



**Lemon Tree Passage Bowling
Club Co-Operative Limited**

ABN 84 570 698 446

**Annual Financial Report
for the year ended 30 June 2024**

Lemon Tree Passage Bowling Club Co-Operative Limited ABN 84 570 698 446

Annual financial report for the year ended 30 June 2024

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These financial statements are the financial statements of Lemon Tree Passage 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 27 September 2024. The Directors have the power to amend and reissue the financial statements.

Directors' report

Your Directors present their report on Lemon Tree Passage Bowling Club Co-Operative Limited (the Club) for the year ended 30 June 2024.

Directors details

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

Mr Kevin Colman

President
Director since 2006
Retired

Mr William Vidal

Vice President
Director since 2008, deceased May 2024
Retired

Mr Carl Rumph

Vice President
Director since 2008
Retired

Mr Trevor Glasbey

Director
Director since 2022
Chemist

Mr Greg Patteson

Director
Director since 2017
Retired

Mr Darren Neville

Director
Director since 2019
Retired

Ms Lisa Davies

Director
Director since 2022
Match Committee member Lemon Tree
Passage ladies bowls

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 Kevin Colman	10	10
Mr Carl Rumph	10	9
Mr William Vidal Deceased May 2024	8	7
Mr Greg Patteson	10	8
Mr Darren Neville	10	10
Ms Lisa Davies	10	10
Mr Trevor Glasbey	10	9

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 2024, the following land and buildings are considered to be core and non-core property:

Core - Licensed Club, Carpark and Bowling Greens encompassing 23 Kenneth Parade and Lot 170 Gould Drive
Lemon Tree Passage.

Non-Core

- The rental property situated at 1 Kenneth Parade, Lemon Tree Passage
- The land situated at 18-24 Gould Drive, Lemon Tree Passage
- The land situated at 25 Kenneth Parade, Lemon Tree Passage
- The land situated at 53-57 Meredith Avenue, Lemon Tree Passage
- The rental property situated at 27 Kenneth Parade, Lemon Tree Passage

Directors' report

Principal activities

During the year, the principal activities of the Club were to run the Club in accordance with its objectives for the benefits of its members.

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

Review of operations and financial results

The profit achieved for the year was \$7,675 (2023 \$314,047). The decrease in reported net profit was mainly due to increases in expenses.

	2024	2023
	\$	\$
Revenue	4,317,849	4,426,411
Expenses	(4,310,174)	(4,112,364)
Profit before income tax	<u>7,675</u>	<u>314,047</u>
Income tax	-	-
Net profit/(loss)	<u>7,675</u>	<u>314,047</u>
Operating cash flows	<u>384,986</u>	<u>652,786</u>

Performance measurement

The Club measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as bar and gaming. The Club also uses EBITDA to measure the financial performance of the Club overall.

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 other 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 continue to improve its financial performance and continue to provide quality facilities and services for members and guests.

Environmental regulation

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

Options

No options over issued shares or interests in the Co-operative were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

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 Co-operative 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.

Directors' report (continued)

Auditor's independence declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 6 and forms part of this Directors' report.

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



Kevin Colman - President



Carl Rumph - Vice President

Dated: 27 September 2024
Lemon Tree Passage, NSW



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Auditor's independence declaration

To the Directors of Lemon Tree Passage Bowling Club Co-Operative Limited

In accordance with section 307C of the Corporations Act 2001, I declare that, to the best of my knowledge and belief in relation to the financial report of Lemon Tree Passage Bowling Club Limited for the year ended 30 June 2024, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) in relation to the audit.

Kirsty Porteous - Partner

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 27 September 2024
Newcastle West, NSW

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue from continuing operations	2	4,289,300	4,390,438
Other Income		28,549	35,973
Food and beverage cost of goods sold		(486,359)	(447,059)
Food and beverage direct expenses		(381,504)	(388,950)
Coffee shop cost of goods sold		(14,349)	(9,909)
Poker machine direct expenses		(761,424)	(749,561)
Paper gaming expenses		(178,047)	(182,854)
Bowling operation direct expenses		(166,376)	(136,960)
Finance costs		(52,073)	(22,806)
Members amenities		(640,842)	(608,446)
Clubhouse operations		(685,705)	(702,446)
Administration expenses		(943,495)	(863,373)
		(4,310,174)	(4,112,364)
Profit / (loss) before income tax		7,675	314,047
Income tax expense		-	-
Profit / (loss) for the year		7,675	314,047
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		7,675	314,047

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 30 June 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,573,986	1,452,884
Trade receivables	5	21,475	41,500
Inventories	6	29,077	29,967
Financial assets at amortised cost	7	6,952	166,006
Other assets	8	51,817	52,213
Total current assets		1,683,307	1,742,570
Non-current assets			
Property, plant and equipment	9	3,089,750	3,315,890
Investment properties	10	1,372,723	570,000
Intangible assets	11	36,000	36,000
Lease assets	12	42,773	42,703
Total non-current assets		4,541,246	3,964,593
Total assets		6,224,553	5,707,163
LIABILITIES			
Current liabilities			
Trade and other payables	13	299,351	304,665
Financial liabilities	14	28,323	10,541
Provisions	15	109,970	130,988
Other liabilities	16	21,603	22,653
Lease liabilities	12	23,149	25,234
Total current liabilities		482,396	494,081
Non-current liabilities			
Financial liabilities	14	648,002	126,332
Provisions	15	17,357	14,837
Other liabilities	16	10,439	16,934
Lease liabilities	12	21,495	17,790
Total non-current liabilities		697,293	175,893
Total liabilities		1,179,689	669,974
Net assets		5,044,864	5,037,189
MEMBERS FUNDS			
Reserves	17	9,783	9,783
Retained profits		5,035,081	5,027,406
Total members funds		5,044,864	5,037,189

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

Lemon Tree Passage Bowling Club Co-Operative Limited

Statement of changes in equity

For the year ended 30 June 2024

	Reserves	Accumulated Profits	Total
	\$	\$	\$
Balance at 1 July 2022	9,783	4,713,359	4,723,142
Profit for the year	-	314,047	314,047
Total comprehensive income for the year	-	314,047	314,047
Balance at 30 June 2023	9,783	5,027,406	5,037,189
Profit for the year	-	7,675	7,675
Total comprehensive income for the year	-	7,675	7,675
Balance at 30 June 2024	9,783	5,035,081	5,044,864

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 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from members and customers		4,755,569	4,807,398
Payments to suppliers and employees		(4,320,669)	(4,134,968)
Interest received		2,159	3,162
Interest paid		(52,073)	(22,806)
Net cash inflow (outflow) from operating activities		384,986	652,786
Cash flows from investing activities			
Payments for property, plant and equipment		(134,522)	(363,170)
Proceeds from sale of property, plant and equipment		-	11,000
Transfer from / (to) interest bearing deposit		158,361	(3,165)
Purchase of investment property		(802,723)	-
Net cash inflow (outflow) from investing activities		(778,884)	(355,335)
Cash flows from financing activities			
Proceeds from borrowings		656,290	-
Repayments of borrowings		(116,838)	(122,077)
Repayment of lease liabilities		(24,452)	(25,301)
Net cash inflow (outflow) from financing activities		515,000	(147,378)
Net increase in cash and cash equivalents		121,102	150,073
Cash and cash equivalents at the beginning of the financial year		1,445,117	1,295,044
Cash and cash equivalents at the end of the financial year	4	1,566,219	1,445,117

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 2024

1 Summary of material accounting policies

(a) Information about the entity

- Lemon Tree Passage Bowling Club Co-Operative Limited is a co-operative with no share capital.
- Lemon Tree Passage Bowling Club Co-Operative Limited is a not for profit entity for the purpose of preparing the financial r
- The registered office of the Co-operative is 23 Gould Drive, Lemon Tree Passage, NSW 2319.
- The principal place of business of the Co-operative is 23 Gould Drive, Lemon Tree Passage, NSW 2319.

(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).

(c) Material accounting policy information

The material accounting policies applied in the preparation of this financial report are consistent with the previous period unless otherwise stated.

(d) 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.

(e) Income Taxes

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

(f) 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.

(g) 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.

(h) Comparative information

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

Notes to the financial statements

For the year ended 30 June 2024

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:

	Food and beverage revenue	Bowling revenue	Membership revenue	Raffle and bingo revenue	Gaming revenue	Other revenue	Total
2024	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,270,032	24,838	23,847	241,068	2,636,124	57,414	4,253,323
Other revenue (not covered by AASB15)	-	-	-	-	17,180	18,797	35,977
	<u>1,270,032</u>	<u>24,838</u>	<u>23,847</u>	<u>241,068</u>	<u>2,653,304</u>	<u>76,211</u>	<u>4,289,300</u>
<i>Timing of revenue recognition</i>							
At a point in time	1,270,032	24,838	-	241,068	2,653,304	76,211	4,265,453
Over time	-	-	23,847	-	-	-	23,847
	<u>1,270,032</u>	<u>24,838</u>	<u>23,847</u>	<u>241,068</u>	<u>2,653,304</u>	<u>76,211</u>	<u>4,289,300</u>

	Food and beverage revenue	Bowling revenue	Membership revenue	Raffle and bingo revenue	Gaming revenue	Other revenue	Total
2023	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,204,129	23,424	27,822	251,640	2,729,603	122,415	4,359,033
Other revenue (not covered by AASB15)	-	-	-	-	17,180	14,225	31,405
	<u>1,204,129</u>	<u>23,424</u>	<u>27,822</u>	<u>251,640</u>	<u>2,746,783</u>	<u>136,640</u>	<u>4,390,438</u>
<i>Timing of revenue recognition</i>							
At a point in time	1,204,129	23,424	-	251,640	2,746,783	136,640	4,362,616
Over time	-	-	27,822	-	-	-	27,822
	<u>1,204,129</u>	<u>23,424</u>	<u>27,822</u>	<u>251,640</u>	<u>2,746,783</u>	<u>136,640</u>	<u>4,390,438</u>

(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) Sale of goods - food and beverage

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 - bowling revenue

Bowling revenue comprises green 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.

Fee receipts for periods beyond the current financial year are shown in the statement of financial position under the heading of current liabilities as other liabilities.

Notes to the financial statements

For the year ended 30 June 2024

2 Revenue (continued)

(b) Accounting policies and significant judgements (continued)

(iii) *Provision of services - membership revenue*

Membership subscriptions are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

(iv) *Provision of services - raffle and bingo revenue*

Raffle and bingo revenue 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 - 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 income 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 transactions have been completed.

(vi) *Other Revenue*

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

3 Other expense items

	2024	2023
	\$	\$
(a) Other expenses		
Employee Benefits Expense	1,160,875	1,114,681
Loss on disposal of assets	3,605	3,216
Interest costs	52,073	22,806
Depreciation	386,987	395,466

Notes to the financial statements

For the year ended 30 June 2024

4 Cash and cash equivalents

	2024	2023
	\$	\$
Current		
Cash and Cash Equivalents	1,573,986	1,452,884
	<u>1,573,986</u>	<u>1,452,884</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

Current		
Trade receivables	21,475	41,500
	<u>21,475</u>	<u>41,500</u>

6 Inventories

Current		
Stock on hand - bar	29,077	29,967
	<u>29,077</u>	<u>29,967</u>

Accounting policy

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

7 Financial assets at amortised cost

Current		
Term deposits	-	158,361
Other receivables	6,952	7,645
	<u>6,952</u>	<u>166,006</u>

Accounting policy

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

8 Other assets

Current		
Prepayments	51,817	52,213
	<u>51,817</u>	<u>52,213</u>

Notes to the financial statements

For the year ended 30 June 2024

9 Property, plant and equipment

	Land and buildings and improvements \$	Plant and equipment \$	Poker machines \$	Capital WIP \$	Total \$
Non-current assets					
At 1 July 2023					
Cost	5,502,119	2,065,673	1,802,925	16,636	9,387,353
Accumulated depreciation	(2,819,592)	(1,731,462)	(1,520,409)	-	(6,071,463)
Net book amount	<u>2,682,527</u>	<u>334,211</u>	<u>282,516</u>	<u>16,636</u>	<u>3,315,890</u>
Year ended 30 June 2024					
Opening net book amount	2,682,527	334,211	282,516	16,636	3,315,890
Additions	-	85,375	53,075	-	138,450
Disposals	-	(3,605)	-	-	(3,605)
Depreciation charge	(163,619)	(87,080)	(110,286)	-	(360,985)
Closing net book amount	<u>2,518,908</u>	<u>328,901</u>	<u>225,305</u>	<u>16,636</u>	<u>3,089,750</u>
At 30 June 2024					
Cost	5,502,119	2,147,443	1,856,000	16,636	9,522,198
Accumulated depreciation	(2,983,211)	(1,818,542)	(1,630,695)	-	(6,432,448)
Net book amount	<u>2,518,908</u>	<u>328,901</u>	<u>225,305</u>	<u>16,636</u>	<u>3,089,750</u>

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

Freehold land and buildings are held at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment and poker machines

Plant and equipment and poker machines are carried at cost less any accumulated depreciation and any accumulated impairment losses.

(c) Depreciation

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

Buildings and improvements	5 - 50 years
Plant & Equipment	2 - 20 years
Poker Machines	3 - 5 years

Significant accounting estimates and judgements

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.

Notes to the financial statements

For the year ended 30 June 2024

10 Investment properties

	2024	2023
	\$	\$
Non-current assets - at fair value		
Opening balance at 1 July	570,000	570,000
Additions	802,723	-
Closing balance at 30 June	<u>1,372,723</u>	<u>570,000</u>

Accounting policy

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. 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.

To obtain the fair value, an independent valuation is obtained by the Club from an external real estate agent. A market appraisal was performed by David Keers of Portside Real Estate on 22 July 2024. The real estate agent frequently assesses market values for properties similar to those held by the Club 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.

Significant accounting estimates and judgements

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.

11 Intangible assets

	Poker machine	Total
	\$	\$
Non-current assets		
As at 30 June 2024		
Cost	36,000	36,000
Net book amount	<u>36,000</u>	<u>36,000</u>
Year ended 30 June 2024		
Opening net book amount	36,000	36,000
Closing net book amount	<u>36,000</u>	<u>36,000</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 30 June 2024

12 Lease assets and lease liabilities

2024	2023
\$	\$

The Club leases equipment being the POS system.

a) Lease assets**Non-current**

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

Plant and Equipment	42,773	42,703
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Reconciliation of lease assets

	Plant & Equipment	Total	Total
	\$	\$	\$
Carrying amount at the beginning of the year	42,703	42,703	70,895
Additions	26,072	26,072	-
Disposals	-	-	(2,570)
Amortisation	(26,002)	(26,002)	(25,622)
Carrying amount at the end of the year	42,773	42,773	42,703

b) Lease liabilities**Current**

Lease liabilities	23,149	23,149	25,234
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Non-current

Lease liabilities	21,495	21,495	17,790
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Total	44,644	44,644	43,024
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Reconciliation of lease liabilities

	Plant & Equipment	2024	2023
	\$	\$	\$
Carrying amount at the beginning of the year	43,024	43,024	73,496
Additions	26,072	26,072	-
Gain on reduction of lease	-	-	(5,171)
Interest expense	5,357	5,357	3,646
Lease payments	(29,809)	(29,809)	(28,947)
Carrying amount at the end of the year	44,644	44,644	43,024

Maturity analysis of future lease payments

	Total	Total
	\$	\$
Not later than 1 year	26,748	27,216
Later than 1 year and not later than 5 years	27,554	18,144
Lease payments	54,302	45,360

Accounting policy

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

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 Club's incremental borrowing rate. The weighted average incremental borrowing rate is 6.74%.

Notes to the financial statements

For the year ended 30 June 2024

13 Trade and other payables

	2024	2023
	\$	\$
Current		
Trade payables	149,963	158,909
Other payables and accruals	82,435	79,302
GST payable	66,953	66,454
	<u>299,351</u>	<u>304,665</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)	28,323	10,541
Total secured financial liabilities	<u>28,323</u>	<u>10,541</u>

Non-current*Secured*

Bank loans	648,002	126,332
Total secured financial liabilities	<u>648,002</u>	<u>126,332</u>

(i) Secured liabilities

The above loans and lines of credit are secured by the NAB Bank by the following:

- a registered mortgage is held over the following properties:-

- | | |
|---|---|
| - 57 Meredith Avenue, Lemon Tree Passage NSW | - 20 Gould Drive, Lemon Tree Passage |
| - Lot 170 Gould Drive, Lemon Tree Passage NSW | - 22 Gould Drive, Lemon Tree Passage |
| - 53 Meredith Avenue, Lemon Tree Passage | - 24 Gould Drive, Lemon Tree Passage |
| - 55 Meredith Avenue, Lemon Tree Passage | - 23 Kenneth Parade, Lemon Tree Passage |
| - 25 Kenneth Parade, Lemon Tree Passage | - 18 Gould Drive, Lemon Tree Passage |
| - 27 Kenneth Parade, Lemon Tree Passage | |

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 Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

15 Provisions**Current**

Employee entitlements (i) & (ii)	109,915	120,527
Jackpots	55	10,461
	<u>109,970</u>	<u>130,988</u>

Non-current

Employee entitlements (ii)	17,357	14,837
	<u>17,357</u>	<u>14,837</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.

Notes to the financial statements

For the year ended 30 June 2024

15 Provisions (continued)

(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.

16 Other liabilities

	2024	2023
	\$	\$
Current		
Contract liabilities - membership income	21,603	22,653
	<u>21,603</u>	<u>22,653</u>
Non-current		
Contract Liabilities - membership income	10,439	16,934
	<u>10,439</u>	<u>16,934</u>

17 Reserves

	Asset revaluation	Total
	\$	\$
Balance at 1 July 2023	9,783	9,783
Balance at 30 June 2024	<u>9,783</u>	<u>9,783</u>

18 Contingent liabilities

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
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19 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	168,659	168,440
Total transactions with related parties	<u>168,659</u>	<u>168,440</u>

20 Remuneration of auditors

Auditor of the Club

Audit of the financial statements	24,200	23,300
Other services - consulting services	42,500	38,800
	<u>66,700</u>	<u>62,100</u>

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 20 are in accordance with with Co-operatives National Law (NSW), including:
 - (i) complying with Australian Accounting Standards - Simplified Disclosures, and the Co-operatives National Regulations (NSW);
 - (ii) giving a true and fair view of the Club's financial position as at 30 June 2024 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.



Kevin Colman - President



Carl Rumph - Vice President

27 September 2024
Lemon Tree Passage, NSW

Independent auditor's report to the members of Lemon Tree Passage Bowling Club Co-Operative Limited

Opinion

We have audited the financial report of Lemon Tree Passage Bowling Club Co-Operative Limited (the Club) which comprises the statement of financial position as at 30 June 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 Club is in accordance with the Co-operatives National Law (NSW) including:

- (i) giving a true and fair view of the Clubs financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, and the Co-operatives National Regulations (NSW).

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 Club in accordance with the auditor independence requirements of the Co-operatives National Law (NSW) 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Club's Director's report for the year ended 30 June 2024, 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing further to report in this regard.

Independent auditor's report (continued)

Responsibilities of the Directors for the financial report

The directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Co-operatives National Regulations (NSW), 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 Club'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 Club 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 Club for the year ended 30 June 2024 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 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.

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.

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Independent auditor's report (continued)

- 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 Club'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 Club 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.



Kirsty Porteous - Partner



Pitcher Partners NH Partnership
Chartered Accountants

27 September 2024
Newcastle West, NSW

Pitcher Partners Newcastle & Hunter Pty Ltd

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