



**Tomago Bowling
Club Co-Operative Limited**

ABN 45 408 512 862

**Annual Financial Report
for the year ended 30 June 2022**

Tomago Bowling Club Co-Operative Limited ABN 45 408 512 862

Annual financial report for the year ended 30 June 2022

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These financial statements are the financial statements of Tomago Bowling Club Co-Operative Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 22 December 2022. The Club has the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Tomago Bowling Club Co-Operative Limited (the Club) for the year ended 30 June 2022.

Directors details

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

Mr Robert Everson

Treasurer
Director since 2016
Retired

Mr Allan Ferrier

Director
Director since 2022
Retired

Mr Peter Jansen

Director
Director since 2018
Retired

Mr Robert Cotton

Vice President
Director since 2013
Recycler

Mr William Stocks

President
Director since 2011
Retired

Mrs Val Ferrier

Director
Director since 2022
Retired

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
Mr Robert Everson	11	13
Mr Robert Cotton	10	13
Mr William Stocks	12	13
Mr Peter Jansen	13	13
Mr Allan Ferrier	Appointed April 2022	4
Mrs Val Ferrier	Appointed April 2022	4
Mr John Linabury	Resigned October 2021	4

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 30 June 2022, the following land and buildings are considered to be core and non-core property:

Core Property - Nil.

Non-Core Property - Clubhouse, Oval and Bowling Greens situated at Tomago Road, Tomago NSW.

Principal activities

During the year, the principal activities of the Club were the promotion of the game of bowls for the benefit for its members.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

The Club traded for approximately 10 months in the current year due to COVID lockdowns compared to 12 months in the prior year. The loss incurred for the year was \$137,622 (2021: \$114,104). The increase in loss is mainly due to the reduction in government stimulus income.

	2022	2021
	\$	\$
Revenue	327,838	434,721
Expenses	(465,460)	(548,825)
Profit before income tax	(137,622)	(114,104)
Income tax	-	-
Net profit	(137,622)	(114,104)

Significant changes in state of affairs

No significant changes in the Club's state of affairs occurred during the financial year.

Events since the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in future financial years.

Likely developments and expected results of operations

The Club expects to sell the Club land at Tomago Road, Tomago within the next 12 months.

Environmental regulation

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

Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Club indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs in successfully defending legal proceedings.

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

Rounding of amounts

The Club 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.

Assurance practitioner's independence declaration

The assurance practitioner's independence declaration for the year ended 30 June 2022 has been received and is set out of page 5 of the financial report. The Club may decide to engage the assurance practitioner in addition to their statutory review where the assurance practitioner's expertise and experience with the Club is important.

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



William Stocks - President



Robert Everson - Treasurer

Dated: 22 December 2022

Assurance practitioner's independence declaration


To the Directors of Tomago Bowling Club Co-Operative Limited

In accordance with the requirements of the Co-operatives National Regulations (NSW) 2014, as lead assurance practitioner for the review of Tomago Bowling Club Co-Operative Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the assurance practitioner independence requirements as set out in the Co-operatives National Regulations (NSW) 2014 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



Shaun Mahony - Partner



Pitcher Partners NH Partnership
Chartered Accountants

Dated: 22 December 2022
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 30 June 2022

		2022	2021
	Notes	\$	\$
Revenue from continuing operations	2	272,726	332,379
Other Income	3	55,112	102,342
Bar cost of goods sold		(97,697)	(110,515)
Bar direct expenses		(64,716)	(71,516)
Gaming direct expenses		(30,753)	(45,918)
Members amenities		(32,435)	(36,346)
Greens direct expenses		(17,850)	(17,260)
Clubhouse operations		(68,982)	(90,645)
Administration expenses		(145,884)	(169,642)
Paper Gaming Expenses		(7,143)	(6,983)
		(465,460)	(548,825)
Profit / (loss) before income tax		(137,622)	(114,104)
Income tax expense		-	-
Profit / (loss) for the year		(137,622)	(114,104)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		(137,622)	(114,104)

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

Tomago Bowling Club Co-Operative Limited
Statement of financial position
For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	37,292	18,258
Inventories	5	19,598	19,884
Financial assets at amortised cost	6	15,601	2,012
Other assets	7	12,152	12,223
Assets held for sale	8	50,536	29,328
Total current assets		135,179	81,705
Non-current assets			
Property, plant and equipment	9	258,170	310,118
Total non-current assets		258,170	310,118
Total assets		393,349	391,823
LIABILITIES			
Current liabilities			
Trade and other payables	11	66,550	60,244
Provisions	12	95,615	84,045
Other liabilities	13	148,226	18,815
Total current liabilities		310,391	163,104
Non-current liabilities			
Provisions	12	1,149	1,144
Other liabilities	13	91,508	99,652
Total non-current liabilities		92,657	100,796
Total liabilities		403,048	263,900
Net assets		(9,699)	127,923
MEMBERS FUNDS			
Reserves		197	197
Retained profits		(9,896)	127,726
Total members funds		(9,699)	127,923

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

Statement of changes in equity

For the year ended 30 June 2022

	Reserves	Retained Profits	Total
	\$	\$	\$
Balance at 1 July 2020	197	241,830	322,708
Profit / (Loss) for the year	-	(114,104)	(114,104)
Total comprehensive income for the year	-	(114,104)	(114,104)
Balance at 30 June 2021	197	127,726	127,923
Profit / (Loss) for the year	-	(137,622)	(137,622)
Total comprehensive income for the year	-	(137,622)	(137,622)
Balance at 30 June 2022	197	(9,896)	(9,699)

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

Statement of cash flows

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members and customers		318,640	380,365
Payments to suppliers and employees		(438,887)	(493,362)
Interest received		2	21
Interest paid		(699)	(3,011)
Government stimulus		14,009	96,655
Net cash inflow (outflow) from operating activities		(106,935)	(19,332)
Cash flows from investing activities			
Payments for property, plant and equipment		(4,031)	(16,592)
Proceeds from sale of property, plant and equipment		130,000	10,000
Transfer (to)/from interest bearing deposit		-	5,000
Net cash inflow (outflow) from investing activities		125,969	(1,592)
Cash flows from financing activities			
Repayment of borrowings		-	(4,989)
Net cash inflow (outflow) from financing activities		-	(4,989)
Net increase in cash and cash equivalents		19,034	(25,913)
Cash and cash equivalents at the beginning of the financial year		18,258	44,171
Cash and cash equivalents at the end of the financial year	4	37,292	18,258

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

Notes to the financial statements

For the year ended 30 June 2022

1 Summary of significant accounting policies

(a) Information about the entity

- Tomago Bowling Club Co-Operative Limited is a co-operative.
- Tomago Bowling Club Co-Operative Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Tomago Bowling Club Co-Operative Limited is 657 Tomago Rd, Tomago NSW 2322.
- The principal place of business of the Tomago Bowling Club Co-Operative Limited is 657 Tomago Rd, Tomago NSW 2322.

(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 and the Co-operatives National law (NSW).

The prior year financial report was prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards – Simplified Disclosures has not affected the Club's reported financial position, financial performance and cash flows.

(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. The financial report is presented in Australian Dollars.

(d) Going Concern

The Club incurred a loss of \$137,622 and reported negative operating cashflow of \$106,935. The Club has a working capital deficiency of \$175,212 represented by current assets of \$135,179 and current liabilities of \$310,391 and a deficiency in total net assets of \$9,699.

Current liabilities includes:

- (a) Employee leave entitlements of \$95,615 which is included as a current liability, however the Directors do not expect to be required to settle the full amount owing to employees within the next 12 months.
- (b) Other liabilities of \$140,000 relating to funds received in advance from an external third party in connection with the proposed sale of the Club land. It is expected this other liability will be settled as part of the property sale and not require any cash outflow.

The Directors have determined that the going concern basis is appropriate given:

- (a) The Club has a cash balance at 30 June 2022 of \$37,292.
- (b) Whilst the Club has a recent history of incurring negative operating cashflows the Club has realised assets to fund these losses to date. In the short term Directors will continue to look for opportunities to sell assets to allow the club to be in a position to benefit from improved economic conditions in the future.
- (c) The Directors and management have continued to review costs and implement savings in order to reduce costs in response to continued declining revenue since year end.
- (d) The Directors expect to receive the ongoing support of its members, suppliers and the Australian Taxation Office.
- (e) The Directors continue to negotiate with an external party to purchase the Club land at Tomago Road, Tomago including arrangements for the construction of a new Clubhouse and leaseback arrangement for a portion of the land. Further, in line with the Heads of Agreement signed with this party the Club continues to receive advance payments to assist the Club in meeting its obligations to employees and creditors.

It is on this basis that the Directors have determined that the going concern basis is appropriate.

If the Club is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in this financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded amounts or to the amounts and classification of liabilities that might be necessary should the Club not continue as a going concern.

(e) Income Taxes

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

(f) Rounding of amounts

The Club 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 30 June 2022

1 Summary of significant accounting policies (continued)**(g) 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.

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

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

2022	Gaming revenue \$	Beverage Revenue \$	Other revenue \$	Total \$
Revenue from contracts with customers	87,794	169,395	8,206	265,395
Other revenue (not covered by AASB15)	7,331	-	-	7,331
	95,125	169,395	8,206	272,726
<i>Timing of revenue recognition</i>				
At a point in time	87,794	169,395	7,952	265,141
Over time	7,331	-	254	7,585
	95,125	169,395	8,206	272,726
2021	Gaming revenue \$	Beverage Revenue \$	Other revenue \$	Total \$
Revenue from contracts with customers	89,305	219,793	13,928	323,026
Other revenue (not covered by AASB15)	9,353	-	-	9,353
	98,658	219,793	13,928	332,379
<i>Timing of revenue recognition</i>				
At a point in time	89,305	219,793	13,474	322,572
Over time	9,353	-	454	9,807
	98,658	219,793	13,928	332,379

(b) Accounting policies and significant judgements

The Club 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 Club is or expects to be entitled in exchange for those goods or services.

The Club 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 Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the Club 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 revenue where the Club 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.

(ii) Sale of goods - beverage

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

(iii) Other revenue

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

Notes to the financial statements

For the year ended 30 June 2022

3 Other income and expense items

	2022	2021
	\$	\$
(a) Other income		
Lease Income	23,744	19,166
Interest Income	2	21
Government stimulus payment - Jobkeeper	-	66,557
Government stimulus payment - Jobsaver	31,366	-
Government stimulus payment - Cashflow boost	-	9,741
Government stimulus payment - Other	-	3,000
Insurance claims	-	3,857
	<u>55,112</u>	<u>102,342</u>

(i) Lease income

Lease 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. Refer to note 10 for further information where the Club acts as lessor.

(ii) Interest income

Interest income is recognised on an accruals basis.

(iii) Government stimulus funding

The Club recognises stimulus funding from the Government and Revenues NSW when it is considered to be receivable.

(iv) Insurance recoveries

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

(b) Other expenses

Employee Benefits Expense	140,748	171,397
Depreciation expense	34,771	49,119
Interest costs	699	3,011

Notes to the financial statements

For the year ended 30 June 2022

4 Cash and cash equivalents

	2022	2021
	\$	\$
Current		
Cash and Cash Equivalents	37,292	18,258
	<u>37,292</u>	<u>18,258</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 Inventories

Current		
Stock on hand	19,598	19,884
	<u>19,598</u>	<u>19,884</u>

Accounting policy

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

6 Financial assets at amortised cost

Current		
Other receivables	15,601	2,012
	<u>15,601</u>	<u>2,012</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.

7 Other assets

Current		
Prepayments	12,152	12,223
	<u>12,152</u>	<u>12,223</u>

Accounting policy

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

8 Assets held for sale

In 2021 management committed to a plan to sell part of the land on which the Clubhouse is situated as the land is currently not being used for club operations and to increase cash reserves. During 2022 the Board decided to sell the entire parcel of land and seek a leaseback of a portion for the Club operations.

Efforts to sell the property have continued and a sale is expected within the next 12 months.

The following assets have been identified as part of the proposed sale:

Land at cost	50,536	29,328
Total assets held for sale	<u>50,536</u>	<u>29,328</u>

Accounting policy

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented 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 30 June 2022

9 Property, plant and equipment

	Land and buildings \$	Plant and equipment \$	Poker machines \$	Bowling greens \$	Total \$
Non-current assets					
At 1 July 2021					
Cost	806,715	463,356	330,924	117,642	1,718,637
Accumulated depreciation	(622,770)	(426,760)	(318,208)	(40,781)	(1,408,519)
Net book amount	183,945	36,596	12,716	76,861	310,118
Year ended 30 June 2022					
Opening net book amount	183,945	36,596	12,716	76,861	310,118
Reallocation to Asset Held for Sale	(21,208)	-	-	-	(21,208)
Additions	-	4,031	-	-	4,031
Depreciation charge	(12,420)	(7,843)	(5,215)	(9,293)	(34,771)
Closing net book amount	150,317	32,784	7,501	67,568	258,170
At 30 June 2022					
Cost	777,255	464,481	330,924	117,642	1,690,302
Accumulated depreciation	(626,938)	(431,697)	(323,423)	(50,074)	(1,432,132)
Net book amount	150,317	32,784	7,501	67,568	258,170

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

Land and buildings is carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines, bowling greens

Each class of plant and equipment, poker machines and bowling greens 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	10 - 50 years
Plant & Equipment	2.5 - 40 years
Poker Machines	4 years
Bowling Greens	10 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 Club 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 30 June 2022

10 Leases**Lessor**

Leases for which the Club is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Club recognises lease payments as income. The underlying asset is depreciated on a straight line basis over its expected useful life.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Club leases out Club land to Optus to use for hosting telecommunications equipment. The lease period for the agreement is 25 years, for which the Club has received an upfront lump sum payment, which is being recognised over the lease period. The Club has classified this lease as an operating lease as it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The Club received all payments due to it under this lease agreement in 2019 and any amounts relating to future years is included as an other liability (Note 13). Lease income recognised by the Club during the 2022 financial year was \$8,660 (Note 3).

The Club also leases out Club land to Tomra Collection Pty Ltd to use for hosting recycling services plant. The lease is in place for 5 years, for which the Club receives monthly lease payments. The Club has classified this lease as an operating lease as it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Lease income recognised by the Club during the 2022 financial year was \$15,084 (Note 3).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Operating lease revenue	Total
	\$
Less than one year	7,917
One to two years	-
Two to three years	-
Three to four years	-
Four to five years	-
More than five years	-
Total	7,917

11 Trade and other payables

	2022	2021
	\$	\$
Current		
Trade payables	61,522	48,826
GST payable	5,028	11,418
	66,550	60,244

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.

Notes to the financial statements

For the year ended 30 June 2022

12 Provisions

	2022 \$	2021 \$
Current		
Employee entitlements (i) & (ii)	95,615	84,045
	<u>95,615</u>	<u>84,045</u>
Non-current		
Employee entitlements (ii)	1,149	1,144
	<u>1,149</u>	<u>1,144</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.

13 Other liabilities**Current**

Contract liabilities - membership income	82	155
Other liabilities	148,144	18,660
	<u>148,226</u>	<u>18,815</u>

Non-current

Other liabilities	91,508	99,652
	<u>91,508</u>	<u>99,652</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.

14 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) Key management personnel compensation

Total key management personnel benefits	91,436	95,236
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(b) Transactions with other related parties

Aaron Adams (son of CEO Gary Adams) is employed by the Club under normal terms and conditions.

Notes to the financial statements

For the year ended 30 June 2022

15 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 (*note 9*) - The useful life of property, plant and equipment 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 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.
- Classification of assets held for sale (*note 8*) - Club land has been classified as assets held for sale as the Club intends to sell this class of property, plant and equipment within the next 12 months. As a contract for the sale of the Club land has not yet been entered into, the asset continues to be held at cost.
- Classification of other liabilities (*note 13*) - Other liabilities includes payments received in advance for the expected future sale of Club land. As a contract for the sale of the Club land has not yet been entered into, all payments received will continue to be recorded as other liabilities until such time as the sale of land is completed. The net proceeds for Club land will be recognised as gain on disposal of property, plant and equipment upon the completion of their sale.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 17 are in accordance with the Co-operatives National Law (NSW) 2014, including:
 - (i) comply with Australian Accounting Standards - Simplified Disclosures, and the Co-operatives National Regulations (NSW) 2014.
 - (ii) giving a true and fair view of the Club's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Club 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.



William Stocks - President



Robert Everson - Treasurer

Tomago, NSW
22 December 2022

Independent assurance practitioner's review report to the members of Tomago Bowling Club Co-Operative Limited

Report of the financial report

We have reviewed the accompanying financial report of Tomago Bowling & Sporting Club Co-operative Limited (the Club), which comprises the Statement of financial position as at 30 June 2022 and the Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cashflows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Director's responsibility for the financial report

The Directors of the Club are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the Co-operatives National Law (NSW) 2014 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Assurance practitioner's responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report does not satisfy the requirements of the Co-operatives National Law (NSW) 2014 including: giving a true and fair view of the Club's financial position as at 30 June 2022 and its performance for the year ended on that date; and complying with the Australian Accounting Standards - Simplified Disclosures and the Co-operatives National Law (NSW) 2014 "Legislation". ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financials and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters relating to the electronic presentation of the audited financial report

The assurance practitioner's report relates to the financial report of the Club for the year ended 30 June 2022 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The assurance practitioner'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 reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

In concluding our review, we have complied with the independence requirements of the Co-operatives National Law (NSW) and the Accounting and Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) "the Code". We have also fulfilled our other ethical responsibilities in accordance with the Code.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Basis for adverse conclusion

The Club has recorded a net loss of \$137,622, and negative operating cashflow of \$106,935 for the year ended 30 June 2022. The Club has a deficiency in working capital such that current liabilities exceeded current assets by \$175,212 along with a deficiency in total net assets such that total liabilities exceeded total assets by \$9,699. The Club's continued net losses, negative operating cashflows and the deterioration in its statement of financial position along with the matters outlined in Note 1(d) indicate that the going concern basis for preparation of the financial statements is inappropriate and therefore the Club may be required to realise its assets and discharge its liabilities other than in the normal course of business and at the amounts different to those stated in the financial report.

Adverse conclusion

Based on our review, due to the significance of the matter discussed in the Basis for Adverse Conclusion paragraph, the financial statements do not present fairly, the financial position of Tomago Bowling Club Co-operative Limited as at 30 June 2022, and its financial performance and its cash flows for the year then ended, in accordance with the Australian Accounting Standards and the Co-operatives National Law (NSW) 2014.



Shaun Mahony - Partner



Pitcher Partners NH Partnership
Chartered Accountants

22 December 2022
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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