Leichhardt Bowling and Recreation Club Limited

ABN 29 000 896 560

Annual Report - 30 June 2022

Leichhardt Bowling and Recreation Club Limited
Contents
30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Scott Bowers
Gregory King
Gary Talbot
Alistair Scott
David Smedley
Kylie McCartney (Appointed 30 January 2022)

Principal activities
During the financial year the principal continuing activities of the company consisted of:
- Registered Sports Club

Results for the year
The deficit of the company for the financial year amounted to $182,666 (2021: surplus of $270,170).

Objectives
Short term objectives
- Maintain the financial viability of the club.
- Promote and support the sporting activities of the club.
- Ensure social activities are supported by the club.

Long term objectives
- Maintain and improve the financial position of the club.
- Ensure that the club's facilities are maintained and developed for sporting and social activities.

Strategy for achieving the objectives
To achieve its stated objectives, the company has adopted the following strategies:
- Employment of necessary management personnel.
- Implementation of management systems.
- Maintenance of the club premises and plant.
- Co-ordination of sporting and social activities.

Key performance measures
The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are be achieved.

Information on directors

Name:	Scott Bowers
Title:	Deputy Chair / Acting Chair
Qualifications:	Company Director
Experience and expertise:	Sales and business development manager, 4 years experience as club director
Special responsibilities:	Director

Name:	Gregory King
Title:	Director
Qualifications:	Company director
Experience and expertise:	9 years experience as club director
Special responsibilities:	Social and Entertainment Director

Name:	Gary Talbot
Title:	Director
Qualifications:	Union Official 30 years
Experience and expertise:	3 years as club director
Special responsibilities:	Director

Name:	Alistair Scott
Title:	Director
Qualifications:	Company director
Experience and expertise:	3 years experience as club director
Special responsibilities:	Marketing Director

Name:	David Smedley
Title:	Director
Experience and expertise:	25 years' experience working in corporate and creative communications, 8 years' experience as a club and company director.

Name:	Kylie McCartney (appointed 30 January 2022)
Title:	Director
Experience and expertise:	14 years qualified national Safety Practitioner, 1 year experience club director

Indemnifying officer or auditor
During the year, the Company effected a Directors and Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors and Officers of the Company.

The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Environmental issues
The Directors believe the company has complied with all significant environmental regulations under a law of Commonwealth or of a state or territory.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Eligible Meetings	Meetings Attended
Scott Bowers	13	11
Gregory King	13	13
Gary Talbot	13	13
Alistair Scott	13	12
David Smedley	13	13
Kylie McCartney	5	5

Held: represents the number of meetings held during the time the director held office.

After balance date events
Other than as noted above, no other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Contributions on winding up
In the event of the company being wound up, ordinary members are required to contribute a maximum of $5.00 each towards meeting any outstanding obligations of the company.

The total amount that members of the company are liable to contribute if the company is wound up is $7,490 (2021: $6,875), based on 1,498 (2021: 1,375) current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Alistair Scott	Gregory King
Director	Director

25 November 2022

HEAD OFFICE
Unit 1, 1 Pioneer Avenue
Tuggerah NSW 2259

OFFICES
- Sydney CBD
- Drummoyne
- Erina

BISHOP COLLINS
AUDIT PTY LTD
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INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF LEICHHARDT RECREATION & BOWLING CLUB LIMITED

We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2022, 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.

Name of Firm	Bishop Collins Audit Pty Ltd Chartered Accountants
Name of Registered Company Auditor	Martin Le Marchant
Auditor's Registration No.	431227
Address	Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259
Dated	25 November 2022

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LEICHHARDT BOWLING & RECREATION CLUB LIMITED

Qualified Opinion

We were audited the accompanying financial report of Leichhardt Bowling & Recreation Club Limited ("the Company") which comprises the statement of financial position as at 30 June 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion, except for the possible effects of the matters as stated in the Basis for Qualified Audit Opinion Paragraph, the accompanying financial report of Leichhardt Bowling & Recreation Club Limited is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

Our auditor's report on the financial report for the year ended 30 June 2021 ('the comparative period) was Disclaimed. Due to limitations imposed on our audit in the prior year that were a result of the unavailability of data and accounting records, we had been unable to obtain all the necessary information and explanations we required to permit the application of the necessary audit procedures in order to form an opinion on the financial report for year ended 30 June 2021. As a result of this matter, we were unable to determine whether any adjustments might have been necessary in respect of the amounts reported in the comparative period and as a consequence whether any adjustments might have been necessary in respect of the amounts reported in the statement of profit or loss and other comprehensive income for the year ended 30 June 2022.

Due to changes in financial and accounting processes, the Club was unable to establish and maintain an effective system of internal control over monies received and expended until their initial entry into the accounting records. Accordingly, the evidence supporting income and expenditure is limited to the extent that is has been receipted, recorded, banked and verified to supporting documentation. As a result of this matter, we were unable to determine whether any adjustments might have been necessary in respect of recorded or unrecorded revenues and expenditure and the elements making up the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows for the year ended 30 June 2022.

Emphasis of Matter

We draw attention to note 2 "Going Concern" of the financial report, which describes uncertainty related to the company's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the ordinary course of business at the amounts stated in the financial report. Our opinion is not qualified in respect of this matter.

Responsibilities of the Directors for the Financial Report

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

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

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 the 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Name of Firm	Bishop Collins Audit Pty Ltd Chartered Accountants
Name of Registered Company Auditor	Martin Le Marchant
Auditor's Registration No.	431227
Address	Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259
Dated	25 November 2022

Leichhardt Bowling and Recreation Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	4	1,315,030	1,369,640
Other revenue	5	33,000	360,022
Interest revenue		8	30
Expenses			
Employee benefits expenses		(433,958)	(392,953)
Cost of goods sold		(352,262)	(315,140)
Maintenance expenses		(73,831)	(71,965)
Utilities expenses		(41,667)	(41,184)
Members expenses		(59,881)	(65,560)
Trivia expenses		(11,367)	(7,241)
Depreciation and amortisation expense	24	(116,619)	(136,292)
Promotions and raffles expenses		(63)	(3,491)
Cleaning expenses		(36,388)	(32,346)
Insurance expenses		(46,401)	(60,526)
IT and computer expenses		(21,924)	(36,099)
Entertainment expenses		(26,661)	(47,449)
Accounting and audit expenses		(68,057)	(56,904)
Rates and taxes expenses		(62,939)	(65,500)
Advertising expenses		(8,015)	(9,600)
Rental expenses		(8,546)	(1,364)
Finance costs	23	(5,326)	(8,029)
Sponsorship and donations expenses		(4,500)	(5,040)
Net loss on disposal of assets		(17,207)	-
Other expenses		(135,092)	(102,839)
Surplus/(deficit) before income tax expense		(182,666)	270,170
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year	21	(182,666)	270,170
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(182,666)	270,170

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Leichhardt Bowling and Recreation Club Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	184,238	421,371
Trade and other receivables	7	10,465	3,307
Inventories	8	25,697	21,817
Other	9	44,044	33,054
Total current assets		264,444	479,549
Non-current assets			
Other financial assets	10	1,656	1,656
Property, plant and equipment	11	8,385,142	8,239,177
Right-of-use assets	12	7,738	112,552
Total non-current assets		8,394,536	8,353,385
Total assets		8,658,980	8,832,934
Liabilities			
Current liabilities			
Trade and other payables	13	134,960	261,220
Borrowings	14	129,423	34,988
Lease liabilities	15	6,447	53,540
Employee benefits	16	75,526	71,631
Total current liabilities		346,356	421,379
Non-current liabilities			
Borrowings	17	152,508	-
Lease liabilities	18	2,222	75,051
Employee benefits	19	4,056	-
Total non-current liabilities		158,786	75,051
Total liabilities		505,142	496,430
Net assets		8,153,838	8,336,504
Equity			
Reserves	20	6,105,081	6,105,081
Retained surpluses	21	2,048,757	2,231,423
Total equity		8,153,838	8,336,504

The above statement of financial position should be read in conjunction with the accompanying notes

Leichhardt Bowling and Recreation Club Limited
Statement of changes in equity
For the year ended 30 June 2022

	Reserves $	Retained surpluses $	Total equity $
Balance at 1 July 2020	17,328,529	1,961,253	19,289,782
Surplus after income tax expense for the year	-	270,170	270,170
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	270,170	270,170
Revaluation of land and buildings	(11,223,448)	-	(11,223,448)
Balance at 30 June 2021	6,105,081	2,231,423	8,336,504

	Reserves $	Retained surpluses $	Total equity $
Balance at 1 July 2021	6,105,081	2,231,423	8,336,504
Deficit after income tax expense for the year	-	(182,666)	(182,666)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(182,666)	(182,666)
Balance at 30 June 2022	6,105,081	2,048,757	8,153,838

The above statement of changes in equity should be read in conjunction with the accompanying notes

Leichhardt Bowling and Recreation Club Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,407,744	1,648,325
Payments to suppliers (inclusive of GST)		(1,624,603)	(1,407,192)
		(216,859)	241,133
Interest received		8	30
Interest paid		(5,326)	(8,029)
Government stimulus: COVID-19		33,000	138,022
Net cash from/(used in) operating activities	30	(189,177)	371,156
Cash flows from investing activities			
Payments for property, plant and equipment	11	(174,977)	(51,621)
Proceeds from disposal of property, plant and equipment		-	16,000
Proceeds from disposal of intangibles		-	115,000
Net cash from/(used in) investing activities		(174,977)	79,379
Cash flows from financing activities			
Proceeds from borrowings		251,639	-
Repayment of lease liabilities		(5,560)	(29,056)
Repayment of borrowings		(119,058)	-
Net cash from/(used in) financing activities		127,021	(29,056)
Net increase/(decrease) in cash and cash equivalents		(237,133)	421,479
Cash and cash equivalents at the beginning of the financial year		421,371	(108)
Cash and cash equivalents at the end of the financial year	6	184,238	421,371

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Leichhardt Bowling and Recreation Club Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Leichhardt Bowling and Recreation Club Ltd's functional and presentation currency.

Leichhardt Bowling and Recreation Club Ltd is an unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 November 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments. As permitted by AASB 1053 for early adoption of AASB 1060, comparative information has not been provided for these new disclosures. The company has not early adopted the accounting standard.

Going concern

As at 30 June 2022, the company's current liabilities ($346,356) exceed its current assets ($264,444) by $81,912. Notwithstanding this deficiency, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The directors of the company have considered the going concern assumption appropriate with consideration of the following:

- The company negotiated a new loan facility in March 2022. The loan facility is valued at $500,000 and has a 10 year - term; and
- The Board has the option to liquidate non-core property assets to ensure the Company can settle its liabilities in the ordinary course of business.

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 2. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Poker machines revenue
Poker machine revenue is stated net of payouts.

Membership fees
Membership revenue is recognised in the period the membership relates to.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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

Note 2. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 3 - 5 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Note 2. Significant accounting policies (continued)

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The depreciation rates used for each class of depreciable assets are:

Buildings	0.5% - 2.50%
Plant and equipment	20% - 50%
Leased Plant and equipment	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 2. Significant accounting policies (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of property, plant and equipment
The company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Government Stimulus Measures
In response to the COVID-19 pandemic, the Company assessed its eligibility for and applied to the Federal Government to receive available stimulus measures. These measures were received during and after the financial year. Where eligible, the Company continues to apply for eligible stimulus relief measures. In respect of future measures, as these are announced by the Australian Government management will assess the Company's eligibility and consideration will be given to the potential benefit from accessing these measures. These measures may have a material financial effect on the financial report should the assumptions underpinning the eligibility change or in the unlikely event of an independent review refuting the Company's entitlement to these measures. At the date the financial report is authorised for issue, the Board considers the Company eligible for the stimulus measures and accordingly the assets of the Company recoverable in the ordinary course of business.

Note 4. Revenue

	2022 $	2021 $
Bar revenue	953,253	940,754
Gaming revenue	254,830	285,460
Promotions revenue	342	218
Commission revenue	27,039	47,259
Bowling revenue	16,044	25,086
Membership revenue	22,128	4,077
GST rebates	17,008	17,180
Other revenue	24,386	49,606
Revenue	1,315,030	1,369,640

Note 5. Other revenue

	2022 $	2021 $
Net gain on disposal of property, plant and equipment	-	16,000
Net gain on disposal of intangibles	-	115,000
Government stimulus: COVID-19	33,000	138,022
Subsidies and grants	-	91,000
Other revenue	33,000	360,022

Note 6. Current assets - cash and cash equivalents

	2022 $	2021 $
Cash on hand	52,327	42,366
Cash at bank	131,911	379,005
	184,238	421,371

Note 7. Current assets - trade and other receivables

	2022 $	2021 $
Trade receivables	5,920	3,307
Accrued income	4,545	-
	10,465	3,307

Note 8. Current assets - inventories

	2022 $	2021 $
Stock on hand - at cost	25,697	21,817

Note 9. Current assets - other

	2022 $	2021 $
Prepayments	44,044	33,054

Note 10. Non-current assets - other financial assets

	2022 $	2021 $
Investment shares - IAG	1,656	1,656

Note 11. Non-current assets - property, plant and equipment

	2022 $	2021 $
Land - at valuation	7,000,000	7,000,000
Buildings - at valuation	1,486,568	1,486,568
Less: Accumulated depreciation	(512,156)	(486,568)
	974,412	1,000,000
Plant and equipment - at cost	1,601,557	1,716,823
Less: Accumulated depreciation	(1,296,902)	(1,595,114)
	304,655	121,709
Bowling greens	189,538	189,538
Less: Accumulated depreciation	(83,463)	(72,070)
	106,075	117,468
	8,385,142	8,239,177

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land $	Buildings $	Plant and equipment $	Bowling greens $	Total $
Balance at 1 July 2021	7,000,000	1,000,000	121,709	117,468	8,239,177
Additions	-	-	174,977	-	174,977
Disposals	-	-	(17,207)	-	(17,207)
Transfers in/(out)	-	-	98,663	-	98,663
Depreciation expense	-	(25,588)	(73,487)	(11,393)	(110,468)
Balance at 30 June 2022	7,000,000	974,412	304,655	106,075	8,385,142

Valuations of land and buildings
The basis of the valuation of land and buildings is fair value. The Board obtained a valuation report dated 15 July 2021 based on an independent assessment by a member of the Australian Property Institute having experience in the location and category of land and buildings being valued. Where the previous valuation only included a valuation of land, the current valuation included a valuation of both land and buildings. The directors do not believe that there has been a material movement in fair value since the revaluation date.

Note 12. Non-current assets - right-of-use assets

	2022 $	2021 $
Plant and equipment - right-of-use	26,189	172,817
Less: Accumulated depreciation	(18,451)	(60,265)
	7,738	112,552

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Plant and equipment $	Total $
Balance at 1 July 2021	112,552	112,552
Transfers in/(out)	(98,663)	(98,663)
Depreciation expense	(6,151)	(6,151)
Balance at 30 June 2022	7,738	7,738

Note 13. Current liabilities - trade and other payables

	2022 $	2021 $
Trade payables	57,175	196,141
BAS payable	17,580	30,880
Other payables	60,205	34,199
	134,960	261,220

Note 14. Current liabilities - borrowings

	2022 $	2021 $
Bank loans	40,115	-
Advances from related parties – directors	-	1,504
Hunter premium funding	26,715	24,484
Advances from related parties – Bowling Club (Womens)	-	6,000
Advances from related parties – Bowling Club (Mens)	1,500	3,000
Finance agreements	61,093	-
	129,423	34,988

Note 15. Current liabilities - lease liabilities

	2022 $	2021 $
Lease liability	6,447	53,540

Note 16. Current liabilities - employee benefits

	2022 $	2021 $
Annual leave	41,226	37,964
Long service leave	34,300	33,667
	75,526	71,631

Note 17. Non-current liabilities - borrowings

	2022 $	2021 $
Finance agreements	152,508	-

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	2022 $	2021 $
Bank loans	40,115	-

Assets pledged as security
The bank overdraft and loans are secured by first mortgages over the company's land and buildings.

Note 18. Non-current liabilities - lease liabilities

	2022 $	2021 $
Lease liability	2,222	75,051

Note 19. Non-current liabilities - employee benefits

	2022 $	2021 $
Long service leave	4,056	-

Note 20. Equity - reserves

	2022 $	2021 $
Revaluation reserve	6,105,081	6,105,081

Note 21. Equity - retained surpluses

	2022 $	2021 $
Retained surpluses at the beginning of the financial year	2,231,423	1,961,253
Surplus/(deficit) after income tax expense for the year	(182,666)	270,170
Retained surpluses at the end of the financial year	2,048,757	2,231,423

Note 22. Leasing

Lease payments not recognised as a liability
The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Note 23. Interest and finance cost paid

	2022 $	2021 $
Bank fees	814	892
Interest expense	3,938	3,343
Interest - lease liability (AASB 16)	574	3,794
	5,326	8,029

Note 24. Depreciation and amortisation

	2022 $	2021 $
Depreciation of property, plant and equipment	110,468	100,492
Depreciation of right-of-use asset	6,151	35,800
	116,619	136,292

Note 25. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2022 $	2021 $
Aggregate compensation	217,551	159,994

Directors do not receive compensation.

Note 26. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 25.

Transactions with related parties
The following transactions occurred with related parties:

	2022 $	2021 $
Payment for goods and services:		
Purchase of merchandise from C BON T-SHIRT PRINTERS, a company controlled by a Director (Mr. G. King) of the Company	16,029	8,444
Salary paid to employee related to a Director (Mr. A. Scott) of the Company	2,166	9,891

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 26. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	2022 $	2021 $
Current borrowings:		
Loan from Director - Gregory King	-	778
Loan from Director - Scott Bowers	-	456
Loan from Director - Alistair Scott	-	270

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 28. Core / Non-Core Property

The directors of the club have determined that all of the assets of the club are "core assets" as defined under section 41J of the Registered Clubs Act 1976, except for the club's investment in shares held in IAG Limited. The market value of the shares held in IAG Limited as at 30 June 2022 was $1,656 (2021: $1,656).

Note 29. Registered Office

The principal please of business and registered office of the Company is:

Leichhardt Bowling and Recreation Club Limited

92 Piper Street

Lilyfield NSW 2040

Note 30. Reconciliation of surplus/(deficit) after income tax to net cash from/(used in) operating activities

	2022 $	2021 $
Surplus/(deficit) after income tax expense for the year	(182,666)	270,170
Adjustments for:		
Depreciation and amortisation	116,619	136,292
Net loss/(gain) on disposal of property, plant and equipment	17,207	(131,000)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(7,158)	37,101
Increase in inventories	(3,880)	(14,274)
Increase in prepayments	(10,990)	(81)
Increase/(decrease) in trade and other payables	(126,260)	57,186
Increase in employee benefits	7,951	15,762
Net cash from/(used in) operating activities	(189,177)	371,156

Leichhardt Bowling and Recreation Club Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Alistair Scott
Director

Gregory King
Director

25 November 2022