Moruya Bowling & Recreation Club Limited

ABN: 48 306 012 969

Financial Statements

For the Year Ended 30 June 2021

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Financial Statements

Chairperson's Report

It is with pleasure that I present my Chairperson's report for the year ended 30 June 2021.

I record my respect and thanks on behalf of the Board of Directors to our General Manager, Grant Dempster who continues to have the club's interest first and foremost. Grant's innovative and progressive foresight maintains the steady growth of the Club.

During a substantial time of lockdown due to the ongoing Pandemic and with the full support of the Board members, many upgrades and improvements to our club were undertaken. This time whist challenging in many aspects was utilised to achieve the best advantage for this work to be carried out. NSW Government Rules and Regulations re Covid whilst continually changing, a safe environment for the staff and patrons was always a priority.

Having again achieved a most successful year financially allowed for renovations to the entry foyer and bar area along with new furniture, a new games room and upgraded till system. External work for upgrading was also attended to. The staff is to be commended for their assistance and co-operation during this process.

Appreciation is extended to **all** of the staff who are helpful and friendly to both members and visitors alike.

The Dining Room and Bistro operations under the guidance of Shane and Kim, continue to be well supported and the Bowling Greens and surrounds under the management of Warren are maintained a high standard.

Financial beneficiaries in various areas throughout the community have been recognised. This assistance helps many in our district and the Board is proud to be part of this support.

I wish to record my thanks to my fellow Directors for their support and confidence in all that is progressed to make our Club the venue it is.

In appreciation, I also acknowledge our members whose support for 'our' Club is to be admired.

Robyn Wright OAM
Chair Board of Directors MB&RCs

General Manager's Report

It is with pleasure that I present a report on the financial year ended 30 June 2021. First and foremost, I would like to thank all the staff, Bar, Restaurant, Greens and Administration for their continued, consistently great service they provide to our patrons. I would also like to thank the Board of Directors who continue to support and trust the direction and vision I have for this great little Club. It was a challenging year to say the least, with lockdowns, Covid restrictions, rules and regulations that seemed to change almost weekly. Having said that, the Club was and is strident in maintaining a safe and hospitable environment for staff and patrons by complying with NSW public Health orders and government regulations and legislation.

The Club had an outstanding result of a $516,097 profit after depreciation. The Balance sheet shows cash and equivalents at $984,000 and current assets at $1,069,438 with total liabilities at $376,000; a positive 2.84/1 ratio. The strong result has allowed the Club to re-invest these funds to purchase new furniture and kitchen equipment, a new till system and members kiosk, new guttering and roof restoration to name a few capital upgrades. The Club continues to look for ways to improve the facilities and the recent addition of a new games room with pool table currently in, and air hockey table yet to come, the foyer and bar renovation have enhanced the Club's ambience and comfort for all.

The Club has performed exceptionally well in relation to the **short and long term objectives** set out in the financial report and exceeded the criteria outlined in the **performance measures.**

The Club continues to maintain relevance and relationships with community and sporting groups as part of our corporate responsibility strategic plan. We have donated $4,500 to the Moruya Hospital Auxiliary, $3,000 to Moruya High School for scholarships to assist socio-economically disadvantaged students. We also donated $2,800 to Eurobodalla meals on wheels and other various amounts to local community groups.

Once again congratulations to our fabulous staff, it is a pleasure to come to work and share a laugh and enjoy the company of your co-workers. We have a lot of fun at the Bowlo and I am sure that is reflected in the atmosphere that patrons get to enjoy and see when they visit. The Club's assistant manager Matt Bell does a fantastic job leading by example, the Kitchen ably led by Shane Cooper and Kim West continues to deliver high-volume, high-quality food and the Bowling Greens and surrounds have never looked better under Warren Charlton's administrations.

The Moruya Bowlo continues to punch above its weight, and I feel privileged to be a part of it.

Grant Dempster
General Manager

Directors' Report

30 June 2021

The Directors present their report on Moruya Bowling & Recreation Club Limited ("the Company") for the financial year ended 30 June 2021.

Directors

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

R Wright	Chairman
Qualifications	Retired Registered Nurse
Years on board	15
M Gerrey	Director
Qualifications	Retiree
Years on board	17
W Strahan	Director
Qualifications	Retired Business owner
Years on board	8
B Larkin	Director
Qualifications	Retired Business owner
Years on board	6
W Miller	Director
Qualifications	Automotive Spare Parts Salesman
Years on board	6
R Glover	Director (resigned 8 September 2020)
Qualifications	Retiree
Years on board	3

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

Results of operations

The result of the Company was a surplus of $516,097 (2020: $179,022).

Directors' Report

30 June 2021

Principal activities

The principal activities of Moruya Bowling & Recreation Club Limited during the financial year was to conduct a bowling, social and recreation club and to afford members the equal privileges, advantages, conveniences and facilities of a Registered Club. These activities allowed the Company to achieve the following short and long term objectives.

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

Short term objectives

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

Long term objectives

From a long-term perspective, the Company seeks to ensure it's financial security by improving the facilities and services that we can offer our members. Financially, the reduction in overall debt levels will assist in this endeavour.

Performance measures

The Company assesses it's performance in terms of it's achievement of strategic and financial objectives with reference to:

- the quality of the service and facilities provided to members;
- the ability to generate strong cash flows from its operating activities;
- the trading and overall financial result; and
- the stability of the balance sheet with respect to the Company’s liquidity and the total levels of debt.

Members guarantee

Moruya Bowling & Recreation Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each members 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 Company's constitution.

At 30 June 2021 the collective liability of members was $29,770 (2020: $33,830).

Directors' Report

30 June 2021

Meetings of directors

During the financial year, 10 meetings of Directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
R Wright	10	9
M Gerrey	10	9
W Strahan	10	7
B Larkin	10	9
W Miller	10	9
R Glover	-	-

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 Company Secretary 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.

Directors' Report

30 June 2021

Auditor's independence declaration

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

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

R. Wright OAM.

R Wright
Chairman

Dated: 18 November 2021

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Moruya Bowling & Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Daley Audit

Stephen Milgate
Partner

Dated: 18 November 2021

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Revenue	4	**3,055,867**	2,580,999
Other income	4	**374,222**	459,412
		3,430,089	3,040,411
Bar trading - cost of sales		**(421,396)**	(432,029)
Bar trading - operating expenses		**(260,146)**	(260,697)
Bistro trading - cost of sales		**(317,014)**	(309,348)
Bistro trading - operating expenses		**(343,883)**	(373,164)
Poker machine expenses		**(365,481)**	(245,731)
TAB expenses		**(41,655)**	(37,073)
Keno expenses		**(44,330)**	(49,446)
Administrative expenses		**(522,821)**	(536,703)
Occupancy costs		**(320,210)**	(285,714)
Member expenses		**(183,967)**	(237,855)
Lease expenses	8	**(93,089)**	(93,629)
Result for the year		**516,097**	179,022
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**516,097**	179,022

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**984,317**	461,942
Trade and other receivables	7	**9,339**	91,939
Inventories		**64,958**	51,793
Other assets		**10,824**	4,596
TOTAL CURRENT ASSETS		**1,069,438**	610,270
NON-CURRENT ASSETS			
Property, plant and equipment	9	**1,073,062**	952,940
Right-of-use assets	8	**94,821**	146,145
TOTAL NON-CURRENT ASSETS		**1,167,883**	1,099,085
TOTAL ASSETS		**2,237,321**	1,709,355
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**178,814**	160,504
Lease liabilities		**53,153**	62,267
Employee benefits	11	**114,363**	93,894
TOTAL CURRENT LIABILITIES		**346,330**	316,665
NON-CURRENT LIABILITIES			
Lease liabilities		**6,514**	26,439
Employee benefits	11	**23,748**	21,619
TOTAL NON-CURRENT LIABILITIES		**30,262**	48,058
TOTAL LIABILITIES		**376,592**	364,723
NET ASSETS		**1,860,729**	1,344,632
EQUITY			
Retained earnings		**1,860,729**	1,344,632
TOTAL EQUITY		**1,860,729**	1,344,632

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

	2021	2020
	$	$
Retained Earnings		
Opening balance	**1,344,632**	1,165,610
Result for the year	**516,097**	179,022
Balance as at 30 June	**1,860,729**	1,344,632

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**3,728,856**	3,160,206
Payments to suppliers and employees		**(2,860,823)**	(2,914,608)
Interest received		**146**	151
Net cash provided by/(used in) operating activities		**868,179**	245,749
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for property plant and equipment		**(250,485)**	(101,989)
Proceeds from sale of property, plant and equipment		**-**	13,000
Net cash provided by/(used in) investing activities		**(250,485)**	(88,989)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		**(95,319)**	(68,890)
Net cash provided by/(used in) financing activities		**(95,319)**	(68,890)
Net increase/(decrease) in cash and cash equivalents held		**522,375**	87,870
Cash and cash equivalents at beginning of year		**461,942**	374,072
Cash and cash equivalents at end of financial year	6	**984,317**	461,942

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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

The functional and presentation currency of Moruya Bowling & Recreation Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

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

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:
1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

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

Specific revenue streams

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

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.

Commissions

Commissions 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.

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 and small business grant. For JobKeeper payments this is based on when amounts are receivable.

Donations

Donations and bequests are recognised as revenue when received.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

(b) Borrowing costs

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

(c) Income Tax

The Company 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 taxation authority is classified as operating cash flows.

(e) Cash and cash equivalents

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

2 Summary of Significant Accounting Policies

(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 Company 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 Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company 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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

(i) Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

2 Summary of Significant Accounting Policies

(g) Leases

(i) Right-of-use asset

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Financial instruments

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

2 Summary of Significant Accounting Policies

(h) Financial instruments

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost; or
- fair value through profit or loss - (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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 are solely payments of principal and interest on the principal amount outstanding.

The Company'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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

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

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company 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 Company's historical experience and informed credit assessment and including forward looking information.

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

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

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company 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 Company 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 has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

2 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

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

Where the Company 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.

Financial liabilities

The Company 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 Company comprise trade payables and lease liabilities.

(i) Impairment of non-financial assets

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

Where an 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.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

2 Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

The recoverable amount of an asset or CGU 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 or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(j) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value 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 any 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 basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings and improvements	2 - 5%
Plant and Equipment	10 - 20 %
Furniture, Fixtures and Fittings	10 - 33%
Motor Vehicles	20%
Poker Machines	20 - 33%

2 Summary of Significant Accounting Policies

(j) Property, plant and equipment

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

(k) Employee benefits

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

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

(l) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below:

Key estimates - impairment of property, plant and equipment

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

Key estimates - useful lives of depreciable assets

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - employee entitlements

As described in the accounting policies, 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	$	$
Revenue from contracts with customers		
- Poker machine revenue	**1,613,558**	1,172,834
- Bar revenue	**751,855**	758,056
- Bistro revenue	**585,249**	574,862
- Keno commissions	**36,175**	35,934
- Subscriptions	**35,835**	7,459
- TAB commissions	**10,873**	4,599
- Green fees	**11,139**	7,847
- Bingo income	**9,295**	8,201
- Hire fees	**5,122**	9,446
- Net raffle income	**(3,234)**	1,761
	3,055,867	2,580,999
Other revenue		
- Government subsidies	**224,679**	239,321
- Gain on disposal of property, plant and equipment	**16,410**	13,000
- Interest income	**146**	151
- Grant income	**-**	70,158
- Other income	**132,987**	136,782
	374,222	459,412

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	**3,020,032**	**2,573,540**
- Over time	**35,835**	**7,459**
Revenue from contracts with customers	**3,055,867**	**2,580,999**

Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Result for the Year

	Note	2021 $	2020 $
Employee benefit expenses (including superannuation expense)		**1,069,667**	1,058,587
Superannuation contributions		**80,358**	71,021
Depreciation expense	9	**185,965**	195,475

6 Cash and Cash Equivalents

Cash on hand	**90,381**	80,000
Cash at bank	**893,936**	381,942
	984,317	461,942

7 Trade and Other Receivables

Other debtors	**9,339**	91,939

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

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

8 Leases

Company as a lessee

The Company has leases over gaming equipment. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

There are leases existing over gaming equipment up to 36 months.

Right-of-use assets

	Plant and Equipment $
Year ended 30 June 2021	
Balance at beginning of year	**146,145**
Additions to right-of-use assets	**66,280**
Transfers out to property plant and equipment	**(55,627)**
Depreciation charge	**(61,977)**
Balance at end of year	**94,821**
Year ended 30 June 2020	
Balance at beginning of year	202,170
Additions to right-of-use assets	26,500
Transfers out to property plant and equipment	(21,723)
Depreciation charge	(60,802)
Balance at end of year	146,145

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Leases

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	$	$
Short-term lease expense	**(31,112)**	(32,827)
Depreciation expense	**(61,977)**	(60,802)
	(93,089)	(93,629)

Statement of Cash Flows

	2021	2020
Total cash outflow for leases	**115,619**	101,807

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Property, plant and equipment

	2021	2020
	$	$
Buildings		
At cost	**2,452,450**	2,409,223
Accumulated depreciation	**(1,831,780)**	(1,773,061)
	620,670	636,162
Plant and equipment		
At cost	**463,355**	489,878
Accumulated depreciation	**(388,686)**	(372,144)
	74,669	117,734
Furniture and fittings		
At cost	**613,364**	441,402
Accumulated depreciation	**(381,667)**	(334,144)
	231,697	107,258
Motor vehicles		
At cost	**47,264**	47,264
Accumulated depreciation	**(45,513)**	(37,559)
	1,751	9,705
Poker machines		
At cost	**1,124,596**	886,865
Accumulated depreciation	**(980,321)**	(804,784)
	144,275	82,081
Total property, plant and equipment	**1,073,062**	952,940

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Buildings	Plant and Equipment	Furniture and Fittings	Motor Vehicles	Poker Machines	Total
	$	$	$	$	$	$
Year ended 30 June 2021						
Balance at the beginning of year	636,162	117,734	107,258	9,705	82,081	952,940
Additions	43,227	-	171,985	-	35,248	250,460
Transfers in	-	(26,523)	-	-	82,150	55,627
Depreciation expense	(58,719)	(16,542)	(47,546)	(7,954)	(55,204)	(185,965)
Balance at the end of the year	620,670	74,669	231,697	1,751	144,275	1,073,062

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Property, plant and equipment

(b) Core and Non-Core Property

As required under section 41J of the *Registered Clubs Act 1976*, the Company is required to specify the core property and non-core property as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises, from which the Company operates on leased land at Shore Street, Moruya NSW. Accordingly, the premises on that leased land and the adjoining grounds are regarded as core property.

10 Trade and Other Payables

	2021 $	2020 $
Trade payables	**61,083**	55,673
Other payables	**117,731**	104,831
	178,814	160,504

11 Employee Benefits

CURRENT		
Employee benefits	**114,363**	93,894
NON- CURRENT		
Employee benefits	**23,748**	21,619

12 Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Company during the year was $128,150 (2020: $117,090).

13 Contingencies

A guarantee has been given by the Club's Bankers to a third party for $5,000 (2020: $5,000).

14 Related Parties

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

a) A close family member of one of the Company's Key Management Personnel is employed under the relevant industrial award and is subject to the terms and conditions applicable to all employees of the Company.

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

15 Events Occurring After the Reporting Date

The financial report was authorised for issue on 18 November 2021 by the board of directors.

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Company is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Company.

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 Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 - 28 are in accordance with the *Corporations Act 2001* and:

   a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

   b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

R. Wright OAM

R Wright
Chairman

Dated: 18 November 2021

DALEY
AUDIT

Independent Audit Report to the members of Moruya Bowling & Recreation Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Moruya Bowling & Recreation Club Limited ("the Company"), which comprises the balance sheet as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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Independent Audit Report to the members of Moruya Bowling & Recreation Club Limited

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information is the Directors' report for the year ended 30 June 2021, but does not include the financial report and auditor's report thereon, accompanying the financial report.

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

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

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 Moruya Bowling & Recreation 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

Stephen Milgate
Partner

Wollongong

Dated: 18 November 2021

Liability limited by a scheme approved under Professional Standards Legislation.