



# **Kurri Kurri Bowling Club Limited**

ABN 32 000 796 501

## **Annual Financial Report for the year ended 31 May 2024**

# **Kurri Kurri Bowling Club Limited** ABN 32 000 796 501

## **Annual financial report for the year ended 31 May 2024**

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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 29 August 2024. The Directors have the power to amend and reissue the financial statements.

# Directors' report

Your Directors' present their report on Kurri Kurri Bowling Club Limited (the Company) for the year ended 31 May 2024.

## 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:

### Phillip Shaw

President  
Director since 2013  
Retired, Plant Operator

### Kevin Fenwick

Treasurer  
Director since 2018  
Retired, School Teacher

### Raymond Mulcahy

Director  
Director since 2018  
Retired, Company Manager

### Marianne Curtis

Director  
Director since 2022  
School Teacher

### Peter Sumner

Director  
Director since 2022  
Electrician

### Ian Mann

Vice President  
Director since 2018  
Retired, Fitter

### Rossalyn Manners

Director  
Director since 2018  
Retired, Registered Nurse

### David Johns

Director  
Director since 2018  
Retired, Accountant

### Maurice Anlezark

Director  
Director since 2022  
Retired, Club Manager

## 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 since 2017.

## 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
Phillip Shaw	12	11
Ian Mann	12	11
Kevin Fenwick	12	12
Rossalyn Manners	12	11
Raymond Mulcahy	12	10
David Johns	12	12
Marianne Curtis	12	11
Maurice Anlezark	12	12
Peter Sumner	12	11

Where:

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

## Directors' report (continued)

### Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 31 May 2024, the following land and buildings are considered to be core property:

**Core** - 3 - 7 Tarro Street, Kurri Kurri  
**Non-Core** - 1/5 & 2/5 Elford Avenue, Weston

### 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.

### 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 \$19,222 (2023: \$16,570).

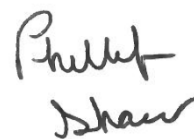
### Rounding of amounts

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.



Phillip Shaw - Director



Kevin Fenwick - Director

Dated: 29 August 2024



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## Auditor's independence declaration

To the Directors of Kurri Kurri Bowling Club Limited

In accordance with the requirements of the Corporations Act 2001, as lead auditor for the audit of Kurri Kurri Bowling Club Limited for the year ended 31 May 2024, 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 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

Pitcher Partners NH Partnership  
Chartered Accountants

**Dated: 29 August 2024**  
**Newcastle West, NSW**

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney



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**Statement of profit or loss and other comprehensive income**

For the year ended 31 May 2024

		<b>2024</b>	<b>2023</b>
	Notes	<b>\$</b>	<b>\$</b>
<b>Revenue from continuing operations</b>	2	<b>8,495,974</b>	8,343,034
Other income	3	<b>98,946</b>	229,453
Bar cost of goods sold		<b>(519,174)</b>	(509,062)
Bar direct expenses		<b>(368,023)</b>	(429,817)
Bistro cost of goods sold		<b>(523,988)</b>	(517,771)
Bistro direct expenses		<b>(640,968)</b>	(650,712)
Coffee shop cost of goods sold		<b>(57,421)</b>	(54,479)
Coffee shop direct expenses		<b>(69,208)</b>	(62,439)
Gaming direct expenses		<b>(1,930,489)</b>	(1,810,334)
Rental operations		<b>(7,982)</b>	(7,327)
Bowls direct expenses		<b>(399,962)</b>	(289,244)
Administration and clubhouse expenses		<b>(3,382,106)</b>	(3,082,877)
Finance costs		<b>(133,400)</b>	(103,206)
		<b>(8,032,721)</b>	(7,517,268)
<b>Profit / (loss) before income tax</b>		<b>562,199</b>	1,055,219
Income tax expense	1 (d)	-	-
<b>Profit / (loss) for the year</b>		<b>562,199</b>	1,055,219
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>562,199</b>	1,055,219

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 2024

	Notes	2024 \$	2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,846,450	2,678,214
Trade receivables	5	3,781	17,462
Inventories	6	132,243	90,327
Financial assets at amortised cost	7	19,968	10,518
Other assets	8	23,282	12,426
<b>Total current assets</b>		<b>3,025,724</b>	<b>2,808,947</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	7,182,828	7,058,219
Investment properties	10	1,070,000	1,070,000
Intangible assets	11	126,000	126,000
Lease asset	12 (a)	39,058	87,686
<b>Total non-current assets</b>		<b>8,417,886</b>	<b>8,341,905</b>
<b>Total assets</b>		<b>11,443,610</b>	<b>11,150,852</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	804,856	753,726
Financial liabilities	14	291,266	228,859
Provisions	15	513,205	509,007
Other liabilities	16	13,372	15,919
Lease liabilities	12 (b)	7,088	27,956
<b>Total current liabilities</b>		<b>1,629,787</b>	<b>1,535,467</b>
<b>Non-current liabilities</b>			
Financial liabilities	14	1,281,561	1,644,997
Provisions	15	16,770	10,007
Lease liabilities	12 (b)	-	7,088
<b>Total non-current liabilities</b>		<b>1,298,331</b>	<b>1,662,092</b>
<b>Total liabilities</b>		<b>2,928,118</b>	<b>3,197,559</b>
<b>Net assets</b>		<b>8,515,492</b>	<b>7,953,293</b>
<b>MEMBERS FUNDS</b>			
Retained profits		8,515,492	7,953,293
<b>Total members funds</b>		<b>8,515,492</b>	<b>7,953,293</b>

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

Kurri Kurri Bowling Club Limited

## Statement of changes in equity

For the year ended 31 May 2024

	<b>Retained Profits \$</b>	<b>Total \$</b>
<b>Balance at 1 June 2022</b>	6,898,074	6,898,074
Profit for the year	1,055,219	1,055,219
<b>Total comprehensive income for the year</b>	<b>1,055,219</b>	<b>1,055,219</b>
<b>Balance at 31 May 2023</b>	<b>7,953,293</b>	<b>7,953,293</b>
Profit for the year	562,199	562,199
<b>Total comprehensive income for the year</b>	<b>562,199</b>	<b>562,199</b>
<b>Balance at 31 May 2024</b>	<b>8,515,492</b>	<b>8,515,492</b>

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



Kurri Kurri Bowling Club Limited

## Statement of cash flows

For the year ended 31 May 2024

	2024	2023
	\$	\$
Notes		
<b>Cash flows from operating activities</b>		
Receipts from members and customers	9,400,340	9,174,920
Payments to suppliers and employees	(7,981,070)	(7,558,929)
Interest received	12	10
Interest paid	(133,400)	(103,206)
<b>Net cash inflow (outflow) from operating activities</b>	<b>1,285,883</b>	<b>1,512,795</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(880,865)	(1,594,622)
Proceeds from sale of property, plant and equipment	92,203	5,000
<b>Net cash inflow (outflow) from investing activities</b>	<b>(788,662)</b>	<b>(1,589,622)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	1,243,477
Repayment of borrowings	(301,029)	(306,758)
Repayment of lease liabilities	(27,956)	(55,472)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(328,985)</b>	<b>881,247</b>
<b>Net increase in cash and cash equivalents</b>	<b>168,236</b>	<b>804,421</b>
Cash and cash equivalents at the beginning of the financial year	2,678,214	1,873,793
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2,846,450</b>	<b>2,678,214</b>

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 2024

### 1 Summary of material accounting policies

#### (a) Information about the entity

- Kurri Kurri Bowling Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.
- Kurri Kurri Bowling Club Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is Tarro Street, Kurri Kurri NSW 2327
- The principal place of business of the Club is Tarro Street, Kurri Kurri NSW 2327

#### (b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

#### (c) Statement of compliance

This financial report complies with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities 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 except for investment properties which have been measured at fair value. The financial report is presented in Australian Dollars.

#### (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.

#### (g) Comparative information

Comparative information has been adjusted to reflect current year disclosures where applicable.

**Notes to the financial statements**

For the year ended 31 May 2024

**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
2024	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,702,843	5,205,207	34,830	395,678	34,833	105,403	8,478,794
Other revenue (not covered by AASB15)		17,180					17,180
	<u>2,702,843</u>	<u>5,222,387</u>	<u>34,830</u>	<u>395,678</u>	<u>34,833</u>	<u>105,403</u>	<u>8,495,974</u>

*Timing of revenue recognition*

At a point in time	2,702,843	5,205,207	-	395,678	34,833	105,403	8,443,964
Over time	-	17,180	34,830	-	-	-	52,010
	<u>2,702,843</u>	<u>5,222,387</u>	<u>34,830</u>	<u>395,678</u>	<u>34,833</u>	<u>105,403</u>	<u>8,495,974</u>

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowling revenue	Other revenue	Total
2023	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,649,845	5,102,725	31,371	414,780	24,033	103,100	8,325,854
Other revenue (not covered by AASB15)	-	17,180	-	-	-	-	17,180
	<u>2,649,845</u>	<u>5,119,905</u>	<u>31,371</u>	<u>414,780</u>	<u>24,033</u>	<u>103,100</u>	<u>8,343,034</u>

*Timing of revenue recognition*

At a point in time	2,649,845	5,102,725	-	414,780	24,033	103,100	8,294,483
Over time	-	17,180	31,371	-	-	-	48,551
	<u>2,649,845</u>	<u>5,119,905</u>	<u>31,371</u>	<u>414,780</u>	<u>24,033</u>	<u>103,100</u>	<u>8,343,034</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.

**Notes to the financial statements**

For the year ended 31 May 2024

**(b) Accounting policies and significant judgements (continued)***(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.

*(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.

*(vi) Other revenue*

The Company recognises other revenue at a point in time when the performance obligation has been satisfied.

**3 Other income and expense items**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>(a) Other income</b>		
Insurance recoveries	7,342	-
Interest income	12	10
Rental income	35,299	36,141
Gain on disposal of property, plant and equipment	56,293	3,302
Change in fair value of investment properties	-	190,000
	<u>98,946</u>	<u>229,453</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) Rental income*

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Company recognises rental income on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

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

The Company 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.

*(v) Change in fair value of investment properties*

The Company recognises the change in fair value of investment property based on the assessment of an independent valuer, representing the non-cash gain in relation to investment properties.

**(b) Other expenses**

Employee benefits expense	2,568,260	2,511,222
Interest costs	133,400	103,206
Depreciation and amortisation	798,534	672,969
Loss on disposal of property, plant and equipment	-	1,587

**Notes to the financial statements**

For the year ended 31 May 2024

**4 Cash and cash equivalents**

	2024	2023
	\$	\$
<b>Current</b>		
Cash and cash equivalents	2,846,450	2,678,214
	<u>2,846,450</u>	<u>2,678,214</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 (if any).

**5 Trade receivables**

<b>Current</b>		
Trade receivables	3,781	17,462
	<u>3,781</u>	<u>17,462</u>

**Accounting policy**

Trade receivables are non-interest bearing and are generally due for payment within 30 days of the invoice date.

**6 Inventories**

<b>Current</b>		
Stock on hand	132,243	90,327
	<u>132,243</u>	<u>90,327</u>

**Accounting policy**

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

**7 Financial assets at amortised cost**

<b>Current</b>		
Other receivables	19,968	10,518
	<u>19,968</u>	<u>10,518</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**

<b>Current</b>		
Prepayments	23,282	12,426
	<u>23,282</u>	<u>12,426</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 2024

**9 Property, plant and equipment**

	Land and buildings \$	Plant and equipment \$	Poker machines \$	Capital WIP \$	Total \$
<b>Non-current assets</b>					
<b>At 1 June 2023</b>					
Cost	8,378,154	3,405,256	2,218,356	144,943	14,146,709
Accumulated depreciation	(3,203,731)	(2,442,609)	(1,442,150)	-	(7,088,490)
Net book amount	<u>5,174,423</u>	<u>962,647</u>	<u>776,206</u>	<u>144,943</u>	<u>7,058,219</u>
<b>Year ended 31 May 2024</b>					
Opening net book amount	5,174,423	962,647	776,206	144,943	7,058,219
Additions	57,322	196,449	504,259	152,395	910,425
Disposals	-	(31,178)	(4,732)	-	(35,910)
Transfers	25,135	144,943	-	(170,078)	-
Depreciation charge	(204,072)	(228,403)	(317,431)	-	(749,906)
Closing net book amount	<u>5,052,808</u>	<u>1,044,458</u>	<u>958,302</u>	<u>127,260</u>	<u>7,182,828</u>
<b>Year ended 31 May 2024</b>					
Cost	8,460,611	3,671,184	2,498,871	127,260	14,757,926
Accumulated depreciation	(3,407,803)	(2,626,726)	(1,540,569)	-	(7,575,098)
Net book amount	<u>5,052,808</u>	<u>1,044,458</u>	<u>958,302</u>	<u>127,260</u>	<u>7,182,828</u>

**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 - 5 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 2024

**10 Investment properties**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current assets - at fair value</b>		
Opening balance at 1 June	1,070,000	880,000
Net gain / (loss) from fair value adjustment	-	190,000
Closing balance at 31 May	<u>1,070,000</u>	<u>1,070,000</u>

**Accounting policy**

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. To obtain the fair value, a market appraisal is obtained by the Company from external valuers each year. A market appraisal was performed by Stone Real Estate as at 31 May 2024. The real estate agent frequently assesses the market values for properties similar to those held by the Company in the same areas, having regard to past sales prices of other properties and current market conditions. Gains or losses arising from changes in the fair values of the investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognising of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

**11 Intangible assets**

	<b>Poker machine entitlements</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>			
Cost	126,000	126,000	126,000
Accumulated amortisation	-	-	-
Net book amount	<u>126,000</u>	<u>126,000</u>	<u>126,000</u>
<b>Reconciliation</b>			
Opening net book amount	<u>126,000</u>	<u>126,000</u>	<u>126,000</u>
Closing net book amount	<u>126,000</u>	<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 2024

**12 Lease assets and lease liabilities****2024****2023****\$****\$**

The Company leases various poker machines.

**a) Lease assets****Non-current**

Carrying amount of lease assets, by class of underlying asset:

**Poker Machines**

39,058

87,686

**Reconciliation of lease assets**

Carrying amount at the beginning of the year

**Poker****machines****Total****Total****\$****\$****\$**

87,686

87,686

142,666

Amortisation

(48,628)

(48,628)

(54,980)

Carrying amount at the end of the year

39,058

39,058

87,686

**b) Lease liabilities****Current**

Lease liabilities

7,088

7,088

27,956

**Non-current**

Lease liabilities

-

-

7,088

**Total**

7,088

7,088

35,044

**Reconciliation of lease liabilities**

Carrying amount at the beginning of the year

35,044

35,044

90,516

Interest expense

508

508

1,462

Lease payments

(28,464)

(28,464)

(56,934)

Carrying amount at the end of the year

7,088

7,088

35,044

**Maturity analysis of future lease payments**

Not later than 1 year

7,116

7,116

28,464

Later than 1 year and not later than 5 years

-

-

7,116

**Lease payments**

7,116

7,116

35,580

**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 lease asset and a lease liability is recognised. Lease assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Lease 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 2.4%.

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 lease 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 2024

**13 Trade and other payables**

	2024	2023
	\$	\$
<b>Current</b>		
Trade and other payables	768,893	704,902
GST payable	35,963	48,824
	<u>804,856</u>	<u>753,726</u>

**Accounting policy**

Trade and other payables, including accruals, are non-interest bearing and are generally due for payment within 30 days of the invoice date.

**14 Financial liabilities****Current***Secured*

Bank loans (i)	248,807	174,517
Gaming system loan (ii)	42,459	54,342
Total secured financial liabilities	<u>291,266</u>	<u>228,859</u>

**Non-current***Secured*

Bank loans (i)	1,281,561	1,602,538
Gaming system loan (ii)	-	42,459
Total secured financial liabilities	<u>1,281,561</u>	<u>1,644,997</u>

*(i) Bank loans*

The Company has a Business Loan with a \$1,020,000 facility as at 31 May 2024. This facility will decrease by \$20,000 per month up to 3 July 2025 where the facility remaining of \$740,000 is expected to be repaid. At 31 May 2024, the Company has available committed capacity (undrawn) of \$76,526 under this facility. The Company has provided the following as security:

Registered mortgage over property situated at 'Kurri Kurri Bowling Club' 3-7 Tarro Street Pelaw Main NSW more particularly described in Certificates of Title Folio Identifiers 1/1161097 and 2/1161097

General security agreement over all of the present and future rights, property and undertaking of Kurri Kurri Bowling Club ACN 000 796 501.

The Company has a Rental Loan with a \$586,894 facility as at 31 May 2024. The term of the loan is 30 years expiring in June 2051. At 31 May 2024, the Company has fully utilised the available capacity under this facility. The Company has provided the following as security:

Registered mortgage over property situated at 1 & 2/5 Elford Avenue Weston NSW more particularly described in Certificates of Title Folio Identifiers 1/1245679 and 2/1245679.

General Security Agreement over all of the present and future rights, property and undertakings of Kurri Kurri Bowling Club ACN 000 796 501.

*(ii) Other secured liabilities*

The gaming system loan is 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 2024

<b>15 Provisions</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Employee entitlements (i), (ii) & (iii)	444,933	434,745
Club grants	60,538	53,267
Jackpots	7,734	20,995
	<u>513,205</u>	<u>509,007</u>
<b>Non-current</b>		
Employee entitlements (ii)	16,770	10,007
	<u>16,770</u>	<u>10,007</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.

**16 Other liabilities****Current**

Contract liabilities - membership income	13,372	15,919
	<u>13,372</u>	<u>15,919</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.

**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 2024

**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>	<b>2024</b>	<b>2023</b>
		\$	\$
	Total key management personnel benefits	214,514	204,254

**19 Remuneration of auditors**

<i>Auditor of the company</i>			
	Audit of the financial statements	22,100	20,800
	Other services - taxation compliance services	360	340
	Other services - consulting services	17,670	14,660
		<u>40,130</u>	<u>35,800</u>

**20 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, 11, and 12 (a)) - The useful life of property, plant and equipment, intangible assets and lease 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.
- Estimated fair value of investment properties (note 10) - the fair value of investment properties is estimated at each reporting date, based on independent assessments of the market value of the properties and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

**21 Commitments**

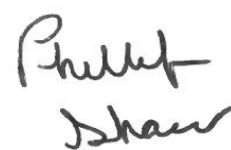
In May 2023, the Company entered into a memorandum of understanding agreement to amalgamate with Kurri Golf Club. The amalgamation is expected to be completed in the 2025 financial year, with the Company expected to provide capital works funding over 5 years for projects to revitalise the golf course and club once the amalgamation is finalised. In the 2024 financial year, members of both clubs have met and approved the amalgamation progress, however the Company is awaiting final regulatory approvals.

## 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 Accounting Standards - Simplified Disclosures, 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 2024 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.



Phillip Shaw - Director



Kevin Fenwick - Director

**Kurri Kurri, NSW  
29 August 2024**

## 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 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, including a summary of material 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 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, 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 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 that gives a true and fair view and is free from material misstatement, whether due to fraud or error. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 for the year ended included on the 's web site. The 's Directors are responsible for the integrity of the '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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

A handwritten signature in black ink, appearing to read "Shaun Mahony".

Shaun Mahony - Partner

A handwritten signature in black ink, appearing to read "Pitcher Partners NH Partnership".

Pitcher Partners NH Partnership  
Chartered Accountants

29 August 2024  
**Newcastle West, NSW**

#### **Pitcher Partners Newcastle & Hunter Pty Ltd**

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