



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 7th November 2021 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 deal with any business of which due notice has been given.
7. General business.

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 2020/2021 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 permanent Bowls Co-ordinator then the honorarium paid to the Bowls Secretary will be paid up to the date of commencement of the Bowls Co-ordinator 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 Co-ordinator then the honorarium will cease when the Bowls Co-ordinator 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.

Dated 13th October 2021

By direction of the Board

Shaun Parnis- Secretary Manager

GENERAL MANAGERS REPORT

FOR THE YEAR ENDED 31 MAY 2021

Financial year 2020/2021 started like no other, Covid restrictions forced the club to be shutdown, seeing the world face a one in one hundred year pandemic. The industry was faced with many restrictions upon reopening, with the major restriction being numbers in the club. For the board and management it was a balancing act between getting people in the club whilst not breaching public health orders. Strategies were set to overcome these challenges. High praise must go to the board who unified and worked with myself to ensure the club would make it through to the light at the end of the tunnel in a strong, sustainable position. Despite all these challenges the club was able to produce a record trading profit for the year.

I would like to take this chance to thank Noel and the board of directors for the working relationship/environment they have provided me with throughout the year and to thank them for their support, vision and ability to work as a team to achieve these great results for the club.

On the greens, thanks to Michael, Jackson and Rod, whose efforts have produced top class greens for our members to play on a daily basis. Special mention to Max who loves to get out and roll the greens with the boys.

Thanks to Brett Bailey as Bowls Secretary, Jon Fitzgerald and the team of volunteers who ensure that the social bowls run smoothly, it is a thankless job but it is much appreciated. Again thanks to Nat for her work with the juniors and being involved in the administration of bowls.

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, who 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

Secretary/Manager

PRESIDENTS REPORT FOR THE YEAR ENDED 31 MAY 2021

To all Members

I would like to report on the progress of the Club for the period 2020-2021. We are proud to report a profit of \$1,096,811. A great result considering the club had to recover from the closure of the club due to Covid 19.

I'd like to say congratulations and thank you to our Secretary/Manager Shaun Parnis, you have continued to do an excellent job, with another great result for the club.

I'd also like to take this opportunity to say a big thank you to all staff including administration and bar for all their hard work and dedication to our club over the past twelve months.

I'd like to thank our Head Green Keeper Michael Stead, and his apprentice Jackson, along with the help of Rod for the hard work they have done in maintaining our greens and getting our greens ready to the highest order.

In the bowls office welcome to Nat and many thanks to Brett Bailey (Bowls Secretary) as well as all the volunteers who help with the running of the bowls on a daily basis. Special mention to Jon Fitzgerald who as well as helping with social bowls, doubles as club coach.

To all our championship winners, Congratulations. I would also like to thank all bowlers for your commitment and sportsmanship on and off the green. Good luck to all our bowlers next year.

To Madam President Darlene Woods and Lady Bowlers, congratulations on your achievements throughout the year.

To all members who have lost loved ones this year I would like to extend to you and your family our deepest sympathy.

In concluding my report I would like to thank all members on the Board of Management for their ongoing support and hard work throughout the year.

**Noel Hawke
President**

<i>Men's</i>	<i>Men's</i>	<i>Ladies</i>	<i>Ladies</i>
<i>Major Singles Winner.</i> Jarrod Beckford.	<i>Major Singles Runner Up.</i> Rick Malley.	<i>Major Singles Winner.</i> Kim Suckley.	<i>Major Singles Runner Up.</i> Sophia Paseka.
<i>Major Pairs Winners.</i> John Sperring and Rod Taylor.	<i>Major Pairs Runners Up.</i> Chris Green and John Hills.	<i>Major Pairs Winners.</i> Chris Ellem and Kim Suckley.	<i>Major Pairs Runners Up.</i> Sally Golding and Agnes Chalker
<i>Major Fours Winners.</i> T.Seton, T. Peters, P.McCauley and Jarrod Beckford.	<i>Major Fours Runners Up.</i> P.McIver, I.Bailey, T.Suckley and J.Hills.	<i>Major Fours Winners.</i> M.Kennedy, D.Woods, H.Rusten, and J.Harkness.	<i>Major Fours Runners Up.</i> Y.Smith, J.Fitzgerald, L.Meiser and J.White.
<i>Major Triples Winners.</i> Stuart Ellem, Rick Malley and Brian Harriott.	<i>Major Triples Runners Up.</i> Paul Ryan, Shayne Palmer and Greg Moon.	<i>Major Triples Winners.</i> Linda Meiser, Chris Ellem and Kim Suckley.	<i>Major Triples Runners Up.</i> Margaret Hamilton, Heather Downie and Christine Docherty.
<i>Minor Pairs Winners.</i> Michael Bourke and Troy Gumm.	<i>Minor Pairs Runners Up.</i> Ernie Moane and Gordon West.	<i>Minor Singles Winner.</i> Susan Bedford	<i>Minor Singles Runners Up.</i> Sue McCormack
<i>Minor Singles Winner.</i> Steve Lacey.	<i>Minor Singles Runner Up.</i> Mark Cooper.	<i>Mixed Pairs Winners.</i> Ricci - Rose Hampton and Tyson Arneman.	<i>Mixed Pairs Runners Up.</i> Sally Golding and Phil Reynolds.
<i>Major/Minor Pairs Winners.</i> Cael Arneman. Rod Taylor.	<i>Major/Minor Pairs Runners Up.</i> Michael Bourke. Rob O'Rourke.	<i>Junior Open Singles Winner.</i> Jackson Williams.	<i>Junior Open Singles Runner Up.</i> Ricci - Rose Hampton.
<i>Junior Open Pairs Winners.</i> Hunter Ainsley and Flynn Cooper.	<i>Junior Open Pairs Runners Up.</i> Luke Bailey and Issac Carter.		

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Financial Statements

For the Year Ended 31 May 2021

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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For the Year Ended 31 May 2021

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Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2021

Your Directors present their report on Dapto Citizens Bowling Club Limited ("the Club") for the financial year ended 31 May 2021.

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	President	24	Business owner - Excavations
R Logan	Vice President	24	Coal Miner
G Brown	Director	19	Builder
D Batey	Director	12	Water Treatment Technician
I Bailey	Director	10	Warehouse Supervisor
S Low	Director	8	Quantity Surveyor
D Coleman	Director	8	Steel Worker
B McCann	Director	6	Service Manager
B Bailey	Director	5	Hospitality

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 the year amounted to \$ 1,096,811 (2020: \$ 1,426,983).

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.

Short term objectives

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

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2021

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 2021 the collective liability of members was \$ 37,320 (2020: \$ 25,520).

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 2021

Meetings of directors

During the financial year, 13 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	13	13
R Logan	13	13
G Brown	13	13
D Batey	12	13
I Bailey	12	13
S Low	13	13
D Coleman	13	13
B McCann	13	13
B Bailey	13	13

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 2021 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:



N D Hawke
President

Dated: 12 October 2021

**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 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.

Daley Audit
Daley Audit

Michael Muddt
Michael Muddt

Partner

Dated: 12 October 2021

Wollongong

4.

Wollongong

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ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.


CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

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 2021

	Note	2021 \$	2020 \$
Revenue	4	3,756,812	3,551,030
Other income	4	436,810	1,159,755
		<u>4,193,622</u>	<u>4,710,785</u>
Employee benefits expense		(925,931)	(928,077)
Direct costs - cost of bar goods sold		(692,771)	(667,059)
Direct costs - gaming		(376,064)	(373,952)
Depreciation expense		(346,524)	(346,476)
Property costs		(255,904)	(286,574)
Promotion expenses		(183,384)	(372,399)
Loss on disposal of assets		(34,217)	1,265
Finance expenses		(232)	(7,152)
Other expenses		(281,784)	(303,378)
		<u>1,096,811</u>	<u>1,426,983</u>
Result for the year		1,096,811	1,426,983
Other comprehensive income for the year		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year		1,096,811	1,426,983

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 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,871,621	544,479
Trade and other receivables	7	5,664	54,800
Inventories	8	61,035	57,795
Other assets		27,364	23,101
TOTAL CURRENT ASSETS		1,965,684	680,175
NON-CURRENT ASSETS			
Intangible assets	9	568,346	568,346
Property, plant and equipment	10	6,374,679	6,351,603
TOTAL NON-CURRENT ASSETS		6,943,025	6,919,949
TOTAL ASSETS		8,908,709	7,600,124
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		259,438	119,867
Borrowings	11	3,530	14,324
Lease liabilities		1,056	-
Employee benefits	12	236,365	148,628
TOTAL CURRENT LIABILITIES		500,389	282,819
NON-CURRENT LIABILITIES			
Employee benefits	12	16,711	22,507
TOTAL NON-CURRENT LIABILITIES		16,711	22,507
TOTAL LIABILITIES		517,100	305,326
NET ASSETS		8,391,609	7,294,798
EQUITY			
Retained earnings		8,391,609	7,294,798
TOTAL EQUITY		8,391,609	7,294,798

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

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Statement of Changes in Equity

For the Year Ended 31 May 2021

	Retained Earnings \$
Balance at 1 June 2020	7,294,798
Result for the year	<u>1,096,811</u>
Balance at 31 May 2021	<u><u>8,391,609</u></u>
Balance at 1 June 2019	5,867,815
Result for the year	<u>1,426,983</u>
Balance at 31 May 2020	<u><u>7,294,798</u></u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

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Statement of Cash Flows

For the Year Ended 31 May 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,178,842	3,942,921
Other receipts	436,331	1,160,920
Interest received	479	772
Payments to suppliers and employees	(2,874,723)	(3,468,014)
Finance costs	(232)	(7,152)
Net cash (used)/provided by operating activities	<u>1,740,697</u>	<u>1,629,447</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(428,804)	(1,438,379)
Proceeds from disposal of assets	24,987	35,384
Payments for intangible assets	-	(60,000)
Net cash (used)/provided by investing activities	<u>(403,817)</u>	<u>(1,462,995)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	12,668	-
Repayment of borrowings	(22,406)	(51,950)
Net cash (used)/provided by financing activities	<u>(9,738)</u>	<u>(51,950)</u>
Net increase/(decrease) in cash and cash equivalents held	1,327,142	114,502
Cash and cash equivalents at beginning of year	544,479	429,977
Cash and cash equivalents at end of financial year	6 <u>1,871,621</u>	<u>544,479</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 2021

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 - Reduced Disclosure Requirements, 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 2021

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.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2021

2. Summary of Significant Accounting Policies

(a) Revenue and other income

Proceeds from winding up of other entities

The constitutions of all not-for-profit entities generally include a provision that, upon winding up, the remaining net assets must be distributed to like organisations. These funds of another legal entity cannot be controlled nor measured reliably by the Club until such time as formal unconditional communications have been received from the liquidator of the entity being wound up. Accordingly, revenue on these proceeds are recognised upon the earlier of the receipt of such communications or the cash distribution itself.

Government COVID-19 Stimulus income

Income received recognised as in the period in which they are incurred. This is generally consistent with when payment is received for the cash flow boost. For JobKeeper payments this is based on when amounts are receivable.

(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.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2021

2. Summary of Significant Accounting Policies

(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.

(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.

There were no contracts identified that convey's that a right of use asset is recognisable.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2021

2. Summary of Significant Accounting Policies

(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.

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.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2021

2. Summary of Significant Accounting Policies

(h) Financial Instruments

(i) Financial assets

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.

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.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2021

2. Summary of Significant Accounting Policies

(h) Financial instruments

(i) Financial assets

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.

(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.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2021

2. Summary of Significant Accounting Policies

(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%
Poker Machines	22.5%

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.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2021

2. Summary of Significant Accounting Policies

(k) Employee benefits

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) Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time during the year, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2021

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 2021

4. Revenue and Other Income

	2021	2020
Note	\$	\$
Revenue from contracts with customers		
- Bar sales	1,382,503	1,500,506
- Poker machine revenue	2,123,738	1,623,928
- TAB and Keno revenue	138,687	159,820
- Green fees and raffles	45,781	71,195
- Raffle income	30,919	115,164
- Subscriptions and nominations	22,609	31,353
- Bingo revenue	12,575	49,064
	<u>3,756,812</u>	<u>3,551,030</u>
Other income		
- Government COVID-19 stimulus income	221,000	154,500
- Rental income	157,441	134,652
- Interest income	479	772
- Proceeds from Club wind-up	2(a) -	800,111
- Other revenue	57,890	69,720
	<u>436,810</u>	<u>1,159,755</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	3,734,203	3,519,677
- Over time	22,609	31,353
	<u>3,756,812</u>	<u>3,551,030</u>

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2021

5. Result for the Year

	2021	2020
	\$	\$
Note		
Superannuation contributions	<u>69,470</u>	<u>72,424</u>

6. Cash and cash equivalents

Cash on hand	218,700	15,377
Cash at bank	<u>1,652,921</u>	<u>529,102</u>
	<u>1,871,621</u>	<u>544,479</u>

7. Trade and other receivables

Trade receivables from contracts with customers	5,664	54,800
Provision for impairment	(a) -	-
	<u>5,664</u>	<u>54,800</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.

(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 2021 is determined and incorporates forward looking information.

8. Inventories

Finished goods - at cost	<u>61,035</u>	<u>57,795</u>
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Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2021

9. Intangible Assets

	2021	2020
	\$	\$
Gaming machine entitlements - at cost	<u>568,346</u>	<u>568,346</u>

10. Property, plant and equipment

Land and buildings	7,122,126	7,085,081
Accumulated depreciation	(1,876,711)	(1,704,429)
Work in progress	211,008	64,225
	<u>5,456,423</u>	<u>5,444,877</u>
Plant and equipment		
At cost	743,623	942,501
Accumulated depreciation	(281,482)	(394,869)
	<u>462,141</u>	<u>547,632</u>
Furniture, fixtures and fittings		
At cost	324,222	271,441
Accumulated depreciation	(134,932)	(124,768)
	<u>189,290</u>	<u>146,673</u>
Motor vehicles		
At cost	88,514	80,974
Accumulated depreciation	(40,110)	(68,165)
	<u>48,404</u>	<u>12,809</u>
Poker machines		
At cost	1,367,459	1,267,415
Accumulated depreciation	(1,149,038)	(1,067,803)
	<u>218,421</u>	<u>199,612</u>
Total property, plant and equipment	<u>6,374,679</u>	<u>6,351,603</u>

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2021

10. 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, Fixtures and Fittings	Motor Vehicles	Poker Machines	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	5,444,877	547,632	146,673	12,809	199,612	6,351,603
Additions	185,670	25,993	58,960	50,335	107,843	428,801
Disposals	(1,500)	(48,723)	(4,661)	(3,546)	(771)	(59,201)
Depreciation expense	(172,624)	(62,761)	(11,682)	(11,194)	(88,263)	(346,524)
Balance at the end of the year	5,456,423	462,141	189,290	48,404	218,421	6,374,679

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2021

10. 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 11 (a) for details of the loan.

11. Borrowings

	Note	2021 \$	2020 \$
<i>Secured liabilities:</i>			
Interest bearing bank loans	(a)	3,530	14,324
		<u>3,530</u>	<u>14,324</u>

(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 10(c).

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2021

12. Employee benefits

	2021	2020
	\$	\$
CURRENT		
Annual and long service leave	<u>236,365</u>	<u>148,628</u>
NON-CURRENT		
Long service leave	<u>16,711</u>	<u>22,507</u>

13. Interests of Key Management Personnel

Total remuneration paid to key management personnel of the Club was \$ 218,406 (2020: \$ 170,563).

14. 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 13.

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

15. 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.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2021

16. Events after the end of the Reporting Period

The financial report was authorised for issue on 12 October 2021 by the Board of Directors.

On 26 June as a result of the New South Wales Public Orders, the Club was required to cease on-premises activities and remains closed as at the date of signing this report. As a result of the evolving nature of the COVID-19 outbreak, government policies of restrictive measures to contain it, and the stimulus funding available to mitigate its impact, as at the date of these financial statements, the Club is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on its future financial performance and financial position.

Other than the current disclosures, there has not been any other 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.

17. 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 25, 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 31 May 2021 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.



N D Hawke
President

Dated: 12 October 2021

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 2021, 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 2021 and of its performance for the year ended on that date; 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 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 2021, 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 - reduced disclosure requirements'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 Myndt
Michael Myndt
Partner

Wollongong

Dated: 12 October 2021

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