

Inverell East Bowling Club Limited

T/as Inverell Sporties.

Chairperson's Report 2020 - 2021.

66th Edition

Members,

I am pleased to present this report to you as Chairman of the Board, for the period 1 July 2020 to 30 June 2021. Whilst I was only elected Chairman at the November Board meeting, I have been an active director since January 2018, and yes, a lot of you would not have noticed me in and around the club, as I prefer to work quietly behind the scenes.

Again, like last fiscal year COVID19 continues to interfere with our livelihood, so far so good, but on 14 August the whole of NSW was placed under the 'Stay at Home' Health Order, which has been lifted, thankfully, at the time of drafting this report. Despite this, we did manage to complete a full 12 months without any of its complications over the last financial year.

Trading this year has been quite successful as you will see by our Financial Report. We returned a net profit of over \$493,000 (\$250,228 LY), after depreciation and write offs of \$420,527 (\$312,399 LY), and both years included State & Federal Government assistance totalling \$212,386 (\$215,580 LY) allowing us to increase our cash reserves substantially. It is also pleasing to note that our membership is in a strong position, with over 3,000 financial members.

Again, this year you would have noticed substantial changes inside the clubhouse most of which were completed just prior to the close of the financial year (bar and bistro area). As my predecessor Darrel mentioned in his report last year, we redeveloped both our Gaming Areas. These changes have paid off handsomely, the bar and bistro area, more so in the start of the 2022 financial year, and since then we have started redeveloping the downstairs area so as to improve access when any future development is undertaken outside. At the time of writing we still haven't received the Inverell Shire's Development Application Approval for the installation of the lift, however we expect we will see the lift installed in this calendar year.

Congratulations to all staff, without you the club (business) would not function, so to Nathan and the teams under his control, Administration, Bar & Outdoor, on behalf of the Board I would like to thank you all for a 'job well done.' During the year we have seen fresh faces behind the bar, some have stayed on, some decided to change their direction and left, some have come back to the fold and Marleen retired in July 2021. The Bistro contractors changed in November of 2020, to Cory & Jenny good luck with your current venture, to Ben, Gary & Peter from Pure Kitchen Catering Pty Ltd and their staff, a very big welcome to Inverell and more importantly to Inverell Sporties. I on behalf of our members extend to you a big thank you, your service and menu has been second to none and we hope that you will be around for a long time to come.

To our members that have lost loved ones, please accept from the Board and members our sincere sympathy and most heartfelt condolences at your loss.

Bowlers, this has not been an easy year for you all, but we have survived, initially without a co-ordinator, then Blaec came on board, however this did not work out and he left. The position is vacant at the time of drafting this report. The Men's Bowling Sub Club have elected their new Committee, as have the Ladies and we are confident that Bowls as a whole, once we get out of Covid-19 for good will go forward in leaps and bounds. I have left the nitty gritty of your achievements to your own sub club committee reports, but under the circumstances also a job well done.

To our other 'sub clubs', Touch Football, Cricket and Volleyball you all have represented 'Inverell Sporties' and the Board congratulate you on your achievements during the last year.

Briefly, we have incurred expenditure on,

- Building alterations \$243,622
- Gaming Machines \$159,915
- Plant & Equipment \$218,554
- Furniture & Fixtures \$ 96,851 a total of \$718,942 for the year.

Going forward it is the intention of this board to continue to develop and improve the facilities of the club. We have developed a plan to turnover our complete 'gaming floor' every 5 years, and to provide a more child friendly area for families to enjoy the summer months and associated entertainment.

This year was not without some changes to the composition of the board. To Peter Harris who resigned back in February, thanks for your assistance, advice and ongoing gardening skills, all of which were and indeed still are very much appreciated. To Mrs Libby Cumming who was invited to fill the short term vacancy, I thank you for joining us, your skills in 'town planning, grant applications and external board experience' has been, and I am sure will be, of great future assistance to the board and management. To the members may I commend Libby for coming on board mid-term, and recommend to you that she be re-elected at the AGM.

To finish up on, thanks Darrel as Deputy Chairman for your guidance and assistance during this year and Lyn without your support Darrel would not have been able to 'guide' the board and management the way he has over these past few years as Chairman. Thanks to you both. To my other Deputy Chairman Phil, you may not have had the ability to be around as much Darrel, but to you and Sonya, I also would like to add my sincere thanks for your 'sounding board' time. To the rest of the board and your partners, many thanks for your dedication to the job. As once said by the *great Roosters' Coach Jack Gibson*, you '*played strong , done good*', so let's continue doing the same this current year. Finally to my wife Bernadette, thanks for letting me spend time with the team at Sporties (or as she calls it "Home" when she wants me out of our house).

John Hobday, Board Chairman.

Dear members,

It is with great pleasure that I present to you my report for the 2020/21 financial year.

This fiscal year has seen your Club post the most successful trading result in its long and proud history. After successfully navigating some of the harshest trading conditions the Club has ever seen, as highlighted in my report last year, the team at Inverell Sporties have worked tirelessly to continue delivering strong results.

Pleasingly, the past year has seen your Club increase its cash assets by 62%, remain free of any substantial debt, increase its equitable position by close to \$500,000, whilst still investing more than \$700,000 into facilities for members and guests to enjoy.

Your ongoing support throughout the COVID-19 pandemic has been imperative to the performance of your Club and is greatly appreciated. Although challenges continue to arise from the pandemic, I am confident that your Club will continue to prosper. The Board and Management team have taken the necessary steps to mitigate negative business impacts caused by the pandemic moving forward. Many strategic planning sessions throughout the year have revolved around the ever changing pandemic impacted business environment. This forward planning has been influential in the resilience of your Club. Like you, we too, hope that we are soon able to put the pandemic behind us and resume some form of normality. Thank you to Chairman John and the Board of Directors for your thoughtfulness and commitment to the success of the Club throughout the year. Congratulations on a job well done.

This year, your Club has translated its strong performance into greater community contributions, substantially increasing its commitment to help fund worthy community projects and sporting teams. I look forward to supporting even more projects moving forward and welcome the community to engage the Club to be involved with them.

The Board and Management team have taken the opportunity this year to explore numerous avenues for the future development of your Club. Over the past three years significant capital has been spent on the revitalisation of the Club, including:

- Construction of the Sports Lounge;
- Construction of the Outdoor Gaming Room;
- Redevelopment of the Indoor Gaming Lounge;
- Redevelopment of the Main Bar;
- Redevelopment of the Dining Room;
- Redevelopment of the Downstairs Function Room;
- Redevelopment of the Outdoor Terrace;
- Renovation of the Kitchen;
- Re-flooring close to the entire premises;

As a result of much consideration and diligence, it is anticipated that after the completion of your Clubs next project, the venue will feature an extended outdoor dining area, entertainment precinct and enhanced actives for families to enjoy. These capital works feature in the Boards short-term objectives for the Club, with planning well under way.

It fills the team at Inverell Sporties with such pride to see their handwork contribute to the contemporary entertainment facility that your Club has become in such a short time. Of course, this could not have been done without you, the members. Thank you for patronage and support. To all of our members who have lost loved ones throughout the year please accept my heartfelt condolences on behalf of the team at Inverell Sporties.

I sincerely thank our dedicated staff. Your commitment to your duties and support of each other is greatly appreciated. It has been a pleasure to work alongside you all. I must give special mention to our Assistant Manager, Chloe Nichols, who has done a terrific job throughout the year.

It has been a challenging year for our bowling members that have been consistently impacted by changing regulations. Adding in the vacant position of a Bowling Coordinator for much of the year, the bowling committees are to be commended on their performance. Thank you to Clayton and his team for continuing to deliver exceptional surfaces for the community to enjoy. Congratulations to Col Job who voluntarily took on a significant workload to ensure the viability of bowls throughout the year. Well done to Kay Scott and her team of ladies for your continued efforts. Thank you to Ken Montague who was pivotal in the success of our Easter Carnival. Again, the skill of our bowlers was showcased throughout the year with members representing at zone, regional and state levels. Congratulations to our representatives. I look forward to working closely with you over the coming year to take bowls to new heights and hopefully a pennants flag.

Late last calendar year we welcomed new caterers to our bistro. Their food has been of an exceptional standard. It has been gratifying to receive continued compliments from our members and guests on their enjoyable experiences. We welcome Peter, Ben, Garry, and their team to Inverell Sporties and wish you continued success.

The outlook for your Club is promising. We are financially secure, increasing our membership base rapidly and have comprehensive plans for the future. I endeavour to continue building upon the success of Inverell Sporties over the coming year.

Take care and all the best for the year ahead.

Nathan Hughes

Chief Executive Officer

14 October 2021
Mr Paul Cornall
Partner
Forsyths
PO Box 114
ARMIDALE, NSW, 2350

Dear Sirs

In connection with your audit examination of the financial report of **Inverell East Bowling Club Ltd** ("the club") for the year ended 30 June 2021 we hereby confirm, at your request, that to the best of our knowledge and belief, the following representations relating to the accounts are correct.

Financial Report

The financial report of the club has been drawn up to give a true and fair view of the club's financial position as at 30 June 2021 and performance for the year ended on that date.

The accounting records of the club were maintained in accordance with the requirements of the *Corporations Act 2001* and the financial report was prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory professional requirements in Australia and Statutory requirements or the applicable Accounting Standards.

General

- 1 We acknowledge our responsibility for keeping proper accounts and records, and preparing and presenting the financial report.
- 2 In selecting the appropriate Accounting Standards, policies and disclosures for preparation of the financial report we have considered the substance of the underlying transactions as well as their form. All material and/or contentious issues which management have discussed in the course of preparing the financial report and the resolution of such issues have been discussed with you.
- 3 We have made available to you:
 - a. All financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.
 - b. Minutes of meetings of directors.
- 4 There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report, except as disclosed in the financial report.

Compliance with Legislation and Other Requirements

- 5 Except as disclosed to you, there have been no:
 - a) violations or possible violations of laws or regulations (e.g. WHS, RSG, RSA, gaming regulations, liquor license, club regulation, etc.), the effects of which should be considered for disclosure in the financial report or as a basis for recording a contingent loss; or

- b) communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.

Internal Controls

- 6 Adequate systems of internal control exist to ensure that:
 - a) we record all material transactions in the accounting records underlying the financial report
 - b) we minimised the risk of irregularities (fraud, other illegal acts or errors) occurring and are able to detect them should they occur; and
 - c) we minimised the risk of significant breaches of legislation and other mandatory requirements occurring and detected significant breaches of legislation and other mandatory requirements should they occur.
- 7 No irregularities (fraud or misappropriation) have occurred involving management or employees who have significant roles in the system of internal control.
- 8 If applicable, we have reported to you all significant facts relating to any frauds or suspected frauds known to management that may have affected the club.

Assets

- 9 Adequate provision has been made for allowances which may be given and for losses which may be sustained in connection with the collection of accounts receivable and non-trade receivables.
- 10 There were no deficiencies or encumbrances attaching to the title of the club's assets at year end other than those reflected in the financial report.
- 11 The additions to non-current assets accounts, as recorded in the books of the club, represent the cost of additional facilities, or additions or improvements to existing facilities, or replacement thereof. All units of property which have been replaced, sold, dismantled or otherwise disposed of, or which are permanently unusable, have been removed from the non-current assets accounts.
- 12 Adequate provision, determined in a manner consistent with that of the preceding year, has been made to write off depreciable assets over their useful life having regard both to the current year provision and the accumulated amount provided to date. No circumstances occurred which render adherence to the existing basis of depreciation misleading or inappropriate.
- 13 All known assets of the club at balance date were recorded in the books of account as at that date and the club has satisfactory title to those assets.
- 14 The recognition and measurement of non-current infrastructure assets has been conducted in accordance with the policies adopted by the club.

Doubtful/Bad Debts

- 15 The allowance for doubtful debts is sufficient to provide for any losses on realisation of receivable and all known bad debts have been written off.

Inventories

- 16 There are no obsolete inventories and therefore it has not been necessary to write down, or make a provision to reduce excess or obsolete inventories to their estimated net realisable value.
- 17 Inventories have been reviewed to ensure they are carried at the lower of cost or net realisable value.

Other Current Assets

- 18 On realisation in the ordinary course of business, all other current assets are expected to realise at least the amounts at which they are stated in the financial report.

Liabilities

- 19 All liabilities which have arisen or which will arise out of the activities of the club to the end of the financial year have been included in the financial report.
- 20 There were no material contractual commitments for capital expenditure at year end not included in the financial report or the notes thereto.
- 21 There were no commitments for purchase or sale of securities or assets or any options given by the club.
- 22 The club has complied with its loan covenant conditions set under the terms of the loans and that bank facilities and the term of those facilities remain unchanged. Therefore the disclosures in the financial statements are not affected including no impact on the going concern position of the club.

Contingent Assets and Liabilities

- 23 We have recognised or disclosed in the financial report material or contingent liabilities or assets.

Related Party Transactions

- 24 We have made available to you all information regarding the identification of related party relationships and transactions.
- 25 We have made available to you details and records relating to:
 - a) Any agreements or transactions between employee controlled entities and any of our controlled entities.
 - b) Any equity interests or directorships held by employees in other entities, which are party to, directly or indirectly, any agreements or transactions with this organisation and/or any controlled entity or related party of this organisation.
 - c) Any external accounting advice received on these agreements, transactions or interests.
- 26 All details concerning related party transactions and related amounts receivable or payable (including sales, purchases, loans and guarantees) have been correctly recorded in the accounting records and have been properly disclosed in the club financial report or the notes thereto, either where required by statute or where such disclosure is necessary for the fair presentation of the club's financial report.

Taxation

- 27 We believe the club is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. Sporting club exemption requirements have been discussed between the auditor, management and the Board and a decision made by the Board that the club meet the exemption requirements. We have received no correspondence from the ATO that would change our position regarding sporting club exemption status.
- 28 There are no activities that invoke the anti-avoidance provisions of any applicable tax legislation.

Environmental Issues

- 29 We have considered whether environmental matters could have a material impact on the financial report and conclude that:
 - We are not aware of any material liabilities or contingencies arising from environmental matters, including those resulting from illegal or possibly illegal acts.
 - We are not aware of environmental matters that may result in a material impairment of assets.
 - If applicable, where we are aware of such matters referred to in the two points above, we have disclosed to you all facts relating to those matters.

Accounting Misstatements Detected by Audit

- 30 We acknowledge that the attached uncorrected and corrected misstatements have been brought to our attention and have considered the impact of these on the financial report. We conclude the unadjusted misstatements are quantitatively and qualitatively immaterial to the financial report taken as a whole, when considered individually or in aggregate. We also confirm acceptance of the corrected misstatements (refer Appendix 2).
- 31 We have advised to you and adjusted the financial report for all material misstatements that we have identified from previous periods.
- 32 We have also considered the impact of uncorrected misstatements from previous periods and conclude the aggregate amount of these misstatements is immaterial to the previous and current periods' financial reports (refer Appendix 1).

Insurance

- 33 The club has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks. This review has been performed, and where it is considered appropriate, assets and insurable risks of the club are adequately covered by insurance.

Accounting Estimates

- 34 We confirm the significant assumptions used in making accounting estimates are reasonable and have been disclosed in the financial report.

Fair Value Measurements and Disclosures

- 35 We confirm the significant assumptions used in fair value measurements and disclosures are reasonable, and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the club.

Going Concern

- 36 In the opinion of the directors of the club, there are reasonable grounds to believe that the club will be able to:
- Pay its debts as and when they fall due.
 - Continue as a going concern for the foreseeable future.

We, therefore, confirm that the going concern basis is appropriate for the financial report.

Events after Balance Sheet Date

- 37 We are not aware of any events that have occurred between the financial reporting date to the date of this letter that we need to disclose or recognise in the financial report.

Publication on Web Site

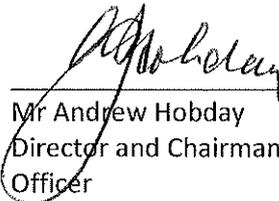
- 38 With respect to publication of the financial report on our website, we acknowledge that:
- a) We are responsible for the electronic presentation of the financial report;
 - b) We still ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version;
 - c) We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation;
 - d) We have assessed the controls over the security and integrity of the data on the web site and that adequate procedures are in place to ensure the integrity of the information published; and

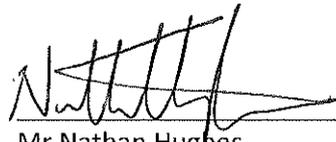
- e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

Other

- 39 The club has no plans or intentions that may materially affect the book value or classification of assets and liabilities at year end.
- 40 Other than as detailed in the financial report, the club is not aware of any breach or non-compliance with the terms of any contractual arrangements, however caused, which could initiate claims on the club which would have a material effect on the financial report.
- 41 The minutes of the club made available to you are a complete and authentic record of all meetings since 1 July 2020 to the date of this letter.
- 42 All matters arising from the club's meetings, which impact on the financial report, have been adequately disclosed therein.
- 43 There have been no changes to, or introduction of new, information systems or incidents which occurred during the year which could adversely impact the basic completeness and accuracy of the information systems and underlying data.
- 44 We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the club and economic entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully


Mr Andrew Hobday
Director and Chairman
Officer


Mr Nathan Hughes
Company Secretary and Chief Executive

Information on directors continued

E I M Cumming Director
 Qualifications Town planner 23 years, Strategic Planning 17 years. Bachelor Urban & Regional Planning from UNE, Financial Management from CSU. Past Director of Homes North Community Housing (2015-2020). Current Deputy Chair of Homes North Community Housing (2020 - present)
 Experience First year as a Director
 Special Responsibilities Governance and Planning

Meetings of directors

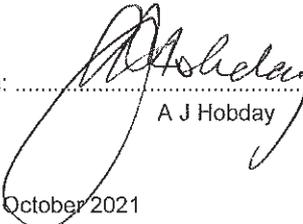
During the financial year, 15 meetings of directors (excluding subcommittees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
R V Adamson	12	12	3	3
E I M Cumming	3	3	1	-
P J Dunlop	12	12	3	3
S L Dunlop	12	12	3	3
P W Harris	8	8	2	2
M J Hauser	12	9	3	1
A J Hobday	12	12	3	3
D J Kachel	12	10	3	2
A L Mepham	12	9	3	3
D W Radford	12	12	3	3

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Chairman: 
 A J Hobday

Senior Deputy Chairman: 
 D J Kachel

Dated 17 October 2021