

# **Inverell East Bowling Club Limited trading as Inverell Sporties**

**ABN: 99 001 060 813**

## **Financial Statements**

**For the Year Ended 30 June 2021**

# Inverell East Bowling Club Limited trading as Inverell Sporties

ABN: 99 001 060 813

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For the Year Ended 30 June 2021

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# Inverell East Bowling Club Limited trading as Inverell Sporties

ABN: 99 001 060 813

## Directors' Report For the Year Ended 30 June 2021

The directors present their report on Inverell East Bowling Club Limited trading as Inverell Sporties for the financial year ended 30 June 2021.

### Directors

The names of the directors in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
R V Adamson	Director	Appointed 29/10/2017
P J Dunlop	Junior Deputy Chairman	Appointed 19/9/2012
S L Dunlop	Director	Re-Appointed 24/4/2017
P W Harris	Director	Resigned 14/03/2021
M J Hauser	Director	Appointed 29/10/2017
A J Hobday	Chairman	Appointed 29/01/2018
D J Kachel	Senior Deputy Chairman	Appointed 29/10/2017
A L Mepham	Director	Appointed 11/12/2017
E I M Cumming	Director	Appointed 19/04/2021
D W Radford	Director	Appointed 29/10/2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Company secretary

Mr Nathan Mark John Hughes held the position of Company secretary at the end of the financial year:

### Principal activities

The principal activity of Inverell East Bowling Club Limited trading as Inverell Sporties during the financial year was to operate a registered club for the promotion of sports.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing entertainment, dining, gaming and social facilities for members, guests and the community; and
- providing turnover, cash flow and profit to meet the financial objectives of the company.

No significant changes in the nature of the Company's activity occurred during the financial year.

### Short term objectives

The Company has identified the following short term objectives:

- To strive to achieve the benchmark for financial performance of a 15% EBITDARD (Earnings Before Interest, Tax, Depreciation, Amortisation, Rent and Donations); and
- To promote bowls and other sports and membership involvement in sport.

The Company has adopted the following strategies in order to achieve these short term objectives:

- The preparation of an annual budget for financial performance that includes the calculation of EBITDARD (Earnings Before Interest, Tax, Depreciation, Amortisation, Rent and Donations);
- The preparation of cash flow projections; and
- Continued director, management and staff education and training programs.

## Long term objectives

The Company has identified the following long term objectives;

- To promote the game of bowls and other sports in the community and to be recognised for our contribution to the game;
- To maintain a stable financial position of the club; and
- To grow the company operations in accordance with member interests.

The company has adopted the following strategies in order to achieve these long term objectives:

- The preparation of a strategic, business, succession and contingency plans that considers the diversification of business operations.

## Performance measures

The following measures are used within the Company to monitor performance:

- Gross profit percentage on sales;
- Membership retention;
- Growth in surplus;
- Budget and cash flow projections; and
- Electronic Gaming Machine net retention.

## Members' guarantee

Inverell East Bowling Club Limited trading as Inverell Sporties is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members subject to the provisions of the Company's constitution.

At 30 June 2021 the collective liability of members was \$ 6,406 (2020: \$ 4,986).

## Information on directors

R V Adamson	Director
Qualifications	Retired electrical linesman, baker & pastrycook 30 years a Secretary & Committee member of Inverell Civilian Rifle Club. Current holder of RSA & RCG Statements of Attainment. Attended Clubs NSW Mandatory Directors Training 2019.
Experience	4 years as a Director
Special Responsibilities	Greens subcommittee
P J Dunlop	Junior Deputy Chairman
Qualifications	Gas Fitter & Engineer Gas Bottle Testing. Current holder of RSA & RCG Statements of Attainment, and attended Clubs NSW Mandatory Directors Training, 2015 & 2019
Experience	10 years as a Director
Special Responsibilities	Operational Compliance subcommittee
S L Dunlop	Director
Qualifications	Manager HealthShare. Management certificate IV, Certificate II in Hospitality, and currently holder of RSA & RCG Statements of Attainment. Attended Clubs NSW Mandatory Directors Training 2019, and Attended CDI Seminar Feb 2019
Experience	4 years as a Director in current term, additional 1 year experience in a previous term
Special Responsibilities	Operational Compliance subcommittee

### Information on directors continued

P W Harris	Director
Qualifications	Retired Farm Manager, current holder of RSA & RCG Statements of Attainment, attended Clubs NSW Mandatory Directors Training 2019.
Experience	3 years as a Director
Special Responsibilities	Greens subcommittee
M J Hauser	Director
Qualifications	Retired District Fisheries Officer. Current holder of RSA & RCG Statements of Attainment. Bowls Umpire. Cert IV in Training. Attended Clubs NSW Mandatory Directors Training 2019, Member of Club Directors Institute.
Experience	4 years as a Director
Special Responsibilities	AML/CTF subcommittee
A J Hobday	Chairman
Qualifications	Retired Accountant/Registered Tax Agent. Current holder of RSA & RCG Statements of Attainment, Member of Club Directors Institute and attended Clubs NSW Mandatory Directors Training, June 2018.
Experience	4 years as a Director
Special Responsibilities	Finance/AML/CTF subcommittee
D J Kachel	Senior Deputy Chairman
Qualifications	Retired business proprietor / motor mechanic / auto electrician, Past president Junior Rugby League, Treasurer Zone Junior Rugby League, The Inverell Legacy Club Inc. Legatee, life member Inverell Hawks Rugby League Club. Current holder of RSA & RCG Statements of Attainment, and attended Clubs NSW Mandatory Directors Training, June 2018. Member of Club Directors Institute, attended CDI Seminars December 2018 and February 2019, Member of Club Directors Institute. Volunteer at Homes for the Aged.
Experience	4 Years as a Director
Special Responsibilities	Operational Compliance subcommittee, Finance/AML/CTF subcommittee and Greens subcommittee
A L Mepham	Director
Qualifications	Retired motor mechanic in own business (12 years) and Inverell Shire Council (23 years). Life Member, past President and Committee member of Inverell Tennis Club. Past President of Inverell RSM GT Ford Car Club. Past committee member Northern Foreshores. Current holder of RSA & RCG Statements of Attainment, and attended Clubs NSW Mandatory Directors Training, June 2018.
Experience	4 years as a director
Special Responsibilities	Finance/AML/CTF subcommittee and Greens subcommittee
D W Radford	Director
Qualifications	Hawksbury Ag College Education, Farmer and Heavy Transport Operator 35 years, Construction Industry 7 Years, Mitre 10 Department manager 13 years, Current holder of RSA & RCG Statements of Attainment. Attended Clubs NSW Mandatory Directors Training 2019.
Experience	4 years as a Director
Special Responsibilities	Operational Compliance subcommittee

**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

**Inverell East Bowling Club Limited trading as Inverell Sporties**

ABN: 99 001 060 813

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Inverell East Bowling Club Limited trading as Inverell Sporties**

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.

*Forsyths*

Paul Cornall  
Principal

17 October 2021

121 Rusden St, Armidale NSW 2350

## Inverell East Bowling Club trading as Inverell Sporties

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### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Sales and member revenue	4	3,272,801	1,976,975
Cost of sales		<u>(927,098)</u>	<u>(498,567)</u>
Gross profit		2,345,703	1,478,408
Other sources of income	4	285,892	292,548
Administrative expenses		(1,339,067)	(981,126)
Depreciation Expense		(391,087)	(268,390)
Advertising and Marketing expenses		(18,919)	(26,689)
Occupancy costs		(316,589)	(229,240)
Other expenses		<u>(72,233)</u>	<u>(15,283)</u>
<b>Profit/(Loss) for the year</b>		<u><b>493,700</b></u>	<u>250,228</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>493,700</b></u>	<u>250,228</u>

The accompanying notes form part of these financial statements.



# Inverell East Bowling Club trading as Inverell Sporties

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## Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	777,740	363,558
Trade and other receivables	7	1,050	60,890
Inventories	8	48,835	37,212
Other financial assets	9	300,383	300,000
Other assets	10	5,000	30,695
TOTAL CURRENT ASSETS		<u>1,133,008</u>	<u>792,355</u>
NON-CURRENT ASSETS			
Other financial assets	9	10	10
Property, plant and equipment	11	2,740,409	2,425,786
TOTAL NON-CURRENT ASSETS		<u>2,740,419</u>	<u>2,425,796</u>
TOTAL ASSETS		<u>3,873,427</u>	<u>3,218,151</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	12	468,977	210,222
Borrowings	13	139,243	214,344
Employee benefits	14	145,112	101,308
Contract liabilities	15	2,202	1,900
TOTAL CURRENT LIABILITIES		<u>755,534</u>	<u>527,774</u>
NON-CURRENT LIABILITIES			
Borrowings	13	130,858	199,538
Employee benefits	14	5,811	5,250
Contract liabilities	15	1,935	-
TOTAL NON-CURRENT LIABILITIES		<u>138,604</u>	<u>204,788</u>
TOTAL LIABILITIES		<u>894,138</u>	<u>732,562</u>
NET ASSETS		<u>2,979,289</u>	<u>2,485,589</u>
<b>EQUITY</b>			
Accumulated surplus		<u>2,979,289</u>	<u>2,485,589</u>
TOTAL EQUITY		<u>2,979,289</u>	<u>2,485,589</u>

The accompanying notes form part of these financial statements.

## Inverell East Bowling Club trading as Inverell Sporties

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### Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Accumulated Surplus	Total
	\$	\$
<b>Balance at 1 July 2020</b>	<b>2,485,589</b>	<b>2,485,589</b>
Profit/(deficit) attributable to members	<b>493,700</b>	<b>493,700</b>
<b>Balance at 30 June 2021</b>	<b>2,979,289</b>	<b>2,979,289</b>

2020

	Accumulated Surplus	Total
	\$	\$
<b>Balance at 1 July 2019</b>	<b>2,235,361</b>	<b>2,235,361</b>
Profit/(deficit) attributable to members	<b>250,228</b>	<b>250,228</b>
<b>Balance at 30 June 2020</b>	<b>2,485,589</b>	<b>2,485,589</b>

The accompanying notes form part of these financial statements.

## Inverell East Bowling Club trading as Inverell Sporties

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### Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	3,978,030	2,431,794
Payments to suppliers and employees	(2,700,076)	(1,921,311)
Interest received	4,175	4,161
Net cash provided by/(used in) operating activities	20 <u>1,282,129</u>	<u>514,644</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	21,667	32,119
Purchase of property, plant and equipment	(745,450)	(870,527)
Proceeds/(purchases) from financial assets	(383)	151,468
Net cash provided by/(used in) investing activities	<u>(724,166)</u>	<u>(686,940)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds/(repayment) from borrowings	(143,781)	218,568
Net cash provided by/(used in) financing activities	<u>(143,781)</u>	<u>218,568</u>
Net increase/(decrease) in cash and cash equivalents held	414,182	46,272
Cash and cash equivalents at beginning of year	<u>363,558</u>	<u>317,286</u>
Cash and cash equivalents at end of financial year	6 <u><u>777,740</u></u>	<u><u>363,558</u></u>

The accompanying notes form part of these financial statements.

# Inverell East Bowling Club trading as Inverell Sporties

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## Notes to the Financial Statements

### For the Year Ended 30 June 2021

The financial report covers Inverell East Bowling Club Limited trading as Inverell Sporties as an individual entity. Inverell East Bowling Club Limited trading as Inverell Sporties is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Inverell East Bowling Club Limited trading as Inverell Sporties is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Revenue and other income

###### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Company are:

## Inverell East Bowling Club trading as Inverell Sporties

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### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 2 Summary of Significant Accounting Policies continued

##### (a) Revenue and other income continued

###### *Sale of goods*

Revenue is recognised on transfer of goods to the customer including bar, coffee bar and catering as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

###### *Interest revenue*

Interest is recognised using the effective interest method.

###### *Rendering of services*

Revenue in relation to rendering of services including poker machines, Keno, raffles, TAB and bingo are recognised upon delivery of the service to the customer.

###### *Subscriptions*

Revenue from the provision of membership subscriptions is recognised on a straight line basis over time during the financial year. Where the company receives membership fees for subsequent financial years this is recognised as a contract liability.

###### *Other income*

Other income is recognised on an accruals basis when the Company has an enforceable contract and met the performance obligations in the contract. Other sundry revenue is recognised when received.

##### (b) Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

##### (c) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

##### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included 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 is classified as operating cash flows.

# Inverell East Bowling Club trading as Inverell Sporties

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies continued

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (f) Inventories

Inventories are measured at the lower of cost and net realisable value.

#### (g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, where applicable, any accumulated depreciation and impairment.

##### Land and buildings

Freehold land and buildings are shown at their cost less, where applicable, any accumulated depreciation and impairment losses. The recoverable amount of buildings for not-for-profit entities is the current replacement cost discounted to current asset condition.

##### Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of 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 of plant and equipment for not-for-profit entities is the current replacement cost discounted to current asset condition.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	1.67%
Plant & Equipment, Furniture & Fittings	10-40%
Furniture, Fixtures and Fittings	5-50%
Motor Vehicles	22.50%
Gaming Machines	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **2 Summary of Significant Accounting Policies continued**

#### **(h) Poker machine entitlements**

The Company, as a result of State legislation, received for no cost, poker machine entitlements. These entitlements can be sold should the company decide to reduce, or cease, its poker machine activities. The company has not recorded the poker machine entitlements in the financial statements as there was no fair value on acquisition of these entitlements and there is no sufficiently deep and active market to determine changes in fair value as required by accounting standards.

#### **(i) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### **(j) Financial instruments**

##### **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

##### **Classification and Subsequent Measurement**

Financial assets and liabilities are subsequently measured at amortised cost.

##### **Investments classified at amortised cost**

The Company's investments in term deposits are measured at amortised costs using the effective interest rate method, with revenue recognised on an effective yield basis.

In addition, if there is objective evidence that the investment has been impaired the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

## **Inverell East Bowling Club trading as Inverell Sporties**

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### **Notes to the Financial Statements For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies continued**

##### **(j) Financial instruments continued**

###### **Financial liabilities at amortised cost**

The Vendor loans are measured at amortised cost using the effective interest method. Although, the loans are interest free the Company has not discounted the cash flow repayments over the life of the loan. The Company considers any discount due to the interest free terms would not be material to the financial statements.

##### **(k) New accounting standards for application in future periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

#### **3 Critical Accounting Estimates and Judgment**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - impairment of property, plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### **Key estimates- Useful lives of assets**

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.



# Inverell East Bowling Club trading as Inverell Sporties

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## Notes to the Financial Statements For the Year Ended 30 June 2021

### 4 Revenue and Other Income

#### Revenue from continuing operations

	2021	2020
	\$	\$
<b>Contracts with customers</b>		
<b>Sales and member revenue</b>		
- Bar Trading	1,027,037	698,463
- Poker Machines (net takings)	2,073,121	1,135,025
- Catering	8,969	17,039
- Coffee Bar	14,934	13,544
- Keno	37,624	28,716
- Raffles	61,838	42,014
- TAB	11,307	9,831
- Bingo	11,008	16,755
- Member subscriptions	23,390	10,773
- Functions and hire	3,573	4,815
	<b>3,272,801</b>	<b>1,976,975</b>

All revenue from contracts with customers are recognised at a point in time except membership subscriptions which are recognised over time.

	2021	2020
	\$	\$
<b>Other sources of revenue</b>		
- Interest received	4,175	4,161
- Insurance claim recovery	-	62,860
- Poker machine GST rebate and bushfire recovery	22,384	17,180
- Cash card rebate	33,518	20,686
- Wage subsidies	-	13,220
- COVID-19 subsidies	212,387	160,318
- Sundry income	13,428	14,123
	<b>285,892</b>	<b>292,548</b>

### 5 Result for the Year

The result for the year includes the following specific expenses:

	2021	2020
	\$	\$
Employee benefit expenses	970,990	686,231
Disposal of property, plant and equipment	18,073	15,283
Superannuation contributions	83,117	57,284
Sponsorship and Donations	17,003	3,048

## Inverell East Bowling Club trading as Inverell Sporties

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### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 6 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	777,740	363,558
	<u>777,740</u>	<u>363,558</u>

#### 7 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	1,050	5,390
Jobkeeper receivable	-	55,500
<b>Total current trade and other receivables</b>	<u>1,050</u>	<u>60,890</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 8 Inventories

	2021	2020
	\$	\$
CURRENT		
At cost:		
Finished goods	48,835	37,212
	<u>48,835</u>	<u>37,212</u>

#### 9 Other Financial Assets

##### Investments held at Amortised Cost

	2021	2020
	\$	\$
CURRENT		
Term Deposits	300,383	300,000
NON-CURRENT		
Other investments -at cost		
Regional Australia Bank Shares	10	10
	<u>10</u>	<u>10</u>

## Inverell East Bowling Club trading as Inverell Sporties

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### Notes to the Financial Statements

For the Year Ended 30 June 2021

#### 10 Other Assets

	2021	2020
	\$	\$
CURRENT		
Accrued income	-	2,713
TAB Security Deposit	5,000	5,000
Holding deposit clubhouse upgrade works	-	22,982
	<u>5,000</u>	<u>30,695</u>

## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 11 Property, plant and equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	67,500	67,500
Total Land	<u>67,500</u>	<u>67,500</u>
Buildings		
At cost	2,074,994	1,826,173
Accumulated depreciation	(679,984)	(620,862)
Total buildings	<u>1,395,010</u>	<u>1,205,311</u>
Total land and buildings	<u>1,462,510</u>	<u>1,272,811</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	607,394	410,743
Accumulated depreciation	(264,774)	(228,819)
Total plant and equipment	<u>342,620</u>	<u>181,924</u>
Furniture, fixtures and fittings		
At cost	579,637	547,532
Accumulated depreciation	(342,140)	(351,315)
Total furniture, fixtures and fittings	<u>237,497</u>	<u>196,217</u>
Motor vehicles		
At cost	52,433	52,433
Accumulated depreciation	(27,366)	(20,085)
Total motor vehicles	<u>25,067</u>	<u>32,348</u>
Gaming Machines		
At cost	1,288,338	1,154,475
Accumulated depreciation	(615,623)	(411,989)
Total Gaming machines	<u>672,715</u>	<u>742,486</u>
Total plant and equipment	<u>1,277,899</u>	<u>1,152,975</u>
<b>Total property, plant and equipment</b>	<u><u>2,740,409</u></u>	<u><u>2,425,786</u></u>

## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

### Notes to the Financial Statements

For the Year Ended 30 June 2021

#### 11 Property, plant and equipment continued

##### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Gaming Machines	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>							
Balance at the beginning of year	67,500	1,205,311	181,924	196,217	32,348	742,486	2,425,786
Additions	-	263,860	225,020	96,851	-	159,915	745,646
Disposals	-	(12,655)	(10,057)	(5,667)	-	(11,557)	(39,936)
Depreciation expense	-	(61,506)	(54,267)	(49,904)	(7,281)	(218,129)	(391,087)
<b>Balance at the end of the year</b>	<b>67,500</b>	<b>1,395,010</b>	<b>342,620</b>	<b>237,497</b>	<b>25,067</b>	<b>672,715</b>	<b>2,740,409</b>

## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 11 Property, plant and equipment continued

##### Revaluation of Land and Buildings

The Company engaged a valuer to conduct a valuation of land and buildings during the 2018/19 financial year. This valuation was based upon the alternative use valuation methodology and valued land and buildings at \$750,000. This valuation is not suitable for accounting purposes under AASB 13, therefore, the Company has decided to not make an adjustment to the value in the financial statements. The Company intends to conduct a valuation for accounting purposes in the future.

#### 12 Trade and Other Payables

	2021	2020
	\$	\$
Current		
Trade payables	87,947	16,420
GST payable	64,883	21,681
Payroll liabilities	83,239	63,775
Sundry payables and accrued expenses	232,908	108,346
	<u>468,977</u>	<u>210,222</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

#### 13 Borrowings

	2021	2020
	\$	\$
CURRENT		
Secured liabilities:		
Vendor loans	139,243	214,344
<b>Total current borrowings</b>	<u>139,243</u>	<u>214,344</u>
	2021	2020
	\$	\$
NON-CURRENT		
Secured liabilities:		
Vendor loans	130,858	199,538
<b>Total non-current borrowings</b>	<u>130,858</u>	<u>199,538</u>

Vendor loans are in relation to poker machine replacements and a quick pay cash redemption terminal. These loans are non-interest bearing and secured over the assets financed. Repayment are over a period of 25 months.

## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 14 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Long service leave	22,382	20,624
Annual leave	116,540	76,184
Additional employee entitlement provision	6,190	4,500
	<u>145,112</u>	<u>101,308</u>
	2021	2020
	\$	\$
Non-current liabilities		
Long service leave	5,811	5,250

#### 15 Contract Liabilities

	2021	2020
	\$	\$
Current		
Revenue and members subscriptions in advance	2,202	1,900
	<u>2,202</u>	<u>1,900</u>
Non-Current		
Revenue and members subscriptions in advance	1,935	-
	<u>1,935</u>	<u>-</u>

## **Inverell East Bowling Club trading as Inverell Sporties**

ABN: 99 001 060 813

# **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **16 Financial Risk Management**

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

#### **Credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

#### **Liquidity risk**

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

#### **Interest rate risk**

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities. The Company does not consider it has a material risk from interest rate risk as interest is only derived from term deposits and borrowings. This position is reviewed on an ongoing basis.

### **17 Key Management Personnel Remuneration**

The totals of remuneration paid to the key management personnel and Directors honorarium of Inverell East Bowling Club Limited trading as Inverell Sporties during the year are as follows:

The total remuneration paid to key management personnel of the Company is \$ 263,040 (2020: \$ 201,023).

### **18 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

### **19 Related Parties**

#### **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.



## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

### Notes to the Financial Statements

For the Year Ended 30 June 2021

#### 20 Cash Flow Information

##### Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Profit for the year	493,700	250,228
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	391,087	268,390
- net loss on disposal of property, plant and equipment	18,073	15,283
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	59,840	(83,768)
- (increase)/decrease in other assets	25,695	4,214
- (increase)/decrease in prepayments	-	20,913
- (increase)/decrease in inventories	(11,623)	(6,059)
- increase/(decrease) in income in advance	2,237	442
- increase/(decrease) in trade and other payables	258,755	20,909
- increase/(decrease) in employee benefits	44,365	24,092
Cashflows from operations	<u>1,282,129</u>	<u>514,644</u>

#### 21 Funds Held by the Bowling Sections

The women's bowling section of the Club (known as the 'Inverell Women's Bowling Club') held net assets at 30 June 2021 of \$41,921 (2020:\$39,239) and had a profit for the year of \$1,195 (2020:-\$3,276). The men's bowling section of the Club (known as the 'Inverell East Men's Bowling Club') held net assets at 30 June 2020 of \$14,026 (2019:\$20,332) and had a loss for the year of \$6,306 (2019:profit \$5,665). These funds have been generated by the activities of the members in these sections. These funds have not been shown in the statement of financial position, but under Club's By-Law 2012, 'any funds of the Bowling sections in excess of reasonably foreseeable needs shall, upon request, be paid to the Board and become part of the general funds of the Club'. The Directors believe that at reporting date it is not practical to consolidate these results with those of the Company.

## **Inverell East Bowling Club trading as Inverell Sporties**

ABN: 99 001 060 813

### **Notes to the Financial Statements For the Year Ended 30 June 2021**

#### **22 Impact of COVID-19**

During the second half of 2019-20 financial year an exceptional event occurred - the Coronavirus (COVID-19) pandemic, bringing unprecedented restrictions from the Australian Government on travel, gatherings, movements and work for non-essential businesses with the aim of containing the spread of the virus.

The Company continues to be impacted, subsequent to balance date, by Government restrictions including closure of the Club during State imposed lockdowns. This will impact the core trading activities during the lockdown period, though the Company will look to reduce this impact as they consider if the Company is eligible for any government stimulus payments or subsidies. When the easing of restrictions occurs the Club is expected to be able to return to normal operations with suitable restrictions on physical distancing.

Directors and management acknowledge there is a continuing uncertainty regarding the ongoing impact of COVID-19, especially if the Government was to impose further lockdowns in NSW and again force clubs to close. Directors and management continue to consider it would obtain suitable Government support and has sufficient financial resources to be able to operate if this was to occur.

#### **23 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 17 October 2021 by the board of directors.

There has been club closure due to COVID-19 lockdown after the reporting period. The impact of the closure has been noted in detail in Note 22. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

#### **24 Statutory Information**

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

Inverell East Bowling Club trading as Inverell Sporties  
35 Glen Innes Rd  
Inverell NSW 2360

# Inverell East Bowling Club Limited trading as Inverell Sporties

ABN: 99 001 060 813

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Chairman .....  
A J Hobday

Senior Deputy Chairman .....  
D J Kachel

Dated 17 October 2021

## **Inverell East Bowling Club Limited trading as Inverell Sporties**

# **Independent Audit Report to the members of Inverell East Bowling Club Limited trading as Inverell Sporties**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Inverell East Bowling Club Limited trading as Inverell Sporties (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

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

#### **Responsibilities 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

**Inverell East Bowling Club Limited trading as Inverell Sporties**

## **Independent Audit Report to the members of Inverell East Bowling Club Limited trading as Inverell Sporties**

### **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 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.

*Forsyths*

Paul Cornall  
Partner

Armidale, NSW  
17 October 2021

## **Inverell East Bowling Club trading as Inverell Sporties**

ABN: 99 001 060 813

**For the Year Ended 30 June 2021**

### **Disclaimer**

The additional financial data presented on 29-32 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2021. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Inverell East Bowling Club Limited trading as Inverell Sporties) in respect of such data, including any errors or omissions therein however caused.

*Forsyths*

Paul Cornall  
Partner

Armidale, NSW  
17 October 2021

## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>Bar Trading</b>		
<b>Sales revenue</b>		
Sales	1,027,037	698,463
<b>Cost of sales</b>		
Purchases and stock movements	<u>(503,508)</u>	<u>(314,573)</u>
<b>Gross profit</b>	<u>523,529</u>	<u>383,890</u>
<b>Gross profit (%)</b>	50.97 %	54.96 %
<b>Less: Direct expenses</b>		
Wages	<u>(431,686)</u>	<u>(279,361)</u>
<b>Net profit / (loss)</b>	<u><u>91,843</u></u>	<u><u>104,529</u></u>
<b>Poker Machines</b>		
<b>Sales revenue</b>		
Net Poker Machine Takings	2,073,121	1,135,025
<b>Cost of sales</b>		
Direct expense	<u>(304,165)</u>	<u>(105,196)</u>
<b>Net profit / (loss)</b>	<u><u>1,768,956</u></u>	<u><u>1,029,829</u></u>
<b>Bistro Rent and Sales</b>		
<b>Sales revenue</b>		
Catering rent/catering sales	8,969	17,039
<b>Cost of sales</b>		
	<u>8,969</u>	<u>17,039</u>
<b>Gross profit</b>	<u>8,969</u>	<u>17,039</u>
<b>Gross profit (%)</b>	<u>100.00 %</u>	<u>100.00 %</u>
<b>Net profit / (loss)</b>	<u><u>8,969</u></u>	<u><u>17,039</u></u>

## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>Coffee Bar</b>		
<b>Sales revenue</b>		
Sales	14,934	13,544
<b>Cost of sales</b>		
Purchases and stock movements	(10,967)	(11,142)
<b>Gross profit</b>	<u>3,967</u>	<u>2,402</u>
<b>Gross profit (%)</b>	<u>26.56 %</u>	<u>17.73 %</u>
<b>Net profit / (loss)</b>	<u>3,967</u>	<u>2,402</u>
<b>Keno</b>		
<b>Income</b>		
Keno Income	37,624	28,716
<b>Cost of sales</b>		
Keno expense	(12,289)	(3,914)
<b>Net profit / (loss)</b>	<u>25,335</u>	<u>24,802</u>
<b>Raffles</b>		
<b>Income</b>		
Raffles	61,838	42,014
<b>Cost of sales</b>		
Raffles	(63,891)	(41,128)
<b>Net profit / (loss)</b>	<u>(2,053)</u>	<u>886</u>
<b>TAB</b>		
<b>Income</b>		
TAB Income	11,307	9,831
<b>Cost of sales</b>		
Direct expense	(18,680)	(19,446)
<b>Net profit / (loss)</b>	<u>(7,373)</u>	<u>(9,615)</u>
<b>Bingo</b>		
<b>Income</b>		
Bingo income	11,008	16,755
<b>Cost of sales</b>		
Direct expenses	(13,598)	(9,010)
<b>Net profit / (loss)</b>	<u>(2,590)</u>	<u>7,745</u>



## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

### Profit and Loss Account

	2021	2020
	\$	\$
<b>Sales and membership</b>		
Bar Trading	1,027,037	698,463
Poker Machines	2,073,121	1,135,025
Catering rent	8,969	17,039
Coffee Bar	14,934	13,544
Raffles	61,838	42,014
Keno	37,624	28,716
Bingo	11,008	16,755
TAB	11,307	9,831
Functions and hire	3,573	4,815
Member subscriptions	23,390	10,773
<b>Total sales</b>	<b>3,272,801</b>	<b>1,976,975</b>
Cost of sales	(927,098)	(498,567)
<b>Gross Profit</b>	<b>2,345,703</b>	<b>1,478,408</b>
<b>Less: Expenses</b>		
Auditors remuneration	16,270	16,090
Bank charges	5,846	2,276
Cleaning	10,633	16,860
Computer expenses	45,909	40,075
Consumables	7,456	12,267
Sponsorship and Donations	17,003	3,048
Bowls Expense	(428)	1,611
Filing fees	672	-
Bowls Affiliation Fees	-	1,159
Mens Bowls Section	-	1,000
Womens Section	(10)	-
Freight & Cartage	496	102
Gas	2,722	2,870
Legal Expenses	4,438	6,221
Long service leave	2,319	3,088
Advertising and Marketing	18,919	26,689
Members Amenities	107,359	81,120
Occupancy costs	316,589	229,240
Other expenses	13,985	1,548
Movement in Employee Entitlement Provisions	43,637	20,503
Permits, licences and fees	3,233	8,175
Postage	712	2,276
Printing and stationery	7,112	4,193
Salaries	887,035	631,353
Directors expenses	6,509	6,991
Staff training	19,558	16,240
Superannuation contributions	83,117	57,284
Telephone and fax	13,231	13,323
Officer's Honoraria	12,468	12,930
Trade Journals & Affiliation Fees	1,352	1,049

## Inverell East Bowling Club trading as Inverell Sporties

ABN: 99 001 060 813

### Profit and Loss Account

	2021	2020
	\$	\$
Uniforms	7,992	2,427
Workers compensation	18,441	15,047
Depreciation	391,087	268,390
	<u>2,065,662</u>	<u>1,505,445</u>
<b>Trading Profit/(Loss)</b>	<b>280,041</b>	<b>(27,037)</b>
<b>Other operating income/(expense)</b>		
Interest received	4,175	4,161
Insurance claim recovery	-	62,860
Poker machine GST rebate	22,384	17,180
Cash card rebate	33,518	20,686
Wage subsidies	-	13,220
COVID-19 subsidies	124,500	139,500
Other COVID-19 subsidies	87,887	20,818
Sundry income	13,428	14,123
Other expenses	(72,233)	(15,283)
	<u>213,659</u>	<u>277,265</u>
<b>Profit before income tax</b>	<b>493,700</b>	<b>250,228</b>