

Heaton Birmingham Gardens Bowling Club Limited

ABN: 78 000 989 168

Financial Statements

For the year ended 31 March 2024

Heaton Birmingham Gardens Bowling Club Limited

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For the year ended 31 March 2024

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Heaton Birmingham Gardens Bowling Club Limited

Directors' report
31 March 2024

The directors present their report on Heaton Birmingham Gardens Bowling Club Limited for the financial year ended 31 March 2024.

Information on directors

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

Mrs Dawn Hardes

| | |
|----------------|----------------------|
| Position | Chairperson |
| Years on board | Director since 2018 |
| Occupation | Catering / Tailoress |

Mr Brian Boyce

| | |
|----------------|---|
| Position | Director |
| Years on board | Director since 2020 |
| Occupation | Worked at Comsteel for 49 years as an Electrical Superintendent and was in charge of maintenance, breakdowns and new works. |

Mr Warren Steele

| | |
|----------------|---|
| Position | Director |
| Years on board | Director since 2006 |
| Occupation | Worked as a leading hand and was in control of rostering of drivers as a supervisor of Linfox Transport |

Mr Barry Jones

| | |
|----------------|--|
| Position | Deputy Chairperson |
| Years on board | Director since 2021, retired from the board 20/09/23 |
| Occupation | Public servant for 40 years |

Mrs Spomenka Weddell

| | |
|----------------|--|
| Position | Director |
| Years on board | Director since 2022 |
| Occupation | Retired, former school teacher with a degree in Arts |

Mrs Wendy Adamson

| | |
|----------------|---------------------------------------|
| Position | Director |
| Years on board | Director since 2022 |
| Occupation | Retired, former supervisor at Inghams |

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

Heaton Birmingham Gardens Bowling Club Limited

Directors' report

31 March 2024

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

| | Number eligible to attend | Number attended |
|----------------------|---------------------------------|--------------------|
| Mrs Dawn Hardes | 12 | 12 |
| Mr Brian Boyce | 12 | 12 |
| Mr Warren Steele | 12 | 10 |
| Mr Barry Jones | 5 | 5 |
| Mrs Spomenka Weddell | 12 | 11 |
| Mrs Wendy Adamson | 12 | 11 |

Principal activities

The principal activity of Heaton Birmingham Gardens Bowling Club Limited during the financial year was the running of a licensed club for the benefit of its members and to meet the Company objectives under its constitution

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

Operating results

The profit/(loss) of the Company after providing for income tax amounted to a loss of (\$181,593) (2023: loss of \$79,843)

Significant changes in state of affairs

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

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which 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 future financial years.

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 31 March 2023, the following land and buildings are considered to be core and non-core property:

Core: Leasehold property situated at 48 Mordue Parade, Jesmond

Non-core: Nil

Environmental issues

Heaton Birmingham Gardens Bowling Club Limited

Directors' report

31 March 2024

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Heaton Birmingham Gardens Bowling Club Limited.

Contribution in winding up

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 Company. At 31 March 2024 the total amount that members of the Company are liable to contribute if the Company is wound up is \$1,656 (2023: \$1,600).

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2024 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.



Mrs Dawn Hardes
Director



Mr Brian Boyce
Director

Dated: 17/6/24

Auditor's independence declaration to the directors of Heaton Birmingham Gardens Bowling Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2024, there have been:

- no contraventions of the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Reassurance Audit Services Pty Ltd

Reassurance Audit Services Pty Ltd

Mark Walmsley

Mark Walmsley

Partner 10 June 2024

Heaton Birmingham Gardens Bowling Club Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2024

| | Note | 2024 \$ | 2023 \$ |
|---|------|------------------|------------------|
| Revenue | 5 | 654,504 | 713,803 |
| Finance income | 6 | 880 | 445 |
| Other income | 5 | 21,129 | 30,854 |
| Total income | | 676,513 | 745,102 |
| Depreciation and amortisation | | (92,854) | (79,644) |
| Employee benefit expenses | | (316,943) | (276,932) |
| Finance expenses | 6 | (1,515) | - |
| Other expenses | | | |
| Other expenses | | (211,160) | (235,842) |
| Administrative expenses | | (36,305) | (17,167) |
| Cost of goods sold | | (140,107) | (129,404) |
| Marketing expenses | | (3,675) | (2,576) |
| Occupancy costs | | (55,547) | (83,380) |
| Total Other expenses | | (446,794) | (468,369) |
| Total expenses | | (858,106) | (824,945) |
| Profit (loss) before income taxes | | (181,593) | (79,843) |
| Income tax | | - | - |
| Profit (loss) from continuing operations | | (181,593) | (79,843) |
| Profit (loss) for the year | | (181,593) | (79,843) |
| Total comprehensive income for the year | | (181,593) | (79,843) |

The accompanying notes form part of these financial statements.

Heaton Birmingham Gardens Bowling Club Limited

Statement of financial position

As at 31 March 2024

| | Note | 2024 \$ | 2023 \$ |
|--------------------------------------|------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 49,266 | 140,953 |
| Trade and other receivables | 9 | - | 1,215 |
| Inventories | 11 | 20,681 | 23,152 |
| Other financial assets | 10 | 10,798 | 10,615 |
| Other assets | 14 | 2,002 | 6,148 |
| Total current assets | | 82,747 | 182,083 |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 134,273 | 185,170 |
| Intangible assets | 13 | 55,895 | 55,895 |
| Right-of-use assets | 15 | 33,859 | 63,508 |
| Total non-current assets | | 224,027 | 304,573 |
| Total assets | | 306,774 | 486,656 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 16 | 73,146 | 41,610 |
| Employee benefits | 19 | 14,584 | 14,416 |
| Provisions | 18 | 10,000 | 10,000 |
| Lease liabilities | 15 | 21,137 | 29,994 |
| Other liabilities | 17 | 2,294 | 2,785 |
| Total current liabilities | | 121,161 | 98,805 |
| Non-current liabilities | | | |
| Employee benefits | 19 | - | 3,345 |
| Lease liabilities | 15 | 11,080 | 28,379 |
| Total non-current liabilities | | 11,080 | 31,724 |
| Total liabilities | | 132,241 | 130,529 |
| Net assets | | 174,533 | 356,127 |
| Equity | | | |
| Retained earnings | | 174,533 | 356,127 |

The accompanying notes form part of these financial statements.

Heaton Birmingham Gardens Bowling Club Limited

Statement of changes in equity
For the year ended 31 March 2024

| | Retained earnings | Total | Total equity |
|------------------------|-------------------|----------------|----------------|
| 2023 | \$ | \$ | \$ |
| Opening balance | 435,969 | 435,969 | 435,969 |
| Profit for the year | (79,843) | (79,843) | (79,843) |
| Closing balance | 356,126 | 356,126 | 356,126 |

| | Retained earnings | Total | Total equity |
|------------------------|-------------------|----------------|----------------|
| 2024 | \$ | \$ | \$ |
| Opening balance | 356,126 | 356,126 | 356,126 |
| Profit for the year | (181,593) | (181,593) | (181,593) |
| Closing balance | 174,533 | 174,533 | 174,533 |

The accompanying notes form part of these financial statements.

Heaton Birmingham Gardens Bowling Club Limited

Statement of cash flows

For the year ended 31 March 2024

| | 2024 | 2023 |
|---|-----------------|-----------------|
| | \$ | \$ |
| Cash flows from operating activities: | | |
| Receipts from members and customers | 680,060 | 813,389 |
| Payments to suppliers and employees | (732,464) | (797,764) |
| Interest received | 880 | 489 |
| Interest paid | (1,515) | (2,829) |
| Net cash flows from/(used in) operating activities | (53,039) | 13,285 |
| Cash flows from investing activities: | | |
| Purchase of property, plant and equipment | (12,308) | (5,730) |
| Transfers from / (to) Interest Bearing Deposits | (183) | (22) |
| Net cash provided by/(used in) investing activities | (12,491) | (5,752) |
| Cash flows from financing activities: | | |
| Repayment of lease liabilities | (26,157) | (25,132) |
| Net increase/(decrease) in cash and cash equivalents | (91,687) | (17,599) |
| Cash and cash equivalents at beginning of year | 140,953 | 158,552 |
| Cash and cash equivalents at end of financial year | 49,266 | 140,953 |

The accompanying notes form part of these financial statements.

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements

For the year ended 31 March 2024

1. Introduction

The financial report covers Heaton Birmingham Gardens Bowling Club Limited as an individual entity. Heaton Birmingham Gardens Bowling Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 31 March 2024 was the running of a licensed club for the benefit of its members and to meet the company objectives under its constitution.

The functional and presentation currency of Heaton Birmingham Gardens Bowling Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and accordingly amounts in the financial statements and have been rounded to the nearest dollar.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures 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.

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

a. Going concern

The following factors indicate material uncertainty regarding the club's ability to continue as a going concern:

- The club has produced consecutive trading losses, for the year ended 31 March 2024, the company incurred a loss of \$181,593.
- The club produced negative cash flows from operating of \$53,039 during the period
- The company also has current liabilities of \$120,956 and current assets of \$82,542 which represents a deficiency in working capital of \$38,414.

Notwithstanding the above, the Directors have prepared the financial statements on a going concern basis which contemplates the realisation of assets and extinguishment of liabilities in the ordinary course of business and consider the going concern basis to be appropriate given:

- The club has cash balances of \$49,266
- The Directors are looking into options for diversifying their income streams.
- The ongoing support of members and suppliers is expected.

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

2. Basis of preparation (continued)

a. Going concern (continued)

The financial report does not include any adjustments that may be necessary should the club not continue as a going concern.

3. Material accounting policy information

a. Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

b. Borrowing costs

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

c. 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 payable are stated inclusive of GST.

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.

d. 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.

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.

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.

e. Financial instruments

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

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

3. Material accounting policy information (continued)

e. Financial instruments (continued)

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).

i. 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
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have 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.

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

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

3. Material accounting policy information (continued)

e. Financial instruments (continued)

i. Financial assets (continued)

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

ii. Financial liabilities

The 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, bank and other loans and lease liabilities.

f. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 March 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

4. Critical accounting estimates and judgements

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

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

The significant estimates and judgements made have been described below.

a. 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.

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

4. Critical accounting estimates and judgements (continued)

a. Key estimates - impairment of property, plant and equipment (continued)

The useful life of property, plant and equipment, intangible assets and leased assets is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements which are classified as an intangible asset have been assessed as indefinite, based on current legislation. The estimates and judgements involved may impact the carrying values of the non-current assets and the depreciation and amortisation changes recorded in the statement of profit or loss and other comprehensive income should they change.

b. Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

i. Sale of goods - beverage and food revenue

Revenue from sale of goods is recognised at a point in time when the physical control of the goods passes to the customer.

ii. Provision of services - gaming revenue

Gaming revenue from members and guests is recognised when the services are provided. Gaming revenue is measured at the net position, being the wagers placed less winnings paid. Commission revenue, such as Keno and TAB commission is recognised when the club acts as an agent for third parties and at the time the wagering transaction is completed.

iii. Provision of services - membership revenue

Membership revenue for the current year, being 1 April 2023 to 31 March 2024 is recognised as current year revenue. Any membership revenue received for a future period is recognised as a current liability, being Membership fees in advance.

iv. Provision of services - bowls revenue

Revenue from bowling activities to members and guests is recognised at a point in time when the game of bowls has been completed.

v. Other revenue sources

Other revenue is recognised at a point in time when the performance obligations have been satisfied, other than sponsorship which is recognised over the period to which it relates.

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

4. Critical accounting estimates and judgements (continued)

c. Key estimates - inventory

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

d. Key estimates - provisions

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.

e. Provision for make good

The provision for make good represents an estimation by the Company, should they be required to restore the premises, the extent of assets required to be removed and the timing of the cash outflows to satisfy these.

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control 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.

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.

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.

ii. Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

iii. Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

b. Revenue from continuing operations

| | 2024 | 2023 |
|--|---------|---------|
| | \$ | \$ |
| Revenue from contracts with customers (AASB 15) | | |
| Sale of goods | 327,187 | 336,565 |

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

5. Revenue and other income (continued)

b. Revenue from continuing operations (continued)

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$ | \$ |
| Member subscriptions | 6,436 | 8,014 |
| Other revenue from contracts with customers | | |
| Green Fees | 5,106 | 7,419 |
| Raffles | 60,160 | 57,944 |
| Bingo | - | 1,903 |
| Galas - MENS | 41 | 1,201 |
| Galas - WOMENS | 2,280 | 1,610 |
| Ladies Income | 3,589 | 2,417 |
| Auditorium Hire | 1,195 | 45 |
| Bar Sundries | - | 553 |
| Poker Machine Net Revenue | 195,141 | 238,588 |
| Schooner Draw | 1,133 | 1,438 |
| Commissions | 914 | 207 |
| Keno Commission | 10,021 | 10,615 |
| TAB Commission | 9,289 | 12,391 |
| ATM Commission | 1,954 | 3,266 |
| Donations and Sponsorship | 12,878 | 7,675 |
| Sundry Income | - | 477 |
| Gaming Tax Rebate | 17,180 | 21,475 |
| Total Other revenue from contracts with customers | 320,881 | 369,224 |
| | 654,504 | 713,803 |
| | 654,504 | 713,803 |

c. Other income

| | 2024 | 2023 |
|----------------------|--------|--------|
| | \$ | \$ |
| Other income | | |
| Apprentice incentive | 21,129 | 30,854 |
| | 21,129 | 30,854 |

6. Finance income and expenses

| Finance income | 2024 | 2023 |
|------------------------|------|------|
| | \$ | \$ |
| Interest income | | |
| Other interest income | 880 | 445 |

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

6. Finance income and expenses (continued)

| | 2024 | 2023 |
|------------------|-------|------|
| | \$ | \$ |
| Finance income | 880 | 445 |
| Finance expenses | | |
| Interest expense | 1,515 | - |

7. Auditor's remuneration

| | 2024 | 2023 |
|---|--------|--------|
| | \$ | \$ |
| Remuneration of the auditor of the Company, Reassurance Audit Services Pty Ltd, for: | | |
| Auditing or reviewing the financial statements | 8,800 | - |
| Other remuneration of the auditor | 1,400 | - |
| | 10,200 | - |
| Previous auditor - Pitcher Patners | | 16,540 |

8. Cash and cash equivalents

a. Accounting policy

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

b. Cash and cash equivalent details

| | 2024 | 2023 |
|--------------|--------|---------|
| | \$ | \$ |
| Cash at bank | 13,151 | 100,713 |
| Cash on hand | 36,115 | 40,240 |
| | 49,266 | 140,953 |

c. Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

8. Cash and cash equivalents (continued)

c. Reconciliation of cash (continued)

| | 2024 | 2023 |
|---------------------------|--------|---------|
| | \$ | \$ |
| Cash and cash equivalents | 49,266 | 140,953 |

9. Trade and other receivables

| Current | 2024 | 2023 |
|-------------------|------|-------|
| | \$ | \$ |
| Trade receivables | - | 1,215 |
| | - | 1,215 |

10. Other financial assets

| Current | 2024 | 2023 |
|------------------------|--------|--------|
| | \$ | \$ |
| Other financial assets | 10,798 | 10,615 |

11. Inventories

a. Accounting policy

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

b. Inventory details

| Current | 2024 | 2023 |
|-------------------|--------|--------|
| | \$ | \$ |
| At cost | | |
| Bar stock on hand | 20,681 | 23,152 |

12. Property, plant and equipment

a. Accounting policy

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

i. Depreciation

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

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

12. Property, plant and equipment (continued)

a. Accounting policy (continued)

i. Depreciation (continued)

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

The estimated useful lives used for each class of depreciable asset are shown below:

| Fixed asset class | Useful life |
|------------------------|----------------|
| Plant and equipment | 2.5 - 20 years |
| Leasehold improvements | 10 - 20 years |
| Poker machines | 2.5 - 5 years |

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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

b. Property, plant and equipment details

| Summary | 2024 | 2023 |
|------------------------|---------|---------|
| | \$ | \$ |
| Plant and equipment | 62,492 | 72,405 |
| Leasehold improvements | 50,526 | 76,688 |
| Poker machines | 21,255 | 36,077 |
| | 134,273 | 185,170 |

| | Plant and equipment | Leasehold improvements | Poker machines | Total |
|----------------------------|---------------------|------------------------|----------------|---------|
| 2023 | \$ | \$ | \$ | \$ |
| As at 31 March 2023 | | | | |
| At written down value | 72,405 | 76,688 | 36,077 | 185,170 |

| | Plant and equipment | Leasehold improvements | Poker machines | Total |
|-----------------|---------------------|------------------------|----------------|---------|
| 2024 | \$ | \$ | \$ | \$ |
| Opening balance | 72,405 | 76,688 | 36,077 | 185,170 |
| Additions | 8,108 | - | 4,201 | 12,309 |

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

12. Property, plant and equipment (continued)

b. Property, plant and equipment details (continued)

| 2024 | Plant and equipment \$ | Leasehold improvement s \$ | Poker machines \$ | Total \$ |
|----------------------------|------------------------------|-------------------------------------|-------------------------|----------------|
| Depreciation | (18,022) | (26,162) | (19,022) | (63,206) |
| Closing balance | 62,491 | 50,526 | 21,256 | 134,273 |
| As at 31 March 2024 | | | | |
| At cost | 633,230 | 1,256,469 | 216,828 | 2,106,527 |
| Accumulated depreciation | (570,739) | (1,205,943) | (195,572) | (1,972,254) |
| | 62,491 | 50,526 | 21,256 | 134,273 |

13. Intangible assets

a. Poker Machine Entitlements

| Summary | 2024 \$ | 2023 \$ |
|-------------------------|------------|------------|
| Other intangible assets | 55,895 | 55,895 |

14. Other assets

| Current | 2024 \$ | 2023 \$ |
|---------------------|------------|------------|
| Other assets | | |
| Prepayments | 1,840 | 5,510 |
| Accrued income | 162 | 638 |
| | 2,002 | 6,148 |

15. Leases

a. Accounting policy

At inception of a contract, the Company assesses whether a lease exists.

i. Lessee accounting

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

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

15. Leases (continued)

a. Accounting policy (continued)

i. Lessee accounting (continued)

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.

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

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.

b. Company as a lessee

The Company leases land where the Club buildings are situated, as well as equipment and gaming systems.

i. Terms and conditions of leases

The term of the lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The company does not recognise leases that have a lease term of 12 months or less or are of low value.

ii. Right-of-use assets

| 2024 | Land \$ | Plant and equipment \$ | Total \$ |
|------------------------|---------------|------------------------------|---------------|
| Opening balance | 31,703 | 31,805 | 63,508 |
| Amortisation charge | (15,851) | (13,798) | (29,649) |
| Closing balance | 15,852 | 18,007 | 33,859 |

iii. Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

15. Leases (continued)

b. Company as a lessee (continued)

iii. Lease liabilities (continued)

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$ | \$ |
| < 1 year | 21,137 | 29,994 |
| 1 - 5 years | 11,080 | 28,379 |
| Total undiscounted lease liabilities | 32,217 | 58,373 |
| Lease liabilities included in the statement of financial position | 32,217 | 58,373 |

iv. Extension options

The lease of the land is due to expire on the 12 February 2025. To date, negotiations to extend this lease has not been made.

16. Trade and other payables

| Current | 2024 | 2023 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Trade payables | 22,265 | 19,608 |
| GST payable | 24,307 | 7,777 |
| Employee benefits | 15,149 | 12,225 |
| Accrued expenses | 11,220 | 2,000 |
| Other trade and other payables | 205 | - |
| | 73,146 | 41,610 |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

17. Other liabilities

| Current | 2024 | 2023 |
|--------------------------|-------|-------|
| | \$ | \$ |
| Deferred membership fees | 2,294 | 2,785 |

18. Provisions

a. Accounting policy

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

18. Provisions (continued)

a. Accounting policy (continued)

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

b. Provision details

| Current | 2024 | 2023 |
|-------------------------|--------|--------|
| | \$ | \$ |
| Provision for make good | 10,000 | 10,000 |

19. Employee benefits

a. Accounting policy

Provision is made for the Company's liability for employee benefits, those 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, plus related on-costs.

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.

b. Employee benefit details

| Current | 2024 | 2023 |
|--------------|--------|--------|
| | \$ | \$ |
| Annual leave | 14,584 | 14,416 |

| Non-current | 2024 | 2023 |
|--------------------|------|-------|
| | \$ | \$ |
| Long service leave | - | 3,345 |

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

20. Financial risk management

| Financial assets | 2024 | 2023 |
|-------------------------------|--------|---------|
| | \$ | \$ |
| Held at amortised cost | | |
| Cash and cash equivalents | 49,266 | 140,953 |
| Trade and other receivables | - | 1,215 |
| | 49,266 | 142,168 |

21. Members' guarantee

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 Company. At 31 March 2024 the number of members was 414 (2023: 400).

22. Contingencies

In the opinion of the directors, the only contingent liability as at 31 March 2024 is a bank guarantee of \$5,000 which is a security deposit for TAB facilities.

23. Related parties

a. Transactions with 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.

| Description | 2024 | 2023 |
|---------------------------------------|---------|--------|
| | \$ | \$ |
| Key management personnel compensation | 100,432 | 77,715 |

24. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

| | 2024 | 2023 |
|--|-----------|----------|
| | \$ | \$ |
| Loss for the year | (181,593) | (79,843) |
| Add / (less) non-cash items: | | |
| Depreciation and amortisation | 92,854 | 95,609 |
| Changes in assets and liabilities: | | |
| (increase) / decrease in receivables | 1,215 | (1,215) |
| (increase) / decrease in inventories | 2,471 | (3,542) |
| (increase) / decrease in other assets | 4,351 | (1,517) |
| increase / (decrease) in payables | 31,331 | 567 |
| increase / (decrease) in employee benefits | (3,177) | 3,167 |

Heaton Birmingham Gardens Bowling Club Limited

Notes to the financial statements
For the year ended 31 March 2024

24. Cash flow information (continued)

| | 2024 | 2023 |
|---|-----------------|---------------|
| | \$ | \$ |
| increase/ (decrease) in other liabilities | (491) | 59 |
| Cash flows from operations | (53,039) | 13,285 |

25. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which 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 future financial years.

26. Statutory information

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

48 Mordue Parade, Jesmond

Heaton Birmingham Gardens Bowling Club Limited

Directors' declaration

The directors of the Company declare that:

The financial statements and notes for the year ended 31 March 2024 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards - Simplified Disclosures; and
- give a true and fair view of the financial position as at 31 March 2024 and of the performance for the year ended on that date of the Company.

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 with the continuing support of creditors.

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



Mrs Dawn Hardes
Director

Dated: 17/6/24



Mr Brian Boyce
Director

Independent audit report to the members of Heaton Birmingham Gardens Bowling Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a simplified disclosure financial report of Heaton Birmingham Gardens Bowling Club Limited (the Company), which comprises the statement of financial position as at 31 March 2024, 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, notes to the financial statements and the Directors' declaration.

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

1. giving a true and fair view of the Company's financial position as at 31 March 2024 and of its financial performance for the year ended; and
2. complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 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 Entity in accordance with the auditor independence requirements of 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.

Material Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matter described in Note 2.a Going Concern to the financial statements there is uncertainty as to whether the club will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Responsibilities of 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 directors determine is necessary to enable the preparation of the financial report 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 management either intends to liquidate the Company or to cease operations, or has 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.

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.

Reassurance Audit Services Pty Ltd

Reassurance Audit Services Pty Ltd

Mark Walmsley

Mark Walmsley

Partner

17 June 2024