



**Kurri Kurri Bowling Club
Limited**

ABN 32 000 796 501

**Annual Financial Report
for the year ended 31 May 2021**

Annual financial report for the year ended 31 May 2021

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These financial statements are the financial statements of Kurri Kurri Bowling Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 27 July 2021. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Kurri Kurri Bowling Club Limited (the Company) for the year ended 31 May 2021.

Directors details

The following persons were Directors of Kurri Kurri Bowling Club Limited during the financial year, and up to the date of this report:

G Musgrove

President
Director since 2018
Retired, Business Owner

I Mann

Junior Vice President
Director since 2018
Retired, Fitter

R Manners

Director
Director since 2018
Retired, Registered Nurse

D Johns

Director
Director since 2018
Retired, Accountant

M Haines

Director
Director since 2020
Retired - Public Service

Company secretary

Peter Fairbairn is the Company Secretary. Peter has held senior positions with a number of Clubs and has a Degree in Business. Peter has been a Company Secretary of Kurri Kurri Bowling Club Limited for 4 years.

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings	
	A	B
G Musgrove	12	12
P Shaw	12	12
I Mann	12	11
R Manners	12	11
K Fenwick	12	10
R Mulcahy	12	11
D Johns	12	12
P Barnes	9	9
M Haines	9	9
D Bower	3	3

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 31 May 2021, the following land and buildings are considered to be core property:

- Tarro Street, Kurri Kurri

Director's report (continued)

Principal activities

During the year, the principal activities of the Company were the running of the Club in accordance with its objectives for the benefit of its members.

Significant changes in state of affairs

As a result of the spread of COVID-19 the Federal Government announced the closure of all Registered Clubs effective 23 March 2020. Clubs were then allowed to reopen from 1 June 2020 with restrictions in place, with these restrictions being gradually reduced throughout the year. There were a range of measures introduced by the Government to support businesses and the Club was eligible as a result of the impact of the shutdowns announced due to the COVID-19 pandemic.

Short and long-term objectives

The Company's short and long-term objectives are to:

- provide the best facilities available to members and their guests, including the promotion of the game of bowls.

Strategy for achieving short and long-term objectives

To achieve these objectives the Company has adopted the following strategies:

- (a) maintain or increase existing revenue levels and control costs to return to profitability which will allow the Club's premises to be continually improved.

Performance measurement

The Company measures its performance through both financial and non financial key performance indicators that have been developed relevant to the club industry.

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 \$2 each towards meeting any outstanding obligations of the Company. At balance date the total amount that members of the Company are liable to contribute if the Company wound up is \$7,750 (2020: \$10,702).

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this Directors' report.

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



G Musgrove - Director



K Fenwick - Director

Dated: 27 July 2021

Auditor's independence declaration

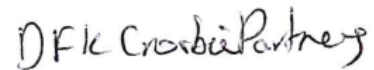
To the Directors of Kurri Kurri Bowling Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Kurri Kurri Bowling Club Limited for the year ended 31 May 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the section 307C 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.



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

Dated: 27 July 2021
Newcastle West, NSW

Statement of profit or loss and other comprehensive income

For the year ended 31 May 2021

		2021	2020
		\$	\$
Revenue from continuing operations	Notes 2	7,802,859	5,489,248
Other Income	3	487,822	415,684
Bar cost of goods sold		(422,089)	(382,565)
Bar direct expenses		(375,654)	(255,125)
Bistro cost of goods sold		(377,502)	(333,970)
Bistro direct expenses		(440,397)	(444,395)
Coffee shop cost of goods sold		(39,240)	(33,993)
Coffee shop direct expenses		(59,316)	(44,357)
Gaming direct expenses		(1,575,505)	(1,157,399)
Bowls direct expenses		(327,914)	(295,219)
Administration and clubhouse expenses		(2,785,357)	(2,502,600)
Finance costs		(50,066)	(28,141)
		(6,453,040)	(5,477,764)
Profit / (loss) before income tax		1,837,641	427,168
Income tax expense		-	-
Profit / (loss) for the year		1,837,641	427,168
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		1,837,641	427,168

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

Statement of financial position

For the year ended 31 May 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	2,006,864	473,372
Trade receivables	5	7,907	9,664
Inventories	6	79,381	60,892
Financial assets at amortised cost	7	9,738	164,938
Other assets	8	9,729	12,487
Total current assets		2,113,619	721,353
Non-current assets			
Property, plant and equipment	9	5,664,507	5,368,669
Intangible assets	10	126,000	126,000
Right-of-use asset	11 (a)	113,786	152,274
Total non-current assets		5,904,293	5,646,943
Total assets		8,017,912	6,368,296
LIABILITIES			
Current liabilities			
Trade and other payables	12	624,207	647,799
Financial liabilities	13	310,547	648,430
Provisions	14	489,946	395,135
Other liabilities	15	8,855	1,205
Lease liabilities	11 (b)	59,073	63,645
Total current liabilities		1,492,628	1,756,214
Non-current liabilities			
Financial liabilities	13	339,614	210,796
Provisions	14	21,980	23,695
Lease liabilities	11 (b)	21,698	73,240
Total non-current liabilities		383,292	307,731
Total liabilities		1,875,920	2,063,945
Net assets		6,141,992	4,304,351
MEMBERS FUNDS			
Retained profits		6,141,992	4,304,351
Total members funds		6,141,992	4,304,351

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

Statement of changes in equity

For the year ended 31 May 2021

	Retained Profits \$	Total \$
Balance at 1 June 2019	3,877,183	3,877,183
Profit for the year	427,168	427,168
Total comprehensive income for the year	427,168	427,168
Balance at 31 May 2020	4,304,351	4,304,351
Profit for the year	1,837,641	1,837,641
Total comprehensive income for the year	1,837,641	1,837,641
Balance at 31 May 2021	6,141,992	6,141,992

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

Statement of cash flows

For the year ended 31 May 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from members and customers		8,623,129	6,160,598
Payments to suppliers and employees		(6,465,382)	(5,612,571)
Interest received		-	24
Interest paid		(50,066)	(28,141)
Grants received		579,500	149,000
Net cash inflow (outflow) from operating activities		2,687,181	668,910
Cash flows from investing activities			
Payments for property, plant and equipment		(889,260)	(1,137,723)
Proceeds from sale of property, plant and equipment		750	36,690
Net cash inflow (outflow) from investing activities		(888,510)	(1,101,033)
Cash flows from financing activities			
Proceeds from borrowings		100,037	749,332
Repayment of borrowings		(309,102)	(268,939)
Repayment of lease liabilities		(56,114)	(45,700)
Net cash inflow (outflow) from financing activities		(265,179)	434,693
Net increase in cash and cash equivalents		1,533,492	2,570
Cash and cash equivalents at the beginning of the financial year		473,372	470,802
Cash and cash equivalents at the end of the financial year	4	2,006,864	473,372

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

Notes to the financial statements

For the year ended 31 May 2021

1 Summary of significant accounting policies

(a) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Kurri Kurri Bowling Club Limited (the Company) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

(b) Statement of compliance

This financial report complies with Australian Accounting Standards - *Reduced Disclosure Requirements* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian Dollars.

(c) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 June 2020:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The principal accounting policies adopted are consistent with those of the previous financial year except for the policies stated below:

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The Company has adopted AASB 2020-1 'Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current' from 1 June 2020. AASB 2020-1 removes the requirement to classify a liability as current where there is not an unconditional right to defer settlement for a period of greater than 12 months, and requires any liability where the entity has the right to defer settlement at the end of the reporting period (e.g. by virtue of meeting any specified conditions such as loan covenants) to now be classified as non-current.

As a result of the adoption of AASB 2020-1, the Company has classified a portion of its bank loan under non-current liabilities in the statement of financial position.

(d) Income Taxes

The Company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

(f) Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Notes to the financial statements

For the year ended 31 May 2021

2 Revenue**(a) Disaggregation of revenue from contracts with customers**

The Company derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowling revenue	Other revenue	Total
2021	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,159,555	5,101,095	29,564	367,710	34,251	93,504	7,785,679
Other revenue (not covered by AASB15)	-	17,180	-	-	-	-	17,180
	<u>2,159,555</u>	<u>5,118,275</u>	<u>29,564</u>	<u>367,710</u>	<u>34,251</u>	<u>93,504</u>	<u>7,802,859</u>

Timing of revenue recognition

At a point in time	2,159,555	5,101,095	-	367,710	34,251	93,504	7,756,115
Over time	-	17,180	29,564	-	-	-	46,744
	<u>2,159,555</u>	<u>5,118,275</u>	<u>29,564</u>	<u>367,710</u>	<u>34,251</u>	<u>93,504</u>	<u>7,802,859</u>

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowling revenue	Other revenue	Total
2020	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,798,025	3,211,208	27,870	320,793	30,174	83,998	5,472,068
Other revenue (not covered by AASB15)	-	17,180	-	-	-	-	17,180
	<u>1,798,025</u>	<u>3,228,388</u>	<u>27,870</u>	<u>320,793</u>	<u>30,174</u>	<u>83,998</u>	<u>5,489,248</u>

Timing of revenue recognition

At a point in time	1,798,025	3,211,208	-	320,793	30,174	83,998	5,444,198
Over time	-	17,180	27,870	-	-	-	45,050
	<u>1,798,025</u>	<u>3,228,388</u>	<u>27,870</u>	<u>320,793</u>	<u>30,174</u>	<u>83,998</u>	<u>5,489,248</u>

(b) Accounting policies and significant judgements

The Company recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Company is or expects to be entitled in exchange for those goods or services.

The Company considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Sale of goods - food and beverage revenue

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

(ii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the Company is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission income where the Company acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

(iii) Provision of services - membership revenue

The Company generates revenue from membership fees where customers purchase a membership subscription at the Company, with fees payable in advance. The period of membership is usually 1 June to 31 May. Only those member fee receipts that are attributable to the current financial year are recognised as revenue.

Fee receipts for periods beyond the current financial year are shown in the Statement of Financial Position under the heading of Current Liabilities as Other liabilities.

Notes to the financial statements

For the year ended 31 May 2021

(b) Accounting policies and significant judgements (continued)*(iv) Provision of services - raffle and bingo revenue*

Raffle and bingo income is recognised at a point in time when the customer takes possession of the ticket and the raffle or bingo game has been conducted as at this point the performance obligations have been satisfied.

(v) Provision of services - bowling revenue

Bowling revenue comprises greens fees and competition fees and is recognised at a point in time when the game of bowls has been completed as at this point the performance obligations have been satisfied.

3 Other income and expense items

	2021	2020
	\$	\$
(a) Other income		
Insurance recoveries	24,487	85,262
Interest income	-	24
Government stimulus - cashflow boost	50,000	50,000
Government stimulus - JobKeeper	409,286	219,214
Wage subsidy	3,300	26,677
Gain on disposal of property, plant and equipment	750	34,507
	<u>487,822</u>	<u>415,684</u>

(i) Insurance recoveries

The Company recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

(ii) Interest income

Interest income is recognised on an accruals basis.

(iii) Government stimulus payments

The Company recognises stimulus funding from the Australian Taxation Office when it is considered to be receivable.

(iv) Wage subsidy

The Company recognises wage subsidies when they becomes receivable.

(iv) Gain on disposal of property, plant and equipment

The recognised gains and losses on disposal of property, plant and equipment by comparing proceeds received on sale with the carrying amount of the asset being sold.

(b) Other expenses

Employee Benefits Expense	2,308,671	2,080,978
Interest costs	50,066	28,141
Depreciation	446,752	441,531

Notes to the financial statements

For the year ended 31 May 2021

4 Cash and cash equivalents

	2021	2020
	\$	\$
Current		
Cash and cash equivalents	2,006,864	473,372
	<u>2,006,864</u>	<u>473,372</u>

Accounting policy

Cash and short-term deposits in the Statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

5 Trade receivables

Current		
Trade receivables	7,907	9,664
	<u>7,907</u>	<u>9,664</u>

Accounting policy

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

6 Inventories

Current		
Stock on hand	79,381	60,892
	<u>79,381</u>	<u>60,892</u>

Accounting policy

Inventories are measured at the lower of cost and current replacement cost.

7 Financial assets at amortised cost

Current		
Other receivables	9,738	141,809
GST receivable	-	23,129
	<u>9,738</u>	<u>164,938</u>

Accounting policy

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

8 Other assets

Current		
Prepayments	9,729	12,487
	<u>9,729</u>	<u>12,487</u>

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

Notes to the financial statements

For the year ended 31 May 2021

9 Property, plant and equipment

	Land and buildings \$	Plant and equipment \$	Poker machines \$	Capital WIP \$	Total \$
Non-current assets					
At 1 June 2020					
Cost	7,155,315	2,461,590	2,221,443	19,350	11,857,698
Accumulated depreciation	2,699,075	2,056,726	1,733,228	-	6,489,029
Net book amount	4,456,240	404,864	488,215	19,350	5,368,669
Year ended 31 May 2021					
Opening net book amount	4,456,240	404,864	488,215	19,350	5,368,669
Additions	29,389	349,734	261,313	97,462	737,898
Disposals	33,796	-	-	-	33,796
Transfers from capital WIP	-	19,350	-	(19,350)	-
Depreciation charge	173,419	116,720	118,125	-	408,264
Closing net book amount	4,278,414	657,228	631,403	136,162	5,664,507
Year ended 31 May 2021					
Cost	7,150,908	2,830,674	2,150,104	97,462	12,229,148
Accumulated depreciation	2,872,494	2,173,446	1,518,701	-	6,564,641
Net book amount	4,278,414	657,228	631,403	97,462	5,664,507

Accounting policy**(a) Land and buildings**

Each class of land and buildings is carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines

Each class of plant and equipment and poker machines is carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings	5 - 40 years
Plant & equipment	4 - 40 years
Poker machines	4 years

(d) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Company would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

Notes to the financial statements

For the year ended 31 May 2021

10 Intangible assets

	Poker machine entitlements	Total
	\$	\$
Non-current assets		
As at 31 May 2020		
Cost	126,000	126,000
Accumulated amortisation	-	-
Net book amount	<u>126,000</u>	<u>126,000</u>
Year ended 31 May 2021		
Opening net book amount	126,000	126,000
Additions	-	-
Amortisation charge	-	-
Disposals	-	-
Closing net book amount	<u>126,000</u>	<u>126,000</u>
As at 31 May 2021		
Cost	126,000	126,000
Accumulated amortisation	-	-
Net book amount	<u>126,000</u>	<u>126,000</u>

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

The value shown for the poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

Notes to the financial statements

For the year ended 31 May 2021

11 Leases

	2021	2020
	\$	\$

The Company leases several assets including various poker machines.

a) Right-of-use asset**Non-current**

Right-of-use assets	113,786	152,274
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Reconciliation of right-of-use assets**2021**

	Poker Machines	Total	Total
	\$	\$	\$
At 1 June 2020	152,274	152,274	111,974
Additions	-	-	74,180
Amortisation	38,488	38,488	33,880
31 May 2021	113,786	113,786	152,274

b) Lease liabilities**Current**

Lease liabilities	59,073	59,073	63,645
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Non-current

Lease liabilities	21,698	21,698	73,240
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Total

	80,771	80,771	136,885
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Reconciliation of lease liabilities**2021**

	Poker Machines	Total	Total
	\$	\$	\$
At 1 June 2020	136,885	136,885	108,405
Additions	-	-	74,180
Interest expense	1,921	1,921	1,385
Lease payments	(58,035)	(58,035)	(47,085)
Net movement during year	(56,114)	(56,114)	28,480
31 May 2021	80,771	80,771	136,885

Accounting policy

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a 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.

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- an estimate of costs to be incurred in dismantling and removing the underlying asset;
- any initial direct costs incurred;

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The weighted average incremental borrowing rate is 4%.

The lease payment used in the calculation of the lease liabilities includes variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the has only included the known CPI increases to date and not estimated future CPI-related increases.

The Company does not recognise leases that have a lease term of 12 months or less or are of low value as a right of use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Notes to the financial statements

For the year ended 31 May 2021

12 Trade and other payables

	2021	2020
	\$	\$
Current		
Trade and other payables	593,957	647,799
GST payable	30,250	-
	<u>624,207</u>	<u>647,799</u>

Accounting policy

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

13 Financial liabilities**Current***Secured*

NAB loans (i)	240,000	579,962
Gaming system loan (ii)	49,901	46,866
Hire purchase liability (ii)	20,646	19,406
Total secured financial liabilities	<u>310,547</u>	<u>646,234</u>

Unsecured

Other financial liabilities	-	2,196
Total unsecured financial liabilities	<u>-</u>	<u>2,196</u>
	<u>310,547</u>	<u>648,430</u>

Non-current*Secured*

NAB loans (i)	179,999	-
Gaming system loan (ii)	148,874	176,073
Hire purchase liability (ii)	10,741	34,723
Total secured financial liabilities	<u>339,614</u>	<u>210,796</u>

(i) Secured liabilities

The NAB loans are secured by first mortgages over the Company's non residential real property located at 3-7 Tarro St, and a security interest and charge over the whole of the assets and undertakings including uncalled capital of the Club.

(ii) Other secured liabilities

The gaming system loan and hire purchase are secured by a fixed charge over the specific assets that are financed.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Company has a right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the financial statements

For the year ended 31 May 2021

14 Provisions

	2021 \$	2020 \$
Current		
Employee entitlements (i), (ii) & (iii)	489,946	395,135
	<u>489,946</u>	<u>395,135</u>
Non-current		
Employee entitlements (ii)	21,980	23,695
	<u>21,980</u>	<u>23,695</u>

Accounting policy*(i) Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) Long service leave

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

(iii) Days in lieu

Liabilities for days in lieu expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

15 Other liabilities**Current**

Contract liabilities - membership income	8,755	-
Other liabilities	100	1,205
	<u>8,855</u>	<u>1,205</u>

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

16 Commitments*(i) Capital Commitments*

Investment property	684,099	-
Function room chairs	55,515	-
Sports room television	23,870	-
	<u>763,484</u>	<u>-</u>

17 Contingent liabilities

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
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Notes to the financial statements

For the year ended 31 May 2021

18 Related parties

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

(a) <i>Key management personnel compensation</i>	2021	2020
	\$	\$
Total key management personnel benefits	180,325	166,207

19 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next period are disclosed where applicable, in the relevant notes to the financial statements:

- Estimation of useful lives of non-current assets (notes 9, 10, and 11 (a)) - The useful life of property, plant and equipment and right-of-use assets (where useful life is greater than the lease term) 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 classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 31 May 2021 and of its performance for the financial year ended on that date, and
- (b) 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 Directors.



G Musgrove - Director



K Fenwick - Director

Kurri Kurri, NSW
27 July 2021

Independent auditor's report to the members of Kurri Kurri Bowling Club Limited

Opinion

We have audited the financial report of Kurri Kurri Bowling Club Limited (the Company) which comprises the statement of financial position as at 31 May 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, 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 31 May 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

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 audit opinion.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – 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.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Company for the year ended 31 May 2021 included on the Company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

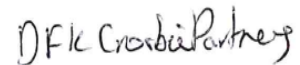
Auditor's responsibilities for the audit of the financial report

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 http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

27 July 2021
Newcastle West, NSW