POTTSVILLE SPORTS
ESTD 1984

ANNUAL REPORT 2021 - 2022

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For the year ended 30 June 2022

Financial Statements

Snapshots

Revenue
$2,931,533

Profit
$348,274

EBITDA
18.7%

Asset Ugrades
$520,723

Community Club Grant Support
$28,326

No. of Chinese Dishes
17,488

Schooners Sold
114,718

MOVING WITH OUR COMMUNITY

VISION

To provide a venue for the community where every visit is positive and memorable

MISSION

To pursue our vision, commit to our values and meet our goals

OUR VALUES

- ACT WITH INTEGRITY IN ALL INTERACTIONS
- HOLD A STRONG COMMUNITY REPUTATION
- COMMAND A POSITIVE CULTURE
- BE INNOVATIVE AND OPPORTUNITY FOCUSED

OUR GOALS

- Continue to create a happy, productive and safe working environment
- Prioritise engagement and act upon the needs and wants of the community
- Provide an inclusive working environment where personal responsibility ensures success
- Promote environmental responsibility to make sustainable decisions
- Maintain long-term financial viability
- Operate ethically and responsibility under all governing bodies
- Exceed 15% EBITDA standards on an annual basis
- Develop a Master Plan for the future of our club within our community

From the Chairman

Dear members,

With businesses failing throughout the country and worldwide after the COVID-19 debacle, I'm very pleased to report that Pottsville Beach Sports Club has had another healthy year financially.

Our achievements have been many and varied, and include the completion of the Clubhouse revamp, remodeling of the poker machine room, improvement of function facilities on the lawn area and of course the never-ending expenses that come from replacing air conditioners, refridgeration, greens machinery and general wear and tear of equipment.

Functions have been an important growth area for the Club and have been well received by our members and locals alike. We have received return bookings from the functions, with reservations for the Christmas period coming in thick and fast, our popularity in this area is on the rise. Trish is doing a great job looking after the bookings and liaising with the catering staff to produce some first-class offers for our guests.

Wok Chop N Grill has risen to popularity locally and their continued success is always a benefit for our club - good food and popular specials will always draw a crowd. Thank you to Matthew for his endless hours and to Paul Collier the always smiling chef for his expertise.

'Proud and thankful' is the best comment I have for our staff - such a small band of workers have kept us open nearly every business day with only a couple of small changes to our regular opening hours. Every staff member's commitment and dedication to our Club has been truly exceptional and as a board, we are very thankful.

The bowling greens are still kept to an excellent standard and as a bowler, I appreciate the work that Paul puts into keeping them in top shape. Time is spent mapping out the green's maintenance schedule for the year and the long-wet season this year has made for difficult times for "Pearl" and, his assistant Kris - well done.

Our Manager, Ryan Clarke, has been more than a blessing for the club. Ryan's ability to manage our staff over difficult times has been second to none. Pottsville Beach Sports is leading the way with modern and innovative record-keeping systems, and working towards a paperless, streamlined administration and accounts office.

Ryan has been working extremely hard to produce exactly what he promised - a profitable business that can grow and continue to be here for the long term. My thanks to Ryan for his commitment to our club and for making my position as the chair of the board a breeze. Thanks and acknowledgment must also go to Ryan's wife, Tahlia, for dealing with the long hours he puts in at home as well as at the office.

The Board of Directors have been a great team and all have fulfilled their positions with professionalism and with the Club at heart. Thanks team!

Yours,

Coral Nathan
Chair of the Board

General Manager's Report

Dear Members,

Welcome to the Annual Report for 2022. It has been another pandemic-affected trading year along with one of the worst floods the North Coast has seen in 500 years. It makes me very proud to watch our fantastic team deliver time and time again, being able to pivot with ever-changing rules and guidelines and pick up the workload during periods of significant resource shortages.

In addition to these challenges, we have also been able to upgrade the club's interior and outside lawn area to welcome more of the community to utilise our friendly club. The changes have been well received and we are looking forward to a busy summer just around the corner.

The Bottom Line

The Board and I have maintained a profit-built business model to ensure we are able to provide valuable community support, maintain and expand member facilities, provide employment opportunities, and support local businesses. With that said, I am happy to inform the membership that the club achieved a $348,274 profit for the year (18.7% EBITDA). This could be seen as being down on last year. Although if you were to take out the additional Government payments in 2021, our performance is in line with last year.

The club spent $520,000 on capital upgrades this year along with paying down the loan facility and other finance commitments by $132,181. From these financial commitments, it was great to show that our cash reserves only decreased by $174,983. This shows that the capital upgrades were almost paid for within the twelve months.

Our focus for the next twelve months will be functions and events, along with providing great service and affordable quality food. With this mindset, the club is budgeting for improved performance across all departments.

Our People

As briefly mentioned above, our staff have once again been the backbone of the club during these difficult circumstances. To my Duty Managers, Derek, Troy, Trish and Megan, your dedication to the club and the support you have shown me over the past twelve months has been truly amazing. Your front-line commitment during these tough times really highlights the wonderful and dedicated people you all are. To the rest of the valuable staff at the club, I am so grateful for your ability to walk into work with a smile on your face given all the challenges we have met. All your positive behaviour is infectious and can be seen rubbing off on all our members.

To Matt and his team in the kitchen, your focus on offering consistent well-priced meals has been greatly appreciated by the community and membership. As you too have felt the shortages in the kitchen, your hard work and perseverance is commendable. The Board and I are really excited to work side by side over these next few years, to deliver more memorable experiences for our patrons.

To our Head Green Keeper and his 2IC, your dedication to your role shows in the product that you supply to our members week in and week out. The feedback from members and visitors on the quality of the Club's greens is second to none, so for that, I thank you both.

To Coral (Chairman), Carl (Senior Deputy) and Andrew (Junior Deputy), your support and continued hard work throughout the year has been greatly appreciated. The projects we completed would not have run as smoothly without your support, input and decision making. I am truly grateful I am led by a community-driven executive who is striving for longevity and success for the club. To the rest of the Board, thank you for everything you bring to the table each day. With such a diverse group of skills between you all, it really helps in decision making, especially with the ever-changing environment we have been exposed to over the past two years.

And lastly, thank you to our volunteers who helped the club during Covid, the floods and more recently with the club upgrades. You have shown commendable generosity with your support and time. I'm sure every other club is envious of our large network of supportive volunteers.

I am excited to see what 2023 will bring.

Ryan Clarke
General Manager

Giving Back to the Community

Club Grants Recipients

Pottsville Cricket Club	Tweed Coast Tigers AFL	Pottsville Men's Shed
Pottsville Touring Golfers	Sunnyfield Disability Services	Pottsville Pirates
Kingscliff Anglican Parish	RSL Pottsville District Sub Branch	Tweed Coast Rural Fire Brigade
Pottsville Community Preschool	Pottsville Fishing Club	Pottsville Lions Club

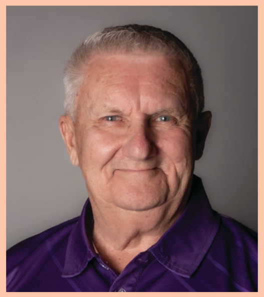
The Board

2021 - 2022

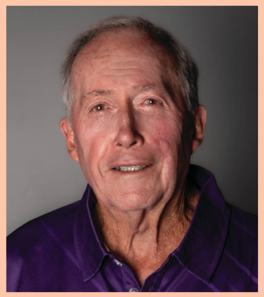
Coral Nathan
Chairman

Andrew Browne
Junior Deputy

Carl Roberts
Senior Deputy



Grant Lavender
Director



Ken Morris
Director

Sue Lawrence
Director

Anthony Cosgrove
Director

Steven McDougall
Director

Micheal Mills
Director

Ryan Clarke
General Manager

Directors' Report
30 June 2022

The directors present their report on Pottsville District Bowls and Sports Club Limited for the financial year ending 30 June 2022.

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

Michael Mills	Retired
Experience	Club Manager Tweed Heads Bowls Club
Appointed	27 October 2019
Special Responsibilities	WH&S and Greens
Coral Nathan	
Qualifications	Retired
Experience	Custom Credit; Branch Control Officer (Finance); held QLD Liquor Licence 1994 1999 (Hotel Charleville)
Appointed	26 October 2014
Special Responsibilities	Finance
Ken Morris	
Qualifications	Retired
Experience	Chartered Accountant; Past treasurer and director Springwood Bowling Club
Appointed	29 October 2017
Special Responsibilities	Finance
Sue Lawrance	
Qualifications	Retired
Experience	Registered Nurse; Former Secretary of Pottsville Women's Bowls Club; Current President of Pottsville Women's Bowls Club
Appointed	28 October 2018
Special Responsibilities	WH&S and Greens
Carl Roberts	
Qualifications	Graduate Certificate in Business Administration Swinburne University, OHS Representative, Mates in Construction, Safety incident investigation, Construction White card
Experience	Ten years managing the maintenance facility for SEQ Waters South Region. 8 million dollar budget. Ten years as Customer Service Manager and Operations Manager for SunWater.
Appointed	15 November 2020
Special Responsibilities	Finance and Building Committee
Grant Lavender	
Qualifications	Retired
Experience	Senior Project Officer with NSW Health. Justice of the Peace NSW. Volunteer Fireman Tweed Coast Rural Fire Service. Current Director at Pottsville Beach Sports
Appointed	15 November 2020
Special Responsibilities	Building

Directors' Report

30 June 2022

Information on directors

Steven McDougall

Qualifications	Bachelor of Applied Science (Mathematics) 1998 Darling Downs Institute of Advanced Education
Experience	August 1989 93 Information Technology Officer ACT Government. September 1993 1998 Senior Information Technology Officer Department of Immigration and Multicultural Affairs. July 1998 2001 Senior Consultant/Principal Consultant Indus International (ERP Software). September 2001 2006 Principal Consultant Mincom Ltd (ERP Software). August 2006 – Current Chief Engineer RiskPoynt Ltd (Risk management software)
Appointed	15 November 2020
Special Responsibilities	Board Governance and Disciplinary Committee

Andrew Browne

Qualifications	Cert. Teaching, DIP, Teaching, Grad. Ed.Studs
Experience	5 years DireFivetor Albion Park RSL 1993 97. 5 years Director, Pottsville Sports Club 2014 19. Current Jrn Vice Chairman Pottsville Beach Sports. Justice of Peace
Appointed	27 March 2021
Special Responsibilities	Board Governance and Disciplinary committee

Anthony Cosgrove

Qualifications	M Ed Ba Dip ED
Experience	Department of Education NSW 40 years
Appointed	29 December 2021
Special Responsibilities	Board Governance and Disciplinary committee

Lucille Downward

Qualifications	Physiotherapist
Experience	Physiotherapist practice 16 years. Treasurer Playtime Preschool. Treasurer Broken Hill Hockey
Resigned	14 November 2021

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

Principal Activities
The principal activity of Pottsville District Bowls and Sports Club Limited during the financial year was that of a Licensed Bowls and Sports Club. No significant changes in the nature of the Company's activity occurred during the financial year.

Short and Long Term Objectives
The short-term strategy for the Club is to continue to work towards reducing current debt levels within a reasonable time frame whilst maintaining facilities and amenities that service the needs of our diverse membership and the local community. To improve our gaming facilities within the club. The Club will continue to promote and support local sporting organisations and social activities and ensure we maximise the clubs exposure and involvement within our community.

The long-term strategic objective of Pottsville Beach Sports Club is to conduct its business in a sound and responsible manner, ensuring continued relevance to the membership and community and providing facilities and amenities that improve the financial and future viability of the Club. This commitment also includes focusing on becoming a pivotal part of the local community and continuing to offer first-class bowling greens and facilities for our members.

Strategy for Achieving the Objectives
The primary strategies to achieve the Club's objectives are through sound financial management and other business tools to ensure plans, budgets and cash flow projections are current and relevant. The business activities are managed in a proactive manner to ensure that the goals, objectives and business strategies are achieved. The Board of Directors are actively involved in all aspects of planning for the Club. The Board of Directors and Management will continue to work together to ensure we create a solid position for our Club for the future.

Directors' Report
30 June 2022

Members' Guarantee
Pottsville District Bowls and Sports Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person who ceased to be a member in the year prior to the winding up, is limited to $20, subject to the provisions of the company's constitution. At 30 June 2022, the collective liability of members was $74,440 (2021: $77,380).

Significant Changes in State of Affairs
The continuing issues relating to the COVID-19 virus have significantly affected the Company's operations.

Future Developments and Results
The ongoing disruptions caused by the COVID-19 virus will continue to affect the operations of the Company and future financial results. The lasting effects are unknown as of the date of this financial report.

Meetings of Directors
During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Anthony Cosgrove	6	6
Michael Mills	12	10
Coral Nathan	12	12
Lucille Downward	4	3
Ken Morris	12	11
Sue Lawrance	12	12
Carl Roberts	12	11
Steven McDougall	12	12
Grant Lavender	12	11
Andrew Browne	12	12

Auditor's Independence Declaration
The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2022 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:
Coral Nathan

Pottsville
Dated 26 September 2022

Auditor’s Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Pottsville District Bowls and Sports Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KOTHES
Chartered Accountants

Simon Byrne
Partner
Registered Company Auditor # 153624
26 September 2022

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation

BEGA
MERIMBULA
EDEN
BOMBALA
BERMAGUI
COOMA
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Kothes Chartered Accountants
ABN 36 472 755 795

Independent Regional Member of Walker Wayland Australasia Limited

Statement of Profit or Loss and Other Comprehesive Income

For the Year Ended 30 June 2022

	Notes	2022 $	2021 $
Sales revenue	4	**1,110,325**	1,175,269
Cost of sales		**(425,739)**	(437,442)
Gross profit		**684,586**	737,827
Other operating income	4	**240,904**	198,362
Lease income Kitchen		**41,725**	38,774
Poker machine income	4	**1,452,750**	1,271,799
Gain on disposal of assets		**254**	-
Other revenue	4	**85,575**	185,918
Employee benefits expense		**(780,123)**	(843,846)
Administrative and operating expenses		**(747,436)**	(645,855)
Depreciation expense		**(199,769)**	(166,387)
Bad debts expense		**(879)**	-
Finance expenses interest on bank and other loans		**(30,309)**	(39,644)
Marketing expenses		**(151,971)**	(92,348)
Poker machine expenses		**(201,765)**	(128,468)
Sub Club expenses		**(45,268)**	(7,562)
Other expenses		**-**	(22,356)
Surplus before income tax		**348,274**	486,214
Income tax expense	2(b)	**-**	-
Surplus from continuing operations		**348,274**	486,214
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**348,274**	486,214

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**470,437**	645,420
Trade and other receivables	7	**39,381**	32,169
Inventories stock on hand		**26,516**	24,055
Other financial assets Shares in credit union		**10**	10
Other assets prepayments		**73,454**	2,991
TOTAL CURRENT ASSETS		**609,798**	704,645
NON CURRENT ASSETS			
Property, plant and equipment	8	**4,695,439**	4,349,866
Intangible assets	9	**98,919**	98,919
TOTAL NON CURRENT ASSETS		**4,794,358**	4,448,785
TOTAL ASSETS		**5,404,156**	5,153,430
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**444,303**	308,410
Borrowings	11	**12,014**	11,451
Employee benefits	12	**68,771**	58,115
Provision for poker machine jackpots		**43,870**	40,374
TOTAL CURRENT LIABILITIES		**568,958**	418,350
NON CURRENT LIABILITIES			
Trade and other payables	10	**100,157**	215,569
Borrowings	11	**844,806**	977,550
TOTAL NON CURRENT LIABILITIES		**944,963**	1,193,119
TOTAL LIABILITIES		**1,513,921**	1,611,469
NET ASSETS		**3,890,235**	3,541,961
EQUITY			
Reserves		**1,633,965**	1,633,965
Retained earnings		**2,256,270**	1,907,996
TOTAL EQUITY		**3,890,235**	3,541,961

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022	Retained Earning	Asset Revaluation Surplus	Total
	$	$	$
Balance at 1 July 2021	**1,907,996**	**1,633,965**	**3,541,961**
Operating result for the year	**348,274**	**-**	**348,274**
Balance at 30 June 2022	**2,256,270**	**1,633,965**	**3,890,235**

2021	Retained Earning	Asset Revaluation Surplus	Total
	$	$	$
Balance at 1 July 2020	1,421,782	1,633,965	3,055,747
Operating result for the year	486,214	-	486,214
Balance at 30 June 2021	1,907,996	1,633,965	3,541,961

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2022

	Notes	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**3,223,701**	3,158,772
Payments to suppliers and employees		**(2,715,926)**	(2,471,507)
Finance costs		**(30,309)**	(39,644)
Net cash provided by/(used in) operating activities		**477,466**	647,621
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		**455**	-
Purchase of property, plant and equipment **		**(520,723)**	(72,193)
Net cash provided by/(used in) investing activities		**(520,268)**	(72,193)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(132,181)**	(276,320)
Net cash provided by/(used in) financing activities		**(132,181)**	(276,320)
Net increase/(decrease) in cash and cash equivalents held		**(174,983)**	299,108
Cash and cash equivalents at beginning of year		**645,420**	346,312
Cash and cash equivalents at end of financial year	6	**470,437**	645,420

** Excludes assets purchased by poker machine liability agreements of $24,820 (total asset purchases $545,543).

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Pottsville District Bowls and Sports Club Limited as an individual entity. Pottsville District Bowls and Sports Club Limited is a not for profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Pottsville District Bowls and Sports Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 26 September 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Act 2001.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sales and services revenue

Sale revenue includes bar sales, poker machine income, keno income and TAB income. All of the services and goods for these revenue items are provided to customers at the time of the sale and income is accounted for at that time. If deposits are held for any of these revenue items a liability is booked until the service or goods have been provided to the customer and then as income.

Other income

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

(b) Income Tax

The Company is a Not For Profit entity with a main objective of providing facilities for bowls and other sporting activities and to encourage the game of bowls and other sporting activities. The Board has reviewed its income tax status and have assessed the Company to be exempt from income tax under section 50 45 of the Income Tax Assessment Act, 1997 (Cth). Consequently, no provision for taxation has been made in the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

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

(e) Inventories

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

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment. Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value. Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2.5% - 10%
Plant and Equipment	2.5% - 40%
Poker machines	20%
Motor Vehicles	18.75%

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Financial instruments

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

On initialt recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

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

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

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost. When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information. The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk. The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held). Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance. Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

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

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables, bank and other loans.

(h) Intangible assets

Poker Machine Entitlements

Poker machine entitlements are recognised at cost. They have an indefinite life and no amortisation has been calculated.

(i) Cash and cash equivalents

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(j) Leases

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

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low value assets. The Company recognises the payments associated with these leases as an expense on a straight line basis over the lease term.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. The Clubs real property at Pottsville is shown at a valuation completed in 2014 and adopted by the Board on 30 June 2014.

Key estimates receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	$	$
Revenue from contracts with customers (AASB 15)		
Sales revenue Bar sales	**1,110,325**	1,175,269
Poker machine income	**1,452,750**	1,271,799
Other operating income	**32,169**	
Bingo income	**10,616**	14,544
Green fees	**42,075**	9,296
Member subscriptions	**12,951**	24,175
Keno commissions	**44,488**	42,646
TAB commissions	**13,614**	17,523
Commissions other	**34,595**	19,906
Raffle income	**46,855**	48,239
Sub Club income	**35,525**	15,904
Sundry income	**185**	6,129
	240,904	198,362
	2,803,979	2,645,430
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations AASB 1058)		
JobKeeper income	**-**	126,000
ATO Cash Flow Boost income	**-**	37,500
Grants COVID NSW	**85,353**	13,000
Donations	**222**	9,418
	85,575	185,918
Total Revenue	**2,889,554**	2,831,348

5 Result for the Year

The result for the year includes the following significant expenses:

	2022	2021
Net loss on disposal of property, plant and equipment	-	7,227
Cleaning & waste removal	89,448	90,144
Electricity & gas	68,720	79,171
Entertainment expenses	30,621	18,433
Insurance	60,154	76,522
Repairs and maintenance	152,461	74,560

Notes to the Financial Statements

For the Year Ended 30 June 2022

6 Cash and Cash Equivalents

	2022	2021
	$	$
Cash at bank and in hand	**470,437**	645,420

7 Trade and other receivables

	2022	2021
CURRENT		
Trade receivables	**12,108**	5,353
Accrued income	**12,905**	11,819
Other debtors	**14,368**	14,997
Total current trade and other receivables	**39,381**	32,169

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Property, plant and equipment

	2022	2021
LAND AND BUILDINGS		
Freehold land Core Property		
At fair value	**2,275,000**	2,275,000
Buildings Core Property		
At fair value	**1,049,000**	1,049,000
At cost additions since valuation	**346,599**	285,701
Accumulated depreciation	**(231,877)**	(199,081)
Total buildings	**1,163,722**	1,135,620
Total land and buildings	**3,438,722**	3,410,620
Plant and equipment		
At cost	**2,751,205**	2,267,651
Accumulated depreciation	**(1,526,595)**	(1,371,215)
Total plant and equipment	**1,224,610**	896,436
Motor vehicles		
At cost	**63,665**	63,665
Accumulated depreciation	**(31,558)**	(20,855)
Total motor vehicles	**32,107**	42,810
Total property, plant and equipment	**4,695,439**	4,349,866

Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Property, plant and equipment

(a) Movement in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	$	$	$	$	$
Year ended 30 June 2022					
Balance at the beginning of year	2,275,000	1,135,620	896,436	42,810	4,349,866
Additions	-	60,898	484,645	-	545,543
Disposals	-	-	(201)	-	(201)
Depreciation expense	-	(32,796)	(156,270)	(10,703)	(199,769)
Balance at the end of the year	2,275,000	1,163,722	1,224,610	32,107	4,695,439

(b) Land and Buildings and Core Property as per the Registered Clubs Act

An independent valuation of the land and buildings was conducted on 22 January 2014 by Terry O'Rourke who is a certified practising valuer. The valuation at that date was $3,324,000 and the directors adopted that valuation as at 30 June 2014. An insurance valuation was conducted in August 2022 and the amounts per this valuation were above the book value for buildings booked as at 30 June 2022.

All land and buildings of the Company is considered Core Property as per the Registered Clubs Act.

9 Intangible Assets

	2022	2021
	$	**$**
Poker Machine Entitlements - at cost	**98,919**	98,919

Gaming Machine Entitlements

The Gaming Machine Act 2001 has created gaming entitlements for the Club that have a tradeable value. The Club has 41 gaming entitlements. The carrying value of intangible assets represents 4 entitlements which were acquired for consideration. The remaining 37 entitlements had no cost and have not been brought to account.

10 Trade and Other Payables

	2022	2021
	$	$
CURRENT		
Trade payables	**147,506**	61,295
GST payable	**40,752**	37,059
Sundry payables and accrued expenses	**91,664**	67,481
Poker machine liabilities	**163,315**	138,495
Sundry creditors	**1,066**	4,080
	444,303	308,410

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

	2022	2021
NON-CURRENT		
Poker machine liabilities	**100,157**	215,569

Poker machine liabilities

This liability is for purchases of poker machines payable over a 3 year period. The liability is non-interest bearing. The assets associated with this liability are included in Fixed Assets in Note 8 to the financial statements. The book value amount of these assets is above the liability booked above. The security for this liability is the poker machines purchased through this agreement.

11 Borrowings

	2022	2021
CURRENT		
Secured liabilities:		
Equipment loans	**12,014**	11,451
Total current borrowings	**12,014**	11,451
NON CURRENT		
Secured liabilities:		
Bank loan **	**818,441**	938,320
Equipment loans	**26,365**	39,230
Total non current borrowings	**844,806**	977,550
Total borrowings	**856,820**	989,001

Financing facilities

The financing facilities available to the Club from the Commonwealth Bank are for a bank loan of $1,200,000. Additionally, the Company has access to a business card facility of $30,000. The bank loan facility is in place to January 2026.

11 Borrowings

Security

The bank debt is secured by a registered first mortgage over property owned by the Company at Lot 479 Coast Road, Pottsville, NSW, 2489 and first ranking charge over all present and after acquired property.

Equipment loans

Equipment loans are secured by the assets financed (motor vehicle). As at 30 June 2022 there was one loan in place repayable over a 5 year term ending in 2025.

12 Employee Benefits

	2022	2021
	$	$
Current liabilities		
Provision for annual leave	**44,914**	36,944
Provision for long service leave	**23,857**	21,171
	68,771	58,115

13 Member's Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 20 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the number of members was 3,722 (2021: 3,869).

14 Key Management Personnel Remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. The Company is run by the Board of Directors. All major business decisions are made by the Board. The day to day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board, no key management personnel disclosures are deemed appropriate.

15 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
  - Land
  - Buildings

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

17 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel refer to Note 14.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. All transactions made by the directors with the Club are under the same terms and conditions applying to members and other patrons generally.

18 Events after the end of the Reporting Period

The financial report was authorised for issue on 26 September 2022 by the Board of Directors.

The ongoing disruptions caused by the COVID 19 virus will continue to have an effect on the operations of the Company and future financial results. The ongoing effects are unknown as at the date of this financial report.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

19 Statutory Information

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

Pottsville District Bowls and Sports Club Limited
Lot 479 Coast Road
POTTSVILLE BEACH NSW 2489

20 Special Interest Group (Sub Clubs)

The bank accounts (including term deposits) of the Men's and Ladies' Bowls Club have been incorporated into the general funds of the company during the financial year. The Pottsville Pirates sub club held $5,529 in a bank account for their operations as at 30 June 2022 which is included in cash at bank of the company.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages **12 to 26**, are in accordance with the Corporations Act 2001 and:

    a. comply with Australian Accounting Standards Reduced Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director
Coral Nathan

Pottsville
Dated 26 September 2022

KOTHES
ACCOUNTING GROUP

Independent Audit Report to the members of Pottsville District Bowls and Sports Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pottsville District Bowls and Sports Club Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and 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 30 June 2022 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The ongoing financial effect of the COVID 19 virus is unknown. The financial report has been prepared on the basis that the company is a going concern however due to the uncertainty of the effects of the ongoing COVID 19 virus disruptions the future financial viability of the company may be significantly affected.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon). Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Independent Audit Report to the members of Pottsville District Bowls and Sports Club Limited

Responsibilities of 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.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KOTHES
Chartered Accountants

Simon Byrne
Partner
Registered Company Auditor # 153624
26 September 2022