LIGHTNING RIDGE DISTRICT BOWLING CLUB LTD
ABN 92 001 065 210

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Your directors present their report on the company for the financial year ended 30 June 2021.

Principal Activities

The company's principal activities are the operation of a registered club for the promotion of bowls in the Lightning Ridge district.

Short Term Objectives of the Company

The company has identified the following short term objectives:

- to provide a comfortable and secure environment for members that continue to meet their needs.

Long Term Objectives of the Company

The company has identified the following long term objectives:

- to promote bowls in the community and to be recognised for our contribution to the sport.
- to continue to be financially secure.
- to grow the company operations in accordance with member interests.

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Profit, after income tax expense, for the financial year was $2,069,056.
- Cash flow from operating activities for the financial year was $2,345,908.
- Membership for the financial year was 24,948.

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
R Hungerford	President	Appointed 1/10/2012	Retired Businessman, 22 years as director
R Brown	Senior Vice President	Appointed 27/10/2013	Retired, 8 years as a director Previously a founding director (1966-1983)
P Collison	Jnr Vice President	Appointed 2/11/2014 Resigned 27/9/2015 Appointed 16/12/2015	Retired health care professional, 12 years as a director
I Anderson	Treasurer	Appointed 28/10/2018	Retired, previous director of the club for 5 years, current director 3 years

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
P Morris	Director	Appointed 25/9/2016	Miner, previously a director for 18 months, current director 5 years
D Jenner	Director	Appointed 10/12/2017	Miner, 4 years as director
T McMillan	Director	Appointed 27/10/2019	Health Care Professional, 2 years as a director

Meetings of Directors

During the financial year 19 meetings of directors were held, including 12 ordinary directors meetings and 7 special directors meetings, and the attendances by each director during the year were as follows:

	Directors' Meetings		Special Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
R Hungerford	12	12	7	6
R Brown	12	12	7	7
P Collison	12	12	7	7
I Anderson	12	11	7	7
P Morris	12	12	7	5
D Jenner	12	12	7	7
T McMillan	12	12	7	6

Company Secretary

Scott Bailey was appointed as the company secretary on 23 September 2019.

Membership Details

The Lightning Ridge District Bowling Club Ltd is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Life / Honorary	4	$ 2	$ 8
Bowling	484	$ 2	$ 968
Associate	24,460	$ 2	$ 48,920
Total	24,948	$ 2	$ 49,896

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

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

Director

Director

Dated: 25 August 2021

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AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2021 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.

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
149 Otho St
INVERELL NSW 2360

Dated: 25 August 2021

LIGHTNING RIDGE DISTRICT BOWLING CLUB LTD
ABN 92 001 065 210

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue	2	**10,220,157**	6,949,728
Other income	3	**350,546**	470,351
Interest revenue calculated using the effective interest method		**438**	4,216
Cost of goods sold		**(2,261,762)**	(1,656,040)
Administration expenses		**(244,280)**	(182,796)
Bowls expenses		**(68,771)**	(109,649)
Depreciation expense		**(574,081)**	(510,383)
Direct overheads		**(15,085)**	(16,627)
Employee benefits expense		**(2,903,006)**	(2,416,554)
Finance costs		**(35,588)**	(32,346)
Gaming expenses		**(1,108,798)**	(711,199)
Marketing and advertising		**(428,895)**	(308,525)
Occupancy costs		**(555,547)**	(503,694)
Repairs and maintenance		**(276,923)**	(212,425)
Profit/(Loss) before income tax expense		**2,098,405**	764,057
Income tax (expense)/revenue	1 (b), 5	**(29,349)**	(173,343)
Profit/(Loss) after income tax expense		**2,069,056**	590,714
Other comprehensive income			
Net fair value gain/(loss) on remeasurement of investments in listed equities available for sale, net of tax	10	**254,620**	(75,255)
Other comprehensive income for the year, net of tax		**254,620**	(75,255)
Total comprehensive income for the year		**2,323,676**	515,459
Total comprehensive income attributable to members of the entity		**2,323,676**	515,459

The accompanying notes form part of these financial statements.

LIGHTNING RIDGE DISTRICT BOWLING CLUB LTD
ABN 92 001 065 210

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**1,541,525**	1,602,893
Trade and other receivables	7	**172,789**	60,892
Inventories	8	**339,470**	268,139
Other current assets	9	**128,213**	104,609
Current tax assets	5	**38,581**	-
TOTAL CURRENT ASSETS		**2,220,578**	2,036,533
NON CURRENT ASSETS			
Financial assets	10	**861,800**	510,600
Property, plant and equipment	11	**7,150,155**	3,656,373
Right-of-use assets	12	**26,609**	51,538
Deferred tax assets	5	**810,108**	905,763
TOTAL NON CURRENT ASSETS		**8,848,672**	5,124,274
TOTAL ASSETS		**11,069,250**	7,160,807
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**289,366**	372,164
Contract liabilities	14	**165,125**	56,834
Borrowings	15	**177,201**	216,954
Lease liabilities	16	**85,547**	157,360
Current tax liabilities	5	**-**	46,224
Employee benefits	17	**153,909**	185,893
Other liabilities	18	**134,455**	4,411
TOTAL CURRENT LIABILITIES		**1,005,603**	1,039,840
NON CURRENT LIABILITIES			
Borrowings	15	**1,687,548**	-
Lease liabilities	16	**31,018**	112,860
Employee benefits	17	**41,347**	28,050
TOTAL NON CURRENT LIABILITIES		**1,759,913**	140,910
TOTAL LIABILITIES		**2,765,516**	1,180,750
NET ASSETS		**8,303,734**	5,980,057
EQUITY			
Reserves	19	**560,860**	306,240
Retained earnings		**7,742,874**	5,673,817
TOTAL EQUITY		**8,303,734**	5,980,057

LIGHTNING RIDGE DISTRICT BOWLING CLUB LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Reserves $	Retained Earnings $	Total $
Balance at 1 July 2019	381,495	5,083,103	5,464,598
Profit after income tax expense	-	590,714	590,714
Total other comprehensive income for the year	(75,255)	-	(75,255)
Balance at 30 June 2020	306,240	5,673,817	5,980,057
Profit after income tax expense	-	2,069,056	2,069,056
Total other comprehensive income for the year	254,620	-	254,620
Balance at 30 June 2021	560,860	7,742,874	8,303,734

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**11,559,434**	8,152,206
Payments to suppliers and employees		**(9,082,040)**	(6,847,226)
Interest received		**438**	4,216
Interest and other finance costs paid		**(16,845)**	(11,125)
Income tax paid		**(115,079)**	-
Net cash provided by operating activities		**2,345,908**	1,298,071
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from investments		**2,000**	11,200
Proceeds from disposal of property, plant and equipment		**19,089**	58,560
Payments for property, plant and equipment		**(3,922,505)**	(590,344)
Net cash used in investing activities		**(3,901,416)**	(520,584)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**1,687,548**	-
Repayment of borrowings		**(39,753)**	(57,896)
Repayments of lease liabilities		**(153,655)**	(122,098)
Net cash provided by financing activities		**1,494,140**	(179,994)
Net increase in cash held		**(61,368)**	597,493
Cash at the beginning of the financial year		**1,602,893**	1,005,400
Cash at the end of the financial year	6	**1,541,525**	1,602,893

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Lightning Ridge District Bowling Club Limited as an individual entity. Lightning Ridge District Bowling Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention
The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (q).

The financial statements were authorised for issue on 25 August 2021 by the directors of the company.

Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Revenue

The Company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of Goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of Services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Rent
Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other Revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services
The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liability are calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relates to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The mutuality principle has been applied to the income tax calculation of the Club.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(e) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value on a 'first in first out' basis.

(g) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2.5%
Plant & Equipment, Furniture & Fittings	5 - 40%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(h) Investments and Other Financial Assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

<u>Financial assets at fair value through profit or loss</u>
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

<u>Financial assets at fair value through other comprehensive income</u>
Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset’s carrying value with a corresponding expense through profit or loss.

(i) Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

(l) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option or extension option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of an extension or purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(m) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(n) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). in this case it is recognised as part of the cost of the 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 included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed on a gross basis.

(p) New or Amended Accounting Standards and Interpretations Adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(q) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from Contracts with Customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income Tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee Benefits Provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

	Note	2021 $	2020 $
Note 2: Revenue			
Revenue from contracts with customers			
Bar Trading		**1,680,759**	1,246,016
Bottleshop Trading		**1,624,716**	1,085,162
Membership Subscriptions		**59,210**	20,898
TAB & KENO Commission		**129,177**	111,486
Bowls Fees		**34,047**	32,843
Sponsorships		**11,955**	13,441
Room & Equipment Hire		**11,047**	19,969
Poker Machine Revenue		**5,010,415**	3,387,527
Raffles & Bingo		**272,567**	201,771
ATM Commission		**58,631**	43,670
Other Commission		**1,471**	982
Events & Members Entertainment		**7,491**	12,560
Merchandise		**29,367**	14,204
Wallangulla Revenue		**1,199,567**	735,352
Vending Machine, Juke Box & Pool Table		**4,548**	11,670
Grant Revenue - AASB15		**79,900**	-
Other Revenue		**5,289**	12,177
Total revenue from contracts with customers		**10,220,157**	6,949,728
Total revenue		**10,220,157**	6,949,728
Disaggregation of revenue			
Timing of revenue recognition			
Goods transferred at a point in time		**8,772,038**	6,019,357
Service transferred over time		**1,448,119**	930,371
		10,220,157	6,949,728
Note 3: Other Income			
Government Subsidies		**286,500**	349,000
Rental Income		**49,046**	35,780
Profit on Disposal of Fixed Assets		**13,000**	58,242
Dividend Income		**2,000**	11,200
Insurance Recoveries		**-**	16,129
Total other income		**350,546**	470,351

Note 4: Expenses

Profit before income tax includes the following specific expenses:

	Note	2021 $	2020 $
Cost of sales		**2,252,313**	1,643,911
Depreciation		**547,283**	488,030
Electricity		**184,444**	180,019
Insurance		**108,548**	89,568
Member discounts		**42,946**	26,229
Payroll tax		**70,179**	45,600
Poker machine duty		**969,366**	549,028
Provision for employee entitlements		**(11,648)**	(84,222)
Repairs and maintenance		**222,596**	184,476
Salary and wages		**2,628,778**	1,913,624
Superannuation		**222,627**	175,738
Wallangulla motel		**198,661**	537,775
Director expenses		**54,630**	44,613

Note 5: Income Tax

(a) The prima facie tax on profit from income tax is reconciled to the income tax as follows:

	2021 $	2020 $
Prima facie tax payable on profit before income tax at 26% (2020: 27.5%)	**545,585**	210,116
Add/(Less): Tax effect of;		
Permanent and temporary differences	**95,655**	25,386
Non-assessable profit from members	**(611,891)**	(62,159)
Income tax expense/(benefit) attributable to the company	**29,349**	173,343

(b) Assets

	2021 $	2020 $
CURRENT		
Current tax asset	**38,581**	-
NON-CURRENT		
Deferred tax asset	**810,108**	905,763

(c) Liabilities

	2021 $	2020 $
CURRENT		
Current tax liability	**-**	46,224

	Note	2021 $	2020 $
Note 6: Cash and Cash Equivalents			
Cash on hand		**195,275**	150,275
Cash at bank		**206,767**	361,546
Short-term deposits		**1,139,483**	1,091,072
		1,541,525	1,602,893

(a) Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2021 $	2020 $
Balances as above	**1,541,525**	1,602,893
Balance as per statement of cash flows	**1,541,525**	1,602,893

Note 7: Trade and Other Receivables

	2021 $	2020 $
CURRENT		
Trade receivables	**72,857**	60,892
Other receivables	**99,932**	-
	172,789	60,892

Note 8: Inventories

	2021 $	2020 $
CURRENT		
Stock on Hand, at cost:		
Liquor	**270,347**	216,102
Tobacco	**7,676**	6,337
Motel stock	**9,457**	4,982
Sundry items	**51,990**	30,610
Stock in Transit	**-**	10,108
	339,470	268,139

Note 9: Other Assets

	2021 $	2020 $
CURRENT		
Bonds paid	**1,000**	-
Prepayments	**127,213**	104,609
	128,213	104,609

Note 10: Financial assets

	2021 $	2020 $
Listed ordinary shares - at fair value through other comprehensive income	**861,800**	510,600

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2021 $	2020 $
Opening fair value	**510,600**	614,400
Revaluation increments	**254,620**	(75,255)
Tax effect of revaluation increments	**96,580**	(28,545)
Closing fair value	**861,800**	510,600

	Note	2021 $	2020 $
Note 11: Property, Plant & Equipment			
Work in Progress (at cost)		**3,096,108**	135,486
Land and Buildings (at cost)			
Freehold land		**687,761**	687,761
Buildings		**7,522,210**	7,522,210
Less: Accumulated depreciation		**(5,835,484)**	(5,743,544)
		1,686,726	1,778,666
Total Land and Buildings		**2,374,487**	2,466,427
Plant and Equipment (at cost)			
Plant and Equipment - Owned (at cost)			
Plant and equipment - owned		**5,718,343**	4,881,186
Less: Accumulated depreciation		**(4,297,109)**	(4,167,742)
Total Plant and Equipment		**1,421,234**	713,444
Plant and Equipment - Leased (at cost)			
Plant and equipment - leased		**514,040**	514,040
Less: Accumulated depreciation		**(255,714)**	(173,024)
Total Plant and Equipment - Leased		**258,326**	341,016
		1,679,560	1,054,460
Total Property, Plant and Equipment		**7,150,155**	3,656,373

(a) Movements in carrying amounts

	Work in Progress $	Land and Buildings $
Balance at the beginning of the year	135,486	2,466,427
Additions	2,960,622	-
Disposals	-	-
Depreciation expense	-	(91,940)
Carrying amount at the end of the year	3,096,108	2,374,487

	Plant and Equipment - Owned $	Plant and Equipment - Leased $	Total $
Balance at the beginning of the year	713,444	341,016	3,656,373
Additions	1,088,402	-	4,049,024
Disposals	-	-	-
Depreciation expense	(380,612)	(82,690)	(555,242)
Carrying amount at the end of the year	1,421,234	258,326	7,150,155

	Note	**2021** $	2020 $

(b) There is a registered mortgage over all properties owned by the company as well as a registered equitable mortgage over the assets of the club including working capital.

(c) No impairment has been recognised in respect of plant and equipment.

(d) Lessor commitments

Minimum lease commitments receivable but not recognised in the financial statements:

	2021	2020
Within one year	**48,180**	51,238
One to five years	**128,480**	118,536
More than five years	**-**	-
	176,660	169,774

Note 12: Right-of-use Assets

	2021	2020
Plant and equipment	**53,219**	70,378
Less: Accumulated depreciation	**(26,610)**	(18,840)
	26,609	51,538
Total Right-of-use Assets	**26,609**	51,538

(a) Movements in carrying amounts

	Plant and Equipment $	Total $
Balance at the beginning of the year	51,538	51,538
Additions	-	-
Disposals	(6,089)	(6,089)
Depreciation expense	(18,840)	(18,840)
Carrying amount at the end of the year	26,609	26,609

The company has lease contracts for various items of property, plant and equipment used in its operations. Leases of plant and machinery generally have lease terms between 3 and 6 years.

The company also has certain leases of equipment with lease terms of 12 months or less and leases of equipment with low value. The company applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

Note 13: Trade and Other Payables

CURRENT

Unsecured liabilities:

	2021	2020
Trade payables	**230,656**	282,593
Sundry payables and accrued expenses	**58,710**	89,571
	289,366	372,164

	Note	2021 $	2020 $
Note 14: Contract Liabilities			
CURRENT			
Poker machine jackpot liability		**80,867**	42,770
Member subscriptions received in advance		**55,914**	14,064
Member vouchers		**28,344**	-
		165,125	56,834
Note 15: Borrowings			
CURRENT			
Unsecured liabilities:			
Insurance premium funding		**131,607**	105,666
Secured liabilities:			
Bank loan		**45,594**	111,288
		177,201	216,954
NON-CURRENT			
Secured liabilities:			
Bank loan		**1,687,548**	-
		1,687,548	-
Total Borrowings		**1,864,749**	216,954
(a) Total current and non-current secured liabilities:			
Bank loan		**1,733,142**	111,288
		1,733,142	111,288

(b) The bank overdraft is secured by fixed and floating charge over all assets of the Club.

(c) The bank loan is secured by the Club, the Wallangulla Motel and 25 Harlequin Street, Lightning Ridge.

(d) The unused portion of approved finance facilities are:

	2021 $	2020 $
Bank loan	**1,266,858**	37,960
Credit cards	**30,000**	29,265
	1,296,858	67,225

	Note	2021 $	2020 $
Note 16: Lease Liabilities			
CURRENT			
Lease liabilities		**85,547**	157,360
		85,547	157,360
NON-CURRENT			
Lease liabilities		**31,018**	112,860
		31,018	112,860
Total lease liabilities		**116,565**	270,220
Note 17: Employee Benefits			
CURRENT			
Provision for annual leave		**102,562**	120,505
Provision for long service leave		**51,347**	65,388
		153,909	185,893
NON-CURRENT			
Provision for long service leave		**41,347**	28,050
		41,347	28,050
(a) Aggregate employee benefits liability		**195,256**	213,943

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 18: Other Liabilities

		2021 $	2020 $
CURRENT			
Renovation retention		**126,519**	-
Other liabilities		**7,936**	4,411
		134,455	4,411

	Note	2021 $	2020 $

Note 19: Reserves

	Financial assets at fair value through OCI $	Total $
Balance at 1 July 2019	381,495	381,495
Revaluation - gross	(103,800)	(103,800)
Deferred tax	28,545	28,545
Balance at 30 June 2020	306,240	306,240
Revaluation - gross	351,200	351,200
Deferred tax	(96,580)	(96,580)
Balance at 30 June 2021	560,860	560,860

(a) Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Note 20: Capital Commitments

The amounts committed at each year end are as follows;

	2021	2020
Renovation Stage 1	**1,073,111**	-
	1,073,111	-

- On 28 August 2020 the Club entered an agreement with Network Constructions for renovations, as displayed on the plans within the Club. The remaining amount of this commitment is noted above.

Note 21: Events After the End of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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 company, the results of those operations, or the state of affairs of the company in future financial years.

Note 22: Key Management Personnel Disclosures

	2021	2020
Directors' Honorariums	**19,200**	16,800

Compensation

The aggregate compensation made to the members of key management personnel (KMP) of the company is set out below:

	2021	2020
KMP aggregate compensation	**429,702**	420,594
Number of KMP	**5**	5

	Note	**2021** **$**	2020 $

Note 23: Contingent Liabilities - Mortality Scheme

The Club operates a Mortality Scheme which provides a mortuary payment of $500 on behalf of certain members. All full members whom have held concurrent membership since October 1999 are entitled to make such applications under this scheme. At balance date the total number of members entitled was 182.

Note 24: Sub Clubs

The economic entity which is the Lightning Ridge District Bowling Club Limited comprises the activities of the Club and the mixed travelling bowlers and women's bowls sub clubs. The directors are of the opinion that it is impractical to consolidate the activities of the independent sub clubs, being the travelling bowlers and women's bowls sub clubs, with those of the Lightning Ridge District Bowling Club Limited, on the basis of materiality. At 30 June 2021, the sub committees have a combined net assets $31,224 (2020: $23,986) and a combined profit of $7,238 (2020: $6,274).

Note 25: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.
The registered office and principal place of business is:

Lightning Ridge District Bowling Club Limited
Agate Street
LIGHTNING RIDGE NSW 2834

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021

The directors of the company declare that:

1. The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Director	Director

Dated: 25 August 2021

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

Opinion

We have audited the financial report of Lightning Ridge District Bowling Club Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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:

(a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(b) 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 – Coronavirus (COVID-19)

We draw attention to Note 21 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
LIGHTNING RIDGE DISTRICT BOWLING CLUB LIMITED
ABN 92 001 065 210

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 30 June 2021, 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 to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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

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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- 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 the audit.

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
149 Otho St
INVERELL NSW 2360

Dated: 27 August 2021