



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the ANNUAL GENERAL MEETING of
Dapto Citizens Bowling Club Limited
will take place on Sunday 24th September 2023 at 9.30am in the Clubhouse.

AGENDA OF ANNUAL GENERAL MEETING

1. Call for apologies and welcome guests.
2. To Confirm the Minutes of the previous Annual General Meeting.
3. To confirm the Patrons for the ensuing year.
4. To receive and consider the Directors Report and Declaration, Report of the Auditor and Financial Statements.
5. To consider the Ordinary Resolutions set out below.
6. To consider the Special Resolution set out below.
7. To deal with any business of which due notice has been given.

MEMBERS PLEASE NOTE

Members are requested to advise the Secretary Manager in writing, seven (7) days prior to the date of the Annual General Meeting of any query relating to the Financial Report on which further information may be required. Such information will be extracted from the records and be available at the Annual General Meeting.

ANNUAL REPORT

Members can access a copy of the 2022/2023 Annual Report by going to the Club's website www.citos.com.au or by contacting club administration.

FIRST ORDINARY RESOLUTION

- (a) That the members hereby approve expenditure by the Club until the next Annual General Meeting of the Club for the following:
 - (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
 - (ii) The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.
 - (iii) The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.

- (iv) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
 - (v) The reimbursement of reasonable out of pocket expenses incurred by directors travelling to and from Board meetings or other duly constituted meetings of any committee of the Board.
 - (vi) The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
 - (vii) The reasonable cost of Club apparel being provided to directors as required.
- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors of the Club.

Notes to Members on First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors in respect of their duties. Included in the First Ordinary Resolution is the reasonable cost for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.

Procedural Matters

2. To be passed, the First Ordinary Resolution must receive votes from not less than a majority of those members who, being eligible to do so, vote in person on the First Ordinary Resolution at the meeting.
3. In accordance with the requirements of the Corporations Act 2001, the First Ordinary Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
4. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

SECOND ORDINARY RESOLUTION

That the members hereby approve:

- (a) Subject to (b), (c) and (d) below, the payment of the following honorariums to the following directors for services until the next Annual General Meeting of the Club:

(i)	President	-	\$7,800.00
(ii)	Bowls Secretary	-	\$10,000.00
- (b) Such honorariums to be paid by monthly or such other instalments as the Club and the director may agree from time to time.
- (c) If the director only holds office for part of the term, the honorarium shall be paid on a pro-rata basis.
- (d) If the Club engages a Bowls Coordinator then the honorarium paid to the Bowls Secretary will be paid up to the date of commencement of the Bowls Coordinator but not after commencement.

Notes to Members on Second Ordinary Resolution

1. The Second Ordinary Resolution is to have the members approve honorariums for the President and Bowls Secretary of the Club for duties to be performed by them until the next Annual General Meeting.
2. The honorariums will be paid on a pro-rata basis which means that if the director only holds office for part of the year the director will only receive part of the honorarium.
3. With regard to the honorarium to the Bowls Secretary, if the Club engages a Bowls Coordinator then the honorarium will cease when the Bowls Coordinator commences duties.

Procedural Matters

4. To be passed, the Second Ordinary Resolution must receive votes in its favour from a majority of those members who, being eligible to do so, vote in person on the Second Ordinary Resolution at the meeting.
5. In accordance with the requirements of the Corporations Act 2001, the Second Ordinary Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
6. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

FIRST SPECIAL RESOLUTION

That the members of Dapto Citizens Bowling Club Limited (**Club**) confer Life Membership on Mr Roy Logan (Member:311), in recognition of his outstanding service to the Club over many years.

Notes to Members on First Special Resolution

1. On the 29th August 2023, the Board of the Club received a nomination for Mr Roy Logan to be admitted to Life membership of the Club. The nomination was proposed by Ian Bailey (Member:20) and seconded by Barry Yates (Member:1324).
2. Roy Logan joined Dapto Citizens Bowling Club in 1984 and served the club in many capacities. Including- Board member, Vice President 2000- Current. He won a number of club championships and has been fundamental in work behind the scenes for the club for over 30 years.
3. In accordance with Rule 10.17 of the Club's Constitution, at its meeting on the 29th August 2023, the Board unanimously approved the nomination and agreed to refer it for the consideration of the members at the next General Meeting of the Club, being this Annual General Meeting.
4. The Board recommends the First Special Resolution be adopted by members.

Procedural Matters

5. To be passed, the First Special Resolution must receive votes in favour from not less than three-quarters (75%) of those members who, being eligible to do so, vote in person on the resolution at the meeting.
6. Only Life members and financial Playing Members are entitled to vote on the First Special Resolution.
7. In accordance with the requirements of the Corporations Act 2001, the First Special Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
8. Under the Registered Clubs Act:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

Dated August 2023

By direction of the Board

Shaun Parnis

Secretary Manager

GENERAL MANAGER'S REPORT

FOR THE YEAR ENDED 31 MAY 2023

Financial year 2022/2023 finally saw a full twelve months of trade and we saw the back of Covid restrictions, closures and the chance to move forward. We have come out the other side of some daunting times for the industry. Strong leadership from the board led to a great result for the club, not only financially, but Citos can make claim to the home of the cheapest beverages and cheapest place to play bowls in the country, true to the clubs mission statement.

As always, the club's success would not be achievable without the support of the board. Sadly, we lost our leader in Noel at the back end of the financial year. He along with the rest of the board created a great working environment, full of support, vision, and confidence to achieve all the goals of the club. Ian Bailey has stepped up into the Presidency role, I look forward to working with him to continue our clubs success.

On the greens, welcome to David and Chris, along with Rod and Max, have given the greens and surrounds a new lease on life, your efforts are appreciated.

Thanks to Warren Haviland as Bowls Secretary and Shaun Doyle his assistant, who ensure that the social bowls run smoothly, it is often a thankless job. Warren has found his niche and has done a great effort on keeping everything ticking over and keeping the bowlers fully informed.

To the bar staff, who continually try to pursue to offer a better service for our members and guests, they are the frontline of the club and do a terrific job to create a welcoming atmosphere in the club.

To the volunteers of the club, whom there are many, a sincere thankyou and public appreciation, your work behind the scenes is often done without thanks.

The club has seen many aesthetic changes as well as changes that will have great social benefit, we hope you continue to enjoy the amenities.

The club has made numerous and significant contributions to the local community throughout this year. Management and Board are readily mindful of our purpose and commitment to the local community.

Finally, to the members who support this wonderful club day in and day out, thank you. You are the foundation of this club, and your support is appreciated.

Shaun Parnis
General Manager

PRESIDENT'S REPORT

FOR THE YEAR ENDED 31 MAY 2023

To the members

I would like to first acknowledge my predecessor and long-term president the late Noel Hawke, for his contribution to our great club and my deepest condolences to his family.

Moving forward the board will continue to try and improve the club for its members, Citos is in a strong position, but we will not rest on our laurels and will continue to evolve.

To our CEO Shaun Parnis, congratulations on the success you have had and are continuing to have with our club, with another outstanding profit of over \$1 million a big thank you from all our members, your hard work and dedication you show is putting our club in a strong financial position looking to the future.

To the bar and office staff well done on an outstanding effort over the last year. A big thank you to the green staff- Dave, Chris, Rod and Max for the work and commitment shown and achieving great results with our greens.

To the directors and bowls office thank you for everything you have contributed over the last year.

To all our bowling members a great year had by all, whether winning or losing you always try your best and play in the right spirit, doing the club proud.

To our social members thank you for choosing our club as your local and supporting the local community.

To members or family of members we have lost throughout the year my deepest condolences.

Ian Bailey
President

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Financial Statements

For the Year Ended 31 May 2023

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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For the Year Ended 31 May 2023

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Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2023

Your Directors present their report on Dapto Citizens Bowling Club Limited ("the Club") for the financial year ended 31 May 2023.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Office Held	Years' Experience	Experience & Qualifications
N D Hawke ⁴	President	26	Business owner - Excavations
I Bailey ⁵	President	12	Warehouse Supervisor
R Logan	Vice President	26	Coal Miner
D Batey	Director	14	Water Treatment Technician
S Low	Director	10	Quantity Surveyor
B McCann	Director	8	Service Manager
B Yates ¹	Director	1	Retired Public Transport Operator
R Dowse ¹	Director	1	Retired Manager of Corporate Services
J Embelton ^{1,3}	Director	1	Retired Miner
D Coleman ²	Director	9	Steel Worker
J Fitzgerald ²	Director	1	Retired Police Officer

1. Appointed as at 25 October 2022

2. Resigned as at 25 October 2022

3. Resigned as at 24 April 2023

4. Date of passing was 24 June 2023

5. Elected by the Board as President, effective from 24 June 2023

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

Review of operations

The surplus of the Club for the year amounted to \$1,062,319 (2022: \$486,849).

Principal activities

The principal activities of the Club during the financial year were to maintain and conduct a Bowling Club for the accommodation of the members of the Club, to promote the game of Bowls and to encourage social activities between the members of the Club.

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

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2023

Short term objectives

The Club's short term objectives are to continue to provide quality facilities for the benefit of members and guests.

Long term objectives

From a long-term perspective, the Club seeks to improve the facilities and services that we can offer to our members and to place the Club in a position that ensures sustainability and viability for the future operations of the Club.

Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- implement cost cutting measures to areas that are deemed non-value added; and
- to overview current activities of the Club and diversify into different activities that will appeal to many in the local community.

Members' guarantee

Dapto Citizens Bowling Club Limited is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Club, 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 \$10, subject to the provisions of the Club's constitution.

At 31 May 2023 the collective liability of members was \$ 19,630 (2022: \$19,750).

Non-audit services

The Board of Directors, are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that these services disclosed in the notes to the financial statements did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of services provided does not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2023

Meetings of directors

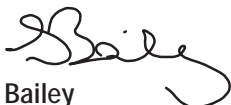
During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
N D Hawke	9	12
R Logan	12	12
D Batey	7	12
I Bailey	10	12
S Low	12	12
B McCann	12	12
B Yates	7	8
R Dowse	8	8
J Embelton	3	6
D Coleman	4	4
J Fitzgerald	4	4

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 May 2023 has been received and can be found on page 4 of the financial report.

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



I Bailey
President

Dated: 29 August 2023



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Dapto Citizens Bowling Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2023, 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.

Daley Audit
Daley Audit

Michael Mundt
Michael Mundt
Partner

Dated: 29 August 2023

Wollongong

4.

Wollongong

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ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.



Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 May 2023

	Note	2023 \$	2022 \$
Revenue	4	4,250,068	2,558,380
Other income	4	268,408	290,789
		<u>4,518,476</u>	<u>2,849,169</u>
Direct costs - cost of bar goods sold		(639,808)	(359,235)
Direct costs - gaming		(481,636)	(213,579)
Employee benefits expense		(960,819)	(736,953)
Finance expenses		(252)	(157)
Depreciation expense		(348,761)	(342,666)
Loss on disposal of assets		(33,073)	(45,934)
Promotion expenses		(253,110)	(135,232)
Property costs		(407,296)	(306,619)
Other operating expenses		(331,402)	(221,945)
		<u>1,062,319</u>	<u>486,849</u>
Result for the year		1,062,319	486,849
Other comprehensive income for the year		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year		1,062,319	486,849

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Balance Sheet

As at 31 May 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,709,138	2,602,288
Trade and other receivables	7	42,250	11,835
Inventories	8	86,258	86,917
Term deposit	9	2,000,000	-
Prepayments		34,541	38,105
TOTAL CURRENT ASSETS		<u>3,872,187</u>	<u>2,739,145</u>
NON-CURRENT ASSETS			
Intangible assets	10	568,346	568,346
Property, plant and equipment	11	6,033,747	6,116,018
TOTAL NON-CURRENT ASSETS		<u>6,602,093</u>	<u>6,684,364</u>
TOTAL ASSETS		<u>10,474,280</u>	<u>9,423,509</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	234,433	244,586
Borrowings	13	3,939	3,688
Employee benefits	14	287,327	276,167
TOTAL CURRENT LIABILITIES		<u>525,699</u>	<u>524,441</u>
NON-CURRENT LIABILITIES			
Employee benefits	14	7,804	20,610
TOTAL NON-CURRENT LIABILITIES		<u>7,804</u>	<u>20,610</u>
TOTAL LIABILITIES		<u>533,503</u>	<u>545,051</u>
NET ASSETS		<u>9,940,777</u>	<u>8,878,458</u>
EQUITY			
Retained earnings		<u>9,940,777</u>	<u>8,878,458</u>
TOTAL EQUITY		<u>9,940,777</u>	<u>8,878,458</u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Statement of Changes in Equity

For the Year Ended 31 May 2023

	Retained Earnings \$
Balance at 1 June 2022	8,878,458
Result for the year	<u>1,062,319</u>
Balance at 31 May 2023	<u><u>9,940,777</u></u>
Balance at 1 June 2021	8,391,609
Result for the year	<u>486,849</u>
Balance at 31 May 2022	<u><u>8,878,458</u></u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Statement of Cash Flows

For the Year Ended 31 May 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,746,851	2,864,814
Other receipts	208,143	273,575
Interest received	33,414	302
Payments to suppliers and employees	(3,581,994)	(2,276,921)
Finance costs	(252)	(157)
Net cash provided by operating activities	<u>1,406,162</u>	<u>861,613</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(299,563)	(148,230)
Proceeds from disposal of assets	-	18,182
Purchase of financial assets	(2,000,000)	-
Net cash used by investing activities	<u>(2,299,563)</u>	<u>(130,048)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds/(repayment) of borrowings	251	(898)
Net cash provided by/(used by) financing activities	<u>251</u>	<u>(898)</u>
Net increase/(decrease) in cash and cash equivalents held	(893,150)	730,667
Cash and cash equivalents at beginning of year	<u>2,602,288</u>	<u>1,871,621</u>
Cash and cash equivalents at end of financial year	6 <u><u>1,709,138</u></u>	<u><u>2,602,288</u></u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

The financial report covers Dapto Citizens Bowling Club Limited ("the Club") as an individual entity. The Club is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Club 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 - Simplified Disclosure Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 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 Club 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; and
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.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

2. Summary of Significant Accounting Policies

(a) Revenue and other income

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

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

Bar sales and poker machine income

Revenue is recognised at the point the customer purchases the goods and services at the venue. Payment of the transaction price is due immediately at the time of purchase.

Commission income

Commission income is recognised over the period in which the related services are rendered.

Membership subscriptions

Membership services requires the annual subscription payment to be made upfront. A contract liability is recognised on receipt of the payment and recognised on a straight-line basis as revenue as the services are provided.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rental income

Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Government COVID-19 Stimulus income

Income received recognised in the period in which they are incurred. This is generally consistent with when amounts are receivable.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

2. Summary of Significant Accounting Policies

(b) Borrowing costs

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

(c) Income tax

The Club is exempt from income tax under Division 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 payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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 ATO is classified as operating cash flows.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments 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. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision, if necessary.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

2. Summary of Significant Accounting Policies

(g) Leases

At inception of a contract, the Club assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Exceptions to lease accounting

The Club has elected to apply the exceptions to lease accounting for leases of low-value assets. The Club recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Financial instruments

Financial instruments are recognised initially on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

(i) Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

The Club classifies its financial assets as those measured at amortised cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

2. Summary of Significant Accounting Policies

(h) Financial instruments

(i) Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment, including forward looking information.

The Club uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

2. Summary of Significant Accounting Policies

(h) Financial instruments

(i) Financial assets

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in bad debt expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Club renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(ii) Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Club comprise trade and other payables and bank loans.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

2. Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

At the end of each reporting period the Club determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(j) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2 - 4%
Plant and Equipment	5 - 40%
Furniture, Fixtures and Fittings	5 - 20%
Motor Vehicles	22.5 - 25%
Poker Machines	22.5%

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2023

2. Summary of Significant Accounting Policies

(j) Property, plant and equipment

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.

(k) Employee benefits

Defined benefit contributions

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The obligations are presented as current liabilities in the balance sheet if the Club does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(l) New and amended standards adopted by the Club

The Club has applied the following standards and amendments for their annual reporting period commencing 1 June 2022:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

2. Summary of Significant Accounting Policies

(l) New and amended standards adopted by the Club

The Club adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities in the current year. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the Club previously complied with Australian Accounting Standards – Reduced Disclosure Requirements in preparing its financial statements.

3. Critical Accounting Estimates and Judgements

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 Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club 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 depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

Key estimates - employee benefits

As described in the accounting policies, long service leave provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2023

4. Revenue and Other Income

	2023	2022
	\$	\$
Revenue from contracts with customers		
- Poker machine revenue	2,260,741	1,382,638
- Bar sales	1,580,983	937,280
- TAB and Keno revenue	170,324	114,621
- Raffle income	156,409	59,252
- Green fees and raffles	33,125	28,666
- Subscriptions and nominations	18,167	24,909
- Bingo revenue	30,319	11,014
	<u>4,250,068</u>	<u>2,558,380</u>
Other income		
- Rental income	181,782	166,409
- Interest income	33,414	303
- Other revenue	53,212	31,299
- Government COVID-19 stimulus income	-	92,778
	<u>268,408</u>	<u>290,789</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated; the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	4,231,901	2,533,471
- Over time	18,167	24,909
	<u>4,250,068</u>	<u>2,558,380</u>

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

5. Result for the Year

	2023	2022
	\$	\$
	Note	
Superannuation contributions	87,077	62,100

6. Cash and cash equivalents

Cash on hand	218,700	218,700
Cash at bank	1,490,438	2,383,588
	<u>1,709,138</u>	<u>2,602,288</u>

7. Trade and other receivables

Trade receivables from contracts with customers	42,250	11,835
Provision for impairment	(a) -	-
	<u>42,250</u>	<u>11,835</u>

(a) Impairment of receivables

The Club applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 May 2023 is determined and incorporates forward looking information.

8. Inventories

Finished goods - at cost	86,258	86,917
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9. Term Deposit

CURRENT		
Term deposit	<u>2,000,000</u>	-

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

10. Intangible Assets

	2023	2022
	\$	\$
Gaming machine entitlements - at cost	<u>568,346</u>	<u>568,346</u>

11. Property, plant and equipment

Land and buildings	7,371,986	7,292,611
Accumulated depreciation	(2,209,286)	(2,052,588)
Work in progress	10,989	24,639
	<u>5,173,689</u>	<u>5,264,662</u>
Plant and equipment		
At cost	813,889	784,488
Accumulated depreciation	(384,272)	(335,146)
	<u>429,617</u>	<u>449,342</u>
Furniture, fixtures and fittings		
At cost	335,057	393,345
Accumulated depreciation	(120,759)	(157,883)
	<u>214,298</u>	<u>235,462</u>
Motor vehicles		
At cost	50,335	50,335
Accumulated depreciation	(27,098)	(14,514)
	<u>23,237</u>	<u>35,821</u>
Poker machines		
At cost	1,388,604	1,357,359
Accumulated depreciation	(1,195,698)	(1,226,628)
	<u>192,906</u>	<u>130,731</u>
Total property, plant and equipment	<u><u>6,033,747</u></u>	<u><u>6,116,018</u></u>

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2023

11. Property, plant and equipment

(a) 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 and Buildings	Plant and Equipment	Furniture, and Fixtures	Motor Vehicles	Poker Machines	Total
Balance at the beginning of year	\$ 5,264,662	\$ 449,342	\$ 235,462	\$ 35,821	\$ 130,731	\$ 6,116,018
Additions	115,491	41,902	2,273	-	139,897	299,563
Disposals	(28,138)	(2,986)	-	-	(1,949)	(33,073)
Depreciation expense	(178,326)	(58,641)	(23,437)	(12,584)	(75,773)	(348,761)
Balance at the end of the year	5,173,689	429,617	214,298	23,237	192,906	6,033,747

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

11. Property, plant and equipment

(b) Core and Non-Core Property

As required under section 41J of the *Registered Clubs Act 1976*, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises and car park from which the Club operates at Fowlers Road, Dapto.

The properties located at 30, 32, 34 and 36 Craig Crescent Dapto, 16 Toronto Avenue Dapto and 10 Rink Road Dapto are not considered to be core properties of the Club given that they are not the defined premises of the Club, nor facilities provided by the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the Club.

(c) Security held

The property located at 102-106 Fowlers Road Dapto is given as security under a Registered Mortgage to ANZ Bank Limited. Refer note 13 (a) for details of the loan.

12. Trade and other payables

	2023	2022
Note	\$	\$
Trade and other payables	225,933	235,972
Contract liabilities - deferred income	8,500	8,614
	<u>234,433</u>	<u>244,586</u>

13. Borrowings

Secured liabilities:

Interest bearing bank loans	(a) <u>3,939</u>	<u>3,688</u>
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(a) Securities pledged

The loan is secured by a registered mortgage over the licensed Club premises situated at 102-106 Fowlers Road, Dapto. Refer to note 11(c).

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

14. Employee benefits

	2023	2022
	\$	\$
CURRENT		
Annual and long service leave	<u>287,327</u>	<u>276,167</u>
NON-CURRENT		
Long service leave	<u>7,804</u>	<u>20,610</u>

15. Interests of Key Management Personnel

Total remuneration paid to key management personnel of the Club was \$ 239,571 (2022: \$221,507).

16. Auditors' Remuneration

Remuneration of the auditor Daley Audit, for:

- auditing financial statements	20,650	19,650
- taxation services	19,970	18,920
	<u>40,620</u>	<u>38,570</u>

17. Related Party Transactions

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

Key Management Personnel often participate in bowling activities whereby they can receive prize monies and vouchers. These prizes are received under the normal terms and conditions applicable to all members participating in such activities and are not considered to be remuneration, and hence have not been included in the disclosures of note 15.

Key Management Personnel are provided with and/or reimbursed for the reasonable costs of meals, drinks and other expenses incurred in the course of undertaking the Club's business. These costs are not considered to be remuneration and have not been included in this disclosure.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2023

18. Fair Value Measurement

The Club does not hold any classes of assets or liabilities that are measured at fair value in the statement of financial position after initial recognition.

19. Contingencies

(a) Capital Commitments

The Club entered into a capital commitment for building upgrades for \$nil (2022: \$52,241).

(b) Lease Receivables

	2023	2022
	\$	\$
Operating lease rentals receivable	<u>47,254</u>	<u>28,756</u>

The above includes property lease commitment receivables for properties owned by the Club with terms varying with a maximum of 12 months.

20. Events after the end of the Reporting Period

The financial report was authorised for issue on 29 August 2023 by the Board of Directors.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial periods.

21. Statutory Information

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

102 -106 Fowlers Road
Dapto NSW 2530

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 5 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standards;
 - b. give a true and fair view of the financial position as at 31 May 2023 and of the performance for the year ended on that date of the Club.
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.



I Bailey
President

Dated: 29 August 2023



Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Dapto Citizens Bowling Club Limited ("the Club"), which comprises the balance sheet as at 31 May 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Club's financial position as at 31 May 2023 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosure Standard and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.





Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 31 May 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

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

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

These Directors are responsible for overseeing the general purpose financial statements - Simplified Disclosure Standard's financial preparation process.

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.



Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Daley Audit
Daley Audit

Michael Mundt
Michael Mundt
Partner

Wollongong

Dated: 29 August 2023

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