
The Hills District Bowling Club Limited

ABN 92 147 646 638

Financial Statements
For the Year Ended 31 May 2023

The Hills District Bowling Club Limited
Directors' Report
For the Financial Year Ended 31 May 2023

The directors present their report, together with the financial report of The Hills District Bowling Club Limited (the company) for the year ended 31 May 2023.

Directors

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

Name	Position	Commenced/Ceased Position	Qualifications	Experience and Expertise
Ken Carroll	Chairperson	Re-elected Chairperson August 2019	Information Technology	Project Management
Elizabeth Leahy	Vice Chair	Re-elected Director August 2019	Diploma of Financial Planning	Self Employed Financial Planner 25 years
Joe Logue	Treasurer	Re-elected Director August 2019	FCPA, FPNGSA	Finance Manager
Dennis Halford	Director	Re-elected Director August 2019	Graduate University of Colorado USA in Commerce	Managing Director Finance
David Smith	Director	Re-elected Director August 2019	Electrical Contractor	Business Owner
Phil Axiak	Director	Elected August 2019	Management	Building/ Construction
Karen McCann	Director	August 2020	Retired Inspector of Police	Law Enforcement

Directors' meetings

The number of directors' meetings of the company's Board of Directors (the Board) that each director was eligible to attend and the number of meetings attended by each director was:

Director	Meetings Held*	Meetings Attended
Ken Carroll	13	12
Elizabeth Leahy	13	13
Joe Logue	13	8
Dennis Halford	13	12
David Smith	13	13
Phil Axiak	13	13
Karen McCann	13	12

*Number of meetings held during the time the director held office during the year.

Principal activities during the year

During the year, the principal activities of the company consisted of operating as a registered club, providing and supporting social amenities, lawn bowls and activities for members and their invited guests.

**The Hills District Bowling Club Limited
Directors' Report
For the Financial Year Ended 31 May 2023**

Changes in state of affairs

There have been no significant changes in the state of affairs of the company during the financial year.

Operating result

Based on the common earnings before interest, taxes, depreciation and amortisation (EBITDA) metric applied across the clubs industry, the club recorded a healthy profit of \$721,846 for the financial year ended 31 May 2023. After taking into account a number of interest, depreciation and amortisation adjustments required under Australian Accounting Standards, the club recorded a statutory profit of \$173,871 for the same period.

Objectives

Short term objectives

- Provide well maintained amenities and facilities that meet the needs of members;
- Maintain financial viability;
- Maintain a high level of customer service, and satisfaction; and
- Provide and maintain resources and facilities that enable lawn bowling members to effectively participate in competition and social lawn bowls.

Long term objectives

- To ensure the club has a strong financial future;
- To ensure the club is a desirable entertainment venue for members and guests;
- To promote, develop, and maintain the game of lawn bowls to ensure the long-term viability of the game; and
- To develop the club as a meeting place for social cohesion in the Hills District.

Strategy for achieving the objectives

- Provide members with a diverse range of entertainment, activities and facilities;
- Continue to grow membership and maintain a strong financial position;
- Continue to participate in and fund activities that both promote the development of lawn bowls, and support the community;
- Seek and increase affiliation of other sports; and
- Promote the club as a meeting place for social cohesion by supporting local community organisations.

Performance measures

The club measures its activities using financial and non-financial key performance indicators using;

- Club membership growth
- Benchmarking key performance indicators against other clubs; and
- Comparison of actual financial performance to budgeted performance.

Events subsequent to balance sheet date

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the entity's operations in future financial years
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

The Hills District Bowling Club Limited
Directors' Report
For the Financial Year Ended 31 May 2023

Future developments

On 25 May 2020, the club signed a Project Delivery Agreement (PDA) with THBC Residences Pty Ltd (Arden Group) to redevelop the site at 6-18 Jenner Street, Baulkham Hills. On 3 February 2021, the club submitted a Planning Proposal to Council. After feedback from the council, the Club submitted a revised Planning Proposal in August 2022 and presented the concept to the councillors on 6 September 2022. The Councillors determined not to allow the Club's Planning Proposal to proceed to Gateway. The Club then lodged a Request for Rezoning Review to the NSW State Planning on 19 December 2022 and the Club was advised on 20 March 2023 that their recommendation was for the Proposal not to proceed. The Club is currently still in a contractual agreement with Arden Group until May 2025.

Liability of members

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the entity. At 31 May 2023, there were 5,667 members (2022: 4,705); and the total amount that the members of the company would be liable to contribute if the company was wound up is \$22,668 (2022: \$18,820).

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary and all executive officers of the company and any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

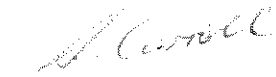
The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as such an officer or auditor.

**The Hills District Bowling Club Limited
Directors' Report
For the Financial Year Ended 31 May 2023**

Auditor's independence declaration

A copy of the independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the directors:



Ken Carroll
Chairperson
18 July 2023
Baulkham Hills, NSW



Joe Logue
Treasurer
18 July 2023
Baulkham Hills NSW



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The Hills District Bowling Club Limited
Auditor's Independence Declaration to the Directors of The Hills District Bowling Club Limited
For the Financial Year Ended 31 May 2023

In accordance with the requirements of the *Corporations Act 2001*, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

SDJA

SDJA

Simon Joyce

Simon Joyce

Director

18 July 2023

Sydney, New South Wales

The Hills District Bowling Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 May 2023

	Notes	2023 \$	2022 \$
Revenue			
Revenue from contracts with customers	4	6,896,747	4,406,526
Other income	5	851	192,959
Total revenue		6,897,598	4,599,485
Expenses			
Cost of sales		(1,376,693)	(755,239)
Audit and accounting fees		(64,340)	(42,989)
Cleaning expenses		(145,844)	(115,044)
Depreciation and amortisation		(483,639)	(492,362)
Bowling expenses		(82,827)	(45,093)
Directors' honorarium expenses		(36,000)	(20,700)
Directors' training and services		(4,634)	(4,287)
Employee benefits expense		(2,005,333)	(1,516,972)
Entertainment and promotional expenses		(535,371)	(349,780)
Finance costs		(64,336)	(77,086)
Greenkeeping fees		(88,746)	(57,595)
Insurance expenses		(128,011)	(115,210)
Lease payments for short-term/low-value leases		(60,743)	(80,851)
Loss on disposal of assets		(15,325)	(7,033)
Poker machine duty expense		(461,074)	(280,067)
Raffles expenses		(579,453)	(396,683)
Repairs and maintenance expense		(100,300)	(98,802)
Security expenses		(68,715)	(47,708)
Utilities expense		(154,216)	(119,021)
Other expenses		(268,127)	(208,243)
Total expenses		(6,723,727)	(4,830,765)
Net profit/(loss) before income tax		173,871	(231,280)
Income tax expense		-	-
Net profit/(loss) for the year		173,871	(231,280)
Other comprehensive income		-	-
Total comprehensive income/(loss)		173,871	(231,280)

The accompanying notes form part of these financial statements.

The Hills District Bowling Club Limited
Statement of Financial Position
As at 31 May 2023

	Notes	2023 \$	2022 \$
Assets			
Current			
Cash and cash equivalents	6	1,000,900	766,162
Trade and other receivables	7	-	6,765
Other current assets	8	6,759	-
Inventories	9	65,864	65,691
Current assets		1,073,523	838,618
Non-current			
Property, plant and equipment	10	13,444,309	13,751,332
Intangible assets	11	104,105	104,105
Non-current assets		13,548,414	13,855,437
Total assets		14,621,937	14,694,055
Liabilities			
Current			
Trade and other payables	12	372,103	416,899
Provision for employee benefits	13	169,336	149,758
Borrowings	14	114,247	100,478
Other liabilities	15	63,618	52,950
Current liabilities		719,304	720,085
Non-current			
Provision for employee benefits	13	4,587	18,934
Borrowings	14	565,654	796,515
Non-current liabilities		570,241	815,449
Total liabilities		1,289,545	1,535,534
Net assets		13,332,392	13,158,521
Equity			
Reserves	16	8,736,783	8,736,783
Retained earnings		4,595,609	4,421,738
Total equity		13,332,392	13,158,521

The accompanying notes form part of these financial statements.

The Hills District Bowling Club Limited
Statement of Changes in Equity
For the Financial Year Ended 31 May 2023

	Asset		
	Revaluation	Retained	Total
Notes	Reserve	Earnings	Equity
	\$	\$	\$
Balance at 1 June 2021	8,736,783	4,653,018	13,389,801
Loss for the year	-	(231,280)	(231,280)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(231,280)	(231,280)
Balance at 31 May 2022	<u>8,736,783</u>	<u>4,421,738</u>	<u>13,158,521</u>
Balance at 1 June 2022	8,736,783	4,421,738	13,158,521
Profit for the year	-	173,871	173,871
Other comprehensive income	-	-	-
Total comprehensive income	-	173,871	173,871
Balance at 31 May 2023	<u>8,736,783</u>	<u>4,595,609</u>	<u>13,332,392</u>

The accompanying notes form part of these financial statements.

The Hills District Bowling Club Limited
Statement of Cash Flows
For the Financial Year Ended 31 May 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from members and customers		7,604,355	4,813,537
Receipts from government stimulus		-	167,754
Payments to suppliers and employees		(6,903,644)	(4,593,533)
Interest received		396	17
Net cash provided by in operating activities		701,107	387,775
Cash flows from investing activities			
Payments for property, plant and equipment		(89,367)	(151,317)
Proceeds on disposal of property, plant and equipment		-	5,789
Net cash used in investing activities		(89,367)	(145,528)
Cash flows from financing activities			
Net repayments on borrowings		(312,666)	(151,246)
Interest paid		(64,336)	(77,086)
Net cash used in financing activities		(377,002)	(228,332)
Net change in cash and cash equivalents		234,738	13,915
Cash and cash equivalents at beginning of financial year		766,162	752,247
Cash and cash equivalents at end of financial year	6	1,000,900	766,162

The accompanying notes form part of these financial statements.

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

1. General information

The financial report covers The Hills District Bowling Club Limited as an individual entity. The Hills District Bowling Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The entity's principal activity is operating as a registered club, providing and supporting social amenities, lawn bowls and activities for members and their invited guests.

The principal place of business is 6-18 Jenner Street, Baulkham Hills, NSW, 2153.

The financial report was authorised for issue by the directors on 18 July 2023.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2021, the key ones of which are summarised below:

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

This Standard sets out a new, separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053. This Standard has been developed based on a new methodology and principles to be used in determining the Tier 2 disclosures that are necessary for meeting user needs, to replace the current Reduced Disclosure Requirements (RDR) framework. The adoption of this accounting standard has not had a material impact on the entity.

Accounting Standards issued but not yet effective and not been adopted early by the entity

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The directors are currently assessing the impact such standards will have on the entity.

3. Summary of accounting policies

Financial reporting framework

The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Corporations Act 2001*.

Statement of compliance

The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

The financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the company.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

Revenue from contracts with customers

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 entity 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

Other revenue

For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

All revenue is stated net of the amount of goods and services tax (GST).

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Income taxes

No provision for income tax has been raised as the entity has self-assessed as being exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Cash and cash equivalents

Cash and cash equivalents comprise 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.

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 losses. Trade receivables are generally due for settlement within 30 days.

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 estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

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.

Land and buildings

Land is shown at fair value, based on periodic, at least every 5 years, valuations by external independent valuers, less subsequent depreciation and impairment of buildings. The valuations are undertaken more frequently if there is a material change in fair value relative to the carrying amount. Any accumulated depreciation at the date of valuation 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 valuation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken up in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter decrements are taken to the profit and loss.

Plant and equipment

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.

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	15% - 20%

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

Leases

The entity assesses at contract inception whether a contract is, or contains, a lease.

As a lessee

The entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2023	2022
Plant and equipment	Lease term	Lease term

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Short-term leases and leases of low-value assets

The entity's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Indefinite life intangibles assets

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment.

Poker machine entitlements are considered to have an indefinite useful life. The company tests for impairment annually, irrespective of whether there is any indication of impairment.

Finite life intangibles assets

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

Impairment of non-financial assets

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

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

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 the 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.

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 statement of financial position.

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.

Provision for 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.

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the entity performs under the contract (i.e. transfers control of the related goods or services to the customer).

The services are usually provided within twelve (12) months of receipt of the payment. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

Reserves

Components of equity include the following:

- revaluation reserve – comprises gains and losses from the revaluation of land and buildings (see Note 16)

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

Retained earnings include all current and prior period retained profits.

Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. With the exception of minor reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

Significant judgement in applying accounting policies

When preparing the financial statements, the directors undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Inventories

The directors estimate the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

The directors review their estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated 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.

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

	2023	2022
	\$	\$
4. Revenue from contracts with customers		
<u>Revenue recognised over time</u>		
Gaming machine revenue	2,826,548	1,965,298
Raffle revenue	768,113	534,780
Membership revenue	108,687	97,651
Commission and rebates received	118,130	77,100
Functions	97,936	49,737
Bowls revenue	64,728	36,669
TAB and Keno commission	53,709	35,016
Sponsorship revenue	17,227	28,182
	<u>4,055,078</u>	<u>2,824,433</u>
 <u>Revenue recognised at a point in time</u>		
Bar revenue	1,674,480	954,043
Catering revenue	1,167,189	628,050
	<u>2,841,669</u>	<u>1,582,093</u>
 Total revenue from contracts with customers	 <u>6,896,747</u>	 <u>4,406,526</u>

How the entity recognises revenue

Gaming revenue

Gaming revenue is recognised over the period that the game is played and is recognised net of payouts.

Membership and sponsorship fees

Revenue relating to membership and sponsorship is recognised over the period to which the agreement relates.

Entertainment and function revenue

Revenue relating to entertainment and functions is recognised over the period in which the service is provided.

Sale of goods

Sale of goods are 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.

	2023	2022
	\$	\$
5. Other income		
JobKeeper and Cash Flow Boost	-	167,754
Interest income	396	17
Other revenue	455	25,188
	<u>851</u>	<u>192,959</u>

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

	2023	2022
	\$	\$
6. Cash and cash equivalents		
Cash on hand	188,040	172,750
Cash at bank	802,191	582,874
Short term deposits	10,669	10,538
	1,000,900	766,162
7. Trade and other receivables		
Current		
Trade receivables	-	6,765
	-	6,765
8. Other assets		
Current		
Prepayments	6,759	-
	6,759	-
9. Inventories		
Current		
Stock on hand - kitchen and bar	51,154	43,931
Stock on hand - bowls and uniforms	14,710	21,760
	65,864	65,691
10. Property, plant and equipment		
Freehold land at fair value	8,600,000	8,600,000
	8,600,000	8,600,000
Buildings at cost or fair value	4,852,776	4,852,776
Buildings accumulated depreciation	(718,561)	(593,992)
	4,134,215	4,258,784
Plant and equipment at cost	2,561,631	2,510,873
Plant and equipment accumulated depreciation	(2,141,493)	(1,913,938)
	420,138	596,935
Computer equipment at cost	170,494	166,265
Computer equipment accumulated depreciation	(130,804)	(120,445)
	39,690	45,820

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

	2023	2022
	\$	\$
10. Property, plant and equipment (continued)		
Right-of-use assets at cost	444,423	348,849
Right-of-use assets accumulated amortisation	(194,157)	(99,056)
	<u>250,266</u>	<u>249,793</u>
Total property, plant and equipment	<u>13,444,309</u>	<u>13,751,332</u>

	Land	Buildings	Plant & Equipment	Computer Equipment
	\$	\$	\$	\$
Net carrying amount 1 June 2022	8,600,000	4,258,784	596,935	45,820
Additions	-	-	85,138	4,229
Disposals	-	-	(8,325)	-
Depreciation	-	(124,569)	(253,610)	(10,359)
Net carrying amount 31 May 2023	<u>8,600,000</u>	<u>4,134,215</u>	<u>420,138</u>	<u>39,690</u>

	Right-of-Use	
	Assets	Total
	\$	\$
Net carrying amount 1 June 2022	249,793	13,751,332
Additions	95,574	184,941
Disposals	-	(8,325)
Depreciation	(95,101)	(483,639)
Net carrying amount 31 May 2023	<u>250,266</u>	<u>13,444,309</u>

	2023	2022
	\$	\$
11. Intangible assets		
Poker machine entitlements at cost	104,105	104,105
	<u>104,105</u>	<u>104,105</u>

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

11. Intangible assets (continued)

	Poker Machine Licenses	Total
	\$	\$
Net carrying amount 1 June 2022	104,105	104,105
Additions	-	-
Disposals	-	-
Amortisation	-	-
Net carrying amount 31 May 2023	<u>104,105</u>	<u>104,105</u>

12. Trade and other payables

Current

	2023	2022
	\$	\$
Trade payables	18,948	74,872
Accrued expenses	280,502	280,444
Net GST payable	72,653	61,583
	<u>372,103</u>	<u>416,899</u>

13. Provision for employee benefits

Current

Provision for annual leave	108,686	110,766
Provision for long service leave	60,650	38,992
	<u>169,336</u>	<u>149,758</u>

Non-current

Provision for long service leave	4,587	18,934
	<u>4,587</u>	<u>18,934</u>

14. Borrowings

Current

Lease liabilities and hire purchases	114,247	100,478
	<u>114,247</u>	<u>100,478</u>

Non-current

Lease liabilities and hire purchases	165,654	196,515
Loan - Nasr Group Investments Pty Ltd	400,000	600,000
	<u>565,654</u>	<u>796,515</u>

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

	2023	2022
	\$	\$
14. Borrowings (continued)		
<u>Lease liabilities</u>		
Future lease payments in relation to lease liabilities as at period end are as follows:		
Within one year	127,596	72,928
Later than one year but not later than five years	207,819	245,856
Later than five years	-	60,000
	<u>335,415</u>	<u>378,784</u>

The entity leases poker/gaming machines and player terminal software. Lease terms range from 3 to 5 years. Payments are made monthly and are fixed for the term of the lease.

Loan - Nasr Group Investments Pty Ltd

The Club has a \$1,000,000 facility with Nasr Group Investments Pty Ltd for working capital purposes. The loan attracts a 9% interest rate and holds a mortgage over 6-18 Jenner Street, Baulkham Hills, NSW, 2153. In May 2023, the Club entered into a third Variation of Loan agreement to extend the termination date to 31 December 2024. As at the end of 31 May 2023, \$400,000 was drawn down and \$600,000 was unutilised.

	2023	2022
	\$	\$
15. Other liabilities		
Current		
Contract liabilities - memberships in advance	63,618	52,950
	<u>63,618</u>	<u>52,950</u>
16. Reserves		
Asset revaluation reserve	8,736,783	8,736,783
	<u>8,736,783</u>	<u>8,736,783</u>

The asset realisation reserve has been utilised for the revaluation of land and buildings held at fair value. The latest valuation was completed by Herron Todd White and was performed on an "as is, alternative use" basis i.e. was focused on the fair value of the land only. The valuation report was issued on the 10 September 2019.

The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

17. Commitments

Club site redevelopment

On 25 May 2020, the club signed a Project Delivery Agreement (PDA) with THBC Residences Pty Ltd (Arden Group) to redevelop the site at 6-18 Jenner Street, Baulkham Hills. On 3 February 2021, the club submitted a Planning Proposal to Council. After feedback from the council, the Club submitted a revised Planning Proposal in August 2022 and presented the concept to the councillors on 6 September 2022. The Councillors determined not to allow the Club's Planning Proposal to proceed to Gateway. The Club then lodged a Request for Rezoning Review to the NSW State Planning on 19 December 2022 and the Club was advised on 20 March 2023 that their recommendation was for the Proposal not to proceed. The Club is currently still in a contractual agreement with Arden Group until May 2025.

The entity had no other material unrecognised contractual commitments as at 31 May 2023.

18. Related parties

The entity's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

	2023	2022
	\$	\$
<u>Transactions with related entities</u>		
Director expenses including training and seminars	4,634	4,287
Payment for director honorariums	36,000	20,700
<u>Balances with related entities</u>		
Loan payable - Nasr Group Investments Pty Ltd	400,000	600,000

The loan payable with Nasr Group Investments Pty Ltd is deemed a related entity due to the fact that one of the directors of Nasr Group Investments Pty Ltd is related to a director of the club. An extensive tender process was undertaken in the acquisition of the loan of which Nasr Group Investments Pty Ltd was successful based on its merit and in the best commercial interest of the club. Refer to Note 14 for further details regarding this balance.

There were no trade receivables from, nor trade payables, to related parties at the current and previous reporting date.

Key management personnel compensation

Total key management compensation	265,940	222,234
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The Hills District Bowling Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 May 2023

	2023	2022
	\$	\$
19. Remuneration of auditors		
<u>SDJA</u>		
Audit of financial report	16,800	16,000
Assistance with preparation of the financial report	2,600	2,000
	19,400	18,000

20. Contingent liabilities

There are no contingent liabilities that have been incurred by the entity as at reporting date.

21. Subsequent events


No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

**The Hills District Bowling Club Limited
Directors' Declaration
For the Financial Year Ended 31 May 2023**

The directors of the company declare that in the directors' opinion:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the company's financial position as at 31 May 2023 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a resolution of the directors:


Ken Carroll
Chairperson
18 July 2023
Baulkham Hills, NSW


Joe Logue
Treasurer
18 July 2023
Baulkham Hills, NSW

The Hills District Bowling Club Limited
Independent Auditor's Report to the Members of The Hills District Bowling Club Limited
For the Financial Year Ended 31 May 2023

Opinion

We have audited the financial report of The Hills District Bowling Club Limited (the company), which comprises the statement of financial position as at 31 May 2023, 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 the notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of The Hills District Bowling Club Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 May 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures 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 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.

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

The directors of the company are responsible for the other information. The other information is the directors' report 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.

**The Hills District Bowling Club Limited
Independent Auditor's Report to the Members of The Hills District Bowling Club Limited
For the Financial Year Ended 31 May 2023**

Responsibilities of the Directors for the Financial Report


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

In preparing the financial report, the directors of the company are responsible for assessing the registered 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 of the company either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so. The directors of the company are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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



SDJA



Simon Joyce

Director

18 July 2023

Sydney, New South Wales