges	<u>(48,312)</u>	<u>(30,210)</u>
	<u>411,621</u>	<u>396,219</u>
Current Liability	247,599	133,327
Non-Current Liability	164,022	262,892
	<u>411,621</u>	<u>396,219</u>
(b) Capital Expenditure Commitments		
There were no Capital Expenditure Commitments as at 30 June 2021	<u>-</u>	<u>-</u>
14. RELATED PARTIES		
The Directors of Carlingford Sports & Recreation Club Limited during the year were:		
(a) N. Martelli, G. Bale, J. Roddy, R. Summerhayes, J. Turner, G. Cassidy, D. Gleeson, K. Uren, D. Linnert, D. Cochrane.	<u>-</u>	<u>-</u>
(b) Aggregate income received or due and receivable by the Directors of the Company	<u>-</u>	<u>-</u>
(c) Committee members in the course of carrying out their duties at meetings and on other occasions were provided with meals and refreshments	<u>2,210</u>	<u>2,160</u>
(d) Other Transactions With Directors:		
The Company has incurred no other transactions with related parties	<u>-</u>	<u>-</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
15. CASH FLOWS		
(a) Reconciliation of net cash provided by operating activities to operating loss after tax:		
Operating (loss)/profit after income tax	(254,263)	92,283
Non-operating activity items:		
Depreciation	465,503	496,473
Changes in assets and liabilities		
(Increase)/decrease in receivables	90,803	(162,098)
(Increase)/decrease in inventories	(15,925)	16,422
Increase/(decrease) in payables	(18,405)	(273,093)
Increase/(decrease) in provisions	55,415	(12,694)
	<u>323,128</u>	<u>157,293</u>
Net cash provided by operating activities	<u>323,128</u>	<u>157,293</u>
b) Reconciliation of cash		
For the purposes of the statement of cash flows, cash included:		
(i) cash on hand and in at call deposits with banks or financial institutions, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the Balance Sheet as follows:		
Cash	60,003	38,065
Cash at Bank	<u>(8,775)</u>	<u>4,744</u>
	<u>51,228</u>	<u>42,809</u>

16. COMPANY DETAILS

The registered office of the entity and principal place of business is:

Carlingford Bowling, Sports & Recreation Club
Cnr. Pennant Hills and Evans Roads
Carlingford NSW 2118

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

17. CLUB PROPERTY REPORT

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2020:

- (a) The following properties are core property of the Club:
 - (i) licensed premises at Carlingford Bowling, Sports & Recreation Club
Cnr. Pennant Hills and Evans Roads
Carlingford NSW 2118
 - (ii) licenced premises at Denistone Sports Club
59 Chatham Road
West Ryde NSW 2114

- (b) The following properties are non-core property of the Club:
 - (i) licenced premises at Brush Park Bowling Club
77 Rutledge Street
Eastwood NSW 2122

Notes to Members

1. Section 41J(2) of the Registered Clubs Act required the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates to.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) the defined premises of the Club; or
 - (b) any facility provided by the Club for use of its members and their guests; or
 - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property (other than that referred to above as core property) and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer with the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which a majority of the votes cast supported the approval; and
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

18. EVENTS AFTER BALANCE DATE

- (a) In June 2021 the Club entered into a contract for the sale of the Brush Park Bowling Club site. The proposed settlement date is 1 December 2021. The sale price being \$11,000,000 including GST. Out of the proceeds of the sale the Club will have paid \$770,000 to pay out the Telco Tower contract with LCD.
- (b) On 23 January 2020 the Board of the Club approved the Club entering into an MOU with J Group Develop Pty Ltd with respect to the Brush Park premises. It was a term of the MOU that the J Group would pay to the Club a non-refundable Exclusivity Deposit of \$165,000 inclusive of GST. The Club signed the MOU on 23 January 2020 pursuant to the Corporations Act 2001 - namely by a director and the secretary of the Club. The J Group also signed the MOU pursuant to the Corporations Act - by 2 directors. The J Group paid the Club the \$165,000. The J Group has now made a demand on the Club for return of the \$165,000 Exclusivity Deposit. What has come to light is a document dated 3 February 2020 purporting to amend the MOU to the effect that the non-refundable deposit would be refundable to the J Group in certain circumstances. This document was signed on behalf of the J Group by one of its senior managers and on behalf of the Club by a then director. The Club may be liable to refund the \$165,000 to the J. Group.
- (c) In August 2021 the Club discharged the NAB loan with funds advanced by Toongabbie Bowling Club. This facility was for \$1,000,000 and is secured over the Denistone property. It will be repaid from the proceeds of the sale of Brush Park Bowling Club.
- (d) On 3 September 2021 Chairman Nicholas Martelli resigned as a board member and on 21 September 2021 Nicholas resigned his membership and life membership of the Club.