



HARBORD BOWLING AND RECREATION CLUB LIMITED

ANNUAL FINANCIAL REPORT



HARBORD BOWLING AND RECREATION CLUB LIMITED

NOTICE OF THE 74th ANNUAL GENERAL MEETING

SUNDAY 27 NOVEMBER 2022

Notice is hereby given that the 74th Annual General Meeting of Harbord Bowling and Recreation Club Limited (ABN 75 000 122 789) will be held at the premises of the Club, Bennett Street, Curl Curl on Sunday 27 November 2022 at 10.00 am.

AGENDA

1. To receive and consider the Minutes of 73rd Annual General Meeting held on 5 December 2021.
2. To receive and consider the financial report of the Club.
3. To receive and consider the directors' report.
4. To receive and consider the auditors' report on the financial report.
5. Declaration of Ballot by Returning Officer regarding the Election of Directors.
6. To reappoint Cabel Partners as the auditors for the ensuing year.
7. To consider, and if thought fit, approve the following Ordinary Resolutions:

ORDINARY RESOLUTION 1

The Club shall be entitled to budget, allocate and disburse such sums as may be considered reasonable expenditure for, to or on behalf of Directors for the following expenditure on presentation of documentary evidence:

For professional development, including but not limited to, industry related meetings, organised study tours, seminars, trade displays, etc. as may be determined by the Board.

For the provision of reasonable meals, including but not limited to, attendance at Board meetings, Committee meetings, Annual dinner and on official Club business as may be determined by the Board.

For the provision of reasonable travel incurred by Directors in discharging their duties as a Director as may be determined by the Board.

Note: *This is a requirement of the Registered Clubs Act 1976.*

ORDINARY RESOLUTION 2

To approve one designated parking space for each of the following:
Chairman, Chief Executive Officer, Men's/Women's Bowling Club President
and Men's/Women's Match Committee.

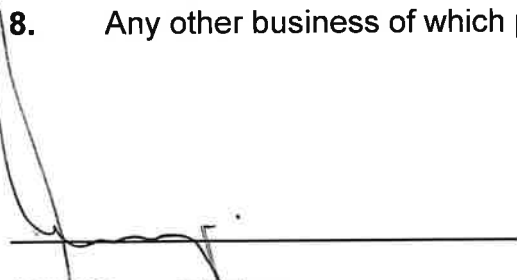
Note: *This is a requirement of the Registered Clubs Act 1976.*

ORDINARY RESOLUTION 3

To approve for the forthcoming year an expense allowance for the Chairman not exceeding \$6,000. This allowance is provided for the promotion of the Club and is to be expended on goods and services provided by the Club and not by way of cash remuneration. Where applicable, Fringe Benefits Tax will be paid by the Club on this amount.

Note: *This is a requirement of the Registered Clubs Act 1976.*

8. Any other business of which proper notice has been given.



MARK SLATTERY
CHIEF EXECUTIVE OFFICER

ON BEHALF OF THE BOARD OF DIRECTORS

4 OCTOBER 2022

2021-2022 Annual Report

Chairs Report

On behalf of the Board, it is with pleasure that I present my report for the financial year ended 30 June 2022 for Harbord Bowling and Recreation Club Ltd (HBC). In my sixth as Chair / President, the economic environment in Australia and around the world continued to be marked by economic and political uncertainty.

Our operational and financial performance was again impacted by the unprecedented global pandemic event – Covid 19. This resulted in our Club being closed for 14 weeks, from 26 June 2021 to 10 October 2022, under various NSW Government Public Health Orders (PHO).

During these unprecedented times it is important to remember that, as a community bowling club, we exist for the benefit of all of our members.

I remind you of your Club's vision and mission statements:

- ***Mission Statement:*** *To be financially viable in order to provide excellent bowling and club facilities for the benefit of our members, guests and staff. To be the focal point of our local community in providing a safe and family friendly atmosphere, of harmony and belonging.*
- ***Vision Statement:*** *We are dedicated to the game of bowls in the local community. We will provide the best facilities available, to instil a passion and pride in the club, that others will want to be part of. We are committed to a bold vision for the delivery of high-quality customer service, club facilities, great food, beverage, gaming, entertainment and recreational services for our members, their guests and our local community, without losing the heritage of the club.*

This is more important today than any other time in our history, given the economic, environmental and health impacts of the pandemic on our members and our local community.

A Financial Review

Despite the operational challenges we have faced, including being closed for the first 14 weeks of the financial year, it is pleasing to report that we have had an exceptional year. We achieved a 2021/22 EBITDA (Earnings Before Interest Tax, Depreciation and Amortisation) trading performance of positive \$247,365 (LY \$324,466) (PY\$19,976). This result includes an estimated net benefit of \$68,734 the Club received as part of the pandemic stimulus Government packages.

The overall 2021/22 result for HBC was a net profit of \$128,539 (LY\$187,511) (PY \$-212,548). Fortunately, we were able to make up for the EBITDA loss of \$32,000 incurred during the 14 weeks lock down in the first quarter of 2021/22. Unfortunately, the same cannot be reported for the first three months of lost trade, which represents 25% of HBC's trading year.

Our sales performance was similarly affected by the 14week closure. Total sales revenue (note 4 in financial report) decreased by 4% (\$68,518) to \$1,717,965 (LY\$1,786,483), (PY\$1,472,598), (PPY

\$2,010,275). As a breakdown, bar sales decreased by 9% (\$109,254) to \$1,078,126 (LY\$1,187,380) (PY\$926,875) (PPY \$1,260,141), gaming income increased by 24% (\$81,779) to \$426,949 (LY\$345,170) (PY\$281,700) (PPY\$398,349), and bowls income decreased by 38% (\$42,543) to \$69,442 (LY\$111,985) (PY\$94,690) (PPY \$119,725).

Total revenue generated by the Club decreased by 7% (\$147,509) to \$1,892,294 (LY\$2,039,803) (PY\$1,682,847) (PPY \$2,142,172), including a decrease in rents received of 5% (\$5,444) to \$98,399 (LY\$103,843) (PY\$91,210) (PPY\$120,915).

Total revenue includes \$68,734 (LY\$141,986) (PY\$93,523) we received in Government grants and subsidies to help offset the effects of the lockdowns and associated reduced trading effects.

As noted in previous Annual Reports, the Club successfully applied for a loan facility made available under the Small Medium Enterprise (SME) Government Guarantee Loans scheme. This provided working capital of \$250,000 (Refer to Note 12 and 23). As of 30 June 2022, the loan balance was \$26,598.

Expenses, excluding depreciation, decreased by 5% (\$77,540) to \$1,638,125 (LY\$1,715,665) (PY\$1,663,869) (PPY\$2,010,275). The main driver of this decrease includes \$74,269 for lower bar cost of goods sold, \$20,232 lower employee benefits and \$11,188 in lower utility expenses.

This was offset by increased bowls expenses of \$26,974 and greens expenses of \$23,664.

I thank our business partners and key stakeholders for their assistance in reducing our costs during the latest pandemic lockdown.

Included in the above result is our community support, and I am pleased to report the Club continued to contribute to local community groups, including the fishing and cricket clubs, for the direct benefit of our local community. Community support totalled \$5,345 in 2021/22.

Pleasingly, HBC's membership increased by 66 % to 3,383 (LY2,033), a record for the Club

Continuing to invest in improving HBC facilities

Regardless of these trying and unprecedented times we continued to implement, as part of our strategic plan, several new initiatives in and around the Club to enable us to continue to be a prosperous local community bowling club.

We incurred a repairs and maintenance expense of \$34,095 and a capital spend of \$125,755 (refer Note 10), to ensure we can continue to provide outstanding value and service to our members and guests.

This included:

- Continuing the required actions to progress the development of an outdoor dining and family area at the southern end of the Club.
- Conducting a strategy and design review.

- Improvements to the family/children space on green four,
- The ongoing development of bare foot bowls.
- The commencement of our new caterer on the existing lease.
- Repairs and maintenance around the Club.
- Continued improvement and updating of the Clubs computer systems
- The installation of three new poker machines
- The installation of new TVs in the TAB and northern area.
- Installation of a new cash redemption machine in our gaming room, as part of the 'ticket in and out' upgrade.

Following the installation of three new machines, the Club has now updated or replaced 19 of the Club's 21 machines over the past six years.

This brings the total capital investment in upgrading our Clubs' assets, over the past six years, to \$974,164. This is in addition to the \$236,749 we have invested in repairs and maintenance. These upgrades were achieved at the same time as the Club's cash reserves increased from \$394,639 to \$488,788 (refer Note 6).

As a community bowling club, your Board and Management will always be member focused to achieve our mission and vision. The economic effect of the pandemic, combined with damage incurred from a significant weather event in March 2022, the March storm damage we incurred, unfortunately means that we will have to continue to delay some of our planned capital improvement projects into 2023.

Being a Stronger Community Bowling Club

Unfortunately, this year we continued to incur more changes and cancellations to the bowls program. This was affected by Bowls NSW changing its bowls program from a financial year to a calendar year.

These changes resulted in no mixed pennants being played in 2022; the introduction of a new men's pennants season commencing August 2022; and the 2021 pennants season state playoffs being played in March 2022 where pleasingly we had 6-winning zone / district sides represent our club in their respective state playoffs.

The achievement of having all our 6 mixed pennant sides making the zone 9 playoffs and winning of 5 Zone 9 grade flags, with the 2's being runners up, is a record for the Zone and we understand a potential record for the state playoffs.

Congratulations to all bowlers on their efforts and achievements during the year. Congratulations also to all our Club Championship winners and Zone 9 champions. A special congratulations goes to Terry Warder who was selected to represent NSW and Australia in the over 60 representative tournaments. To you all, you have really excelled and made your club proud.

The board – in closing

It is very pleasing to inform members of the very satisfying findings by our external auditor, Cabel Partners, in their Good Practice Report. This included an unqualified audit, which included **NO** significant issues to report under the Auditing Standard.

It has been another challenging but rewarding 12 months, with your Club's board and management continuing to work tirelessly to navigate through the continued pandemic effects and storm damage repercussions. Unfortunately, these challenges will continue well into the next financial year, but HBC remains in a good financial position to help us through these difficult times.

At our AGM on 27 November, after 7 years serving on your Board, including 6 years as President / Chair (the maximum chair term under the constitution), I will be retiring from the Board. I would also like to acknowledge the tremendous contribution of Graham Tetstall who is also retiring at the AGM, after 7 years on the Board.

I thank the members for entrusting me to help put in place a renewed strategic plan and vision for the Club, and for helping the board and management navigate through the very challenging economic times we have endured over the past 3-4 years. Members, as I am, should be comforted and pleased to see that our bowling Club has come through these trying times in a stronger financial position with improved facilities and service offerings that are being enjoyed by all our members and guests.

If our strategy continues to be implemented, I am sure HBC will achieve its mission and be a successful community bowling club.

I thank my fellow Board members for their ongoing drive and commitment to make our Club a friendly and successful local community bowling club. Also, I extend a big thank you to our CEO, Mark Slattery, and all his team for all the important work they do and the commitment they give to provide the level of service and support they give to our members and guests.

I would also to thank both Bowls Committees for all their commitment and efforts in arranging all our bowls tournaments and events during this challenging year. Also, a big thank you to all our great volunteers for their generosity and commitment to the Club. We could not be the club we are without the time and effort you contribute.

In closing, my thoughts go out to those that have lost loved ones during the year. You have the thoughts of the Club and its members with you.

The Board and I would thank all our members for their continued support and commitment. We are excited about the future and the opportunities before us.

Regards

Stephen Nugent
Chair
31/10/22

Harbord Bowling & Recreation Club Limited

ABN 75 000 122 789

Annual Report - 30 June 2022

Harbord Bowling & Recreation Club Limited
Contents
30 June 2022

Directors' report	2
Auditor's independence declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	21
Independent auditor's report to the members of Harbord Bowling & Recreation Club Limited	22

Harbord Bowling & Recreation Club Limited
Directors' report
30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Nugent
Toby Williams
Gerard Parlevliet
Garry Belling
Charles Hamilton
Janet Gepp
Graham Tetstall

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- operating the Bowling Club.

No significant change in the nature of these activities occurred during the year.

Total number of members as at year end is 2022: 3,383 (2021: 2,033).

Review and results of operations

The net surplus of the Company for the year ended 30 June 2022 was \$128,539 (2021: surplus of \$187,511).

Net cash provided by operating activities was \$253,940 (2021: cash provided \$315,695). Expenditure on Property, Plant and Equipment was \$121,146 (2021: \$378,212). During the year net cash increased by \$94,149 (2021: increased by \$30,351). Depreciation charge for the year was \$125,755 (2021: \$136,955).

After balance date events

In March 2022, the Club experienced damage after a significant storm event. This event led to substantial damage to the floors and sub-structure of the Club for which an insurance claim was submitted.

As at the time of preparing this report, the Clubs insurer, ANSVAR, has still not confirmed if the Club's claim has been accepted or approved.

If approved, it is expected that main Club building will require substantial repairs and rectification works to restore the building to its previous condition.

These works may require the Club to close for a yet to be determined period. It is expected that this restoration work and possible closure will occur during the second half of the current 2023 financial year.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Environmental issues

The directors believe the company has complied with all significant environmental regulations under a law of the Commonwealth or of a state or territory.

Dividends

The Corporations Act prohibits a Company Limited by Guarantee from paying dividends.

Shares in companies

The Company does not hold shares in any related company or corporation.

Harbord Bowling & Recreation Club Limited
Directors' report
30 June 2022

Objectives

Long and short term objectives

The principal long and short term objectives of the Company are to operate a licensed social Club for the use of the members and their guests and to promote and foster the game of lawn bowls.

Strategy for achieving the objectives

The board of management regularly address cash flow forecasts and apply budgetary controls to ensure that the objectives are achieved.

How these activities assist in achieving the objectives

These activities generate funds to achieve the objectives of providing facilities and promoting the playing of lawn bowls.

Performance measures and key performance indicators

A number of performance indicators are employed by the Club in order to measure and improve the Club's performance.

The Club uses gross profit percentage and wages to sales percentage to measure the financial performance.

Information on directors

Name: Stephen Nugent
Title: Chair
Experience: 7 years experience on the Board

Name: Toby Williams
Title: Vice Chairman
Experience: 9 years experience on the Board

Name: Gerard Parlevliet
Title: Treasurer
Experience: 16 years experience on the Board

Name: Garry Belling
Title: Director
Experience: 16 years experience on the Board

Name: Janet Gepp
Title: Director
Experience: 4 year experience on the Board

Name: Graham Tetstall
Title: Director
Experience: 7 years experience on the Board

Name: Charles Hamilton
Title: Director
Experience: 2 years experience on the Board

Harbord Bowling & Recreation Club Limited
Directors' report
30 June 2022

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Board Meetings Attended	Held
Stephen Nugent	12	12
Toby Williams	12	12
Gerard Parlevliet	11	12
Garry Belling	8	12
Janet Gepp	12	12
Graham Tetstall	10	12
Charles Hamilton	11	12

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is, \$33,830 based on 3383 current ordinary members (2021: \$20,330; 2,033 members).

Indemnifying officer

During the year, the company continued a Directors and Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors and officers of the Club.

The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.


No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an officer of the company.


Independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors


Stephen Nugent
Chair


Gerard Parlevliet
Treasurer

31 October 2022



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of **HARBORD BOWLING & RECREATION CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there has 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.

CABEL Partners
Chartered Accountants

A handwritten signature in black ink, appearing to read "Ray K", with a long horizontal stroke extending to the left.

Ray Khalil
Partner

North Sydney
Dated this 31st October 2022

Harbord Bowling & Recreation Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	1,892,294	2,039,803
Interest revenue		125	328
Expenses			
Employee benefits expenses		(501,775)	(522,007)
Cost of goods sold		(473,589)	(547,858)
Advertising and promotion expenses		(3,518)	(8,476)
Accounting and audit expenses		(49,340)	(50,950)
Greens expenses		(148,413)	(124,749)
Bowls expenses, trophies and tournament expenses		(15,105)	(5,422)
Depreciation and amortisation expenses	10	(125,755)	(136,955)
Entertainment expenses		(50,477)	(61,579)
Insurance expenses		(55,580)	(51,377)
Cleaning expenses		(49,417)	(55,323)
Consultant and legal expenses		(1,260)	(2,146)
Repairs and maintenance expenses		(34,095)	(36,778)
Finance costs		(15,302)	(12,273)
Member benefits expense		(7,969)	(9,466)
HMBC expenses		(46,908)	(29,617)
Sponsorship expenses		(5,345)	(8,329)
Utility expenses		(71,134)	(82,322)
Other expenses		(108,898)	(106,993)
Surplus before income tax expense		128,539	187,511
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Harbord Bowling & Recreation Club Limited	18	128,539	187,511
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Harbord Bowling & Recreation Club Limited		128,539	187,511

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

Harbord Bowling & Recreation Club Limited
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	488,788	394,639
Trade and other receivables	7	42,005	24,953
Inventories	8	34,228	25,605
Other assets	9	47,209	40,185
Total current assets		<u>612,230</u>	<u>485,382</u>
Non-current assets			
Property, plant and equipment	10	<u>6,057,314</u>	<u>6,061,923</u>
Total non-current assets		<u>6,057,314</u>	<u>6,061,923</u>
Total assets		<u>6,669,544</u>	<u>6,547,305</u>
Liabilities			
Current liabilities			
Trade and other payables	11	109,658	93,411
Borrowings	12	57,699	28,809
Employee benefits	13	37,060	26,522
Subscriptions in advance	14	-	3,432
Total current liabilities		<u>204,417</u>	<u>152,174</u>
Non-current liabilities			
Borrowings	15	-	67,535
Employee benefits	16	<u>16,028</u>	<u>7,036</u>
Total non-current liabilities		<u>16,028</u>	<u>74,571</u>
Total liabilities		<u>220,445</u>	<u>226,745</u>
Net assets		<u>6,449,099</u>	<u>6,320,560</u>
Equity			
Reserves	17	4,098,017	4,098,017
Retained surplus	18	<u>2,351,082</u>	<u>2,222,543</u>
Total equity		<u>6,449,099</u>	<u>6,320,560</u>

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

Harbord Bowling & Recreation Club Limited
Statement of changes in equity
For the year ended 30 June 2022

	Asset Revaluation Reserve \$	Retained Surplus \$	Total equity \$
Balance at 1 July 2020	4,098,017	2,035,032	6,133,049
Surplus after income tax expense for the year	-	187,511	187,511
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	187,511	187,511
Balance at 30 June 2021	<u>4,098,017</u>	<u>2,222,543</u>	<u>6,320,560</u>
	Asset Revaluation Reserve \$	Retained Surplus \$	Total equity \$
Balance at 1 July 2021	4,098,017	2,222,543	6,320,560
Surplus after income tax expense for the year	-	128,539	128,539
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	128,539	128,539
Balance at 30 June 2022	<u>4,098,017</u>	<u>2,351,082</u>	<u>6,449,099</u>

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

Harbord Bowling & Recreation Club Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,875,242	2,016,170
Payments to suppliers (inclusive of GST)		<u>(1,606,125)</u>	<u>(1,688,530)</u>
		269,117	327,640
Interest received		125	328
Interest and other finance costs paid		<u>(15,302)</u>	<u>(12,273)</u>
Net cash provided by operating activities	24	<u>253,940</u>	<u>315,695</u>
Cash flows from investing activities			
Payments for property, plant and equipment	10	<u>(121,146)</u>	<u>(378,212)</u>
Net cash used in investing activities		<u>(121,146)</u>	<u>(378,212)</u>
Cash flows from financing activities			
(Repayment of) / proceeds from borrowings		<u>(38,645)</u>	92,868
Net cash (used in)/provided by financing activities		<u>(38,645)</u>	<u>92,868</u>
Net increase in cash and cash equivalents		94,149	30,351
Cash and cash equivalents at the beginning of the financial year		<u>394,639</u>	<u>364,288</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>488,788</u></u>	<u><u>394,639</u></u>

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

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 1. General information

The financial statements cover Harbord Bowling & Recreation Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Harbord Bowling & Recreation Club Limited's functional and presentation currency.

Harbord Bowling & Recreation Club Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Bennett St & Stirgess Ave, Curl Curl NSW 2096

Principal place of business

Bennett St & Stirgess Ave, Curl Curl NSW 2096

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 October 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant 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.

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.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures 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 have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 3.

Revenue recognition

The company recognises revenue as follows:

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 2. Significant accounting policies (continued)

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.

Revenue from the rendering of a good or service is recognised upon the delivery of the good or service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Membership income is recognised in the period to which it relates.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

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

Comparatives

Certain comparative figures have been reclassified to conform to the current year's presentation.

Income tax

As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

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.

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.

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.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 2. Significant accounting policies (continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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 commencing from the time the asset is held ready for use through the depreciation rates below as follows:

Buildings improvements	10%
Computer equipment at cost	25%
Cottage equipment at cost	25%
Poker machines at cost	20%
Greens equipment at cost	10%
Plant and equipment	10%
Furniture and fittings	10%

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. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Land and Buildings

Change In Accounting Policy

In 2016 a valuation of the Club was commissioned and a value of the Clubs building and cottage of \$1.92M was determined. As per accounting standards, this valuation was adopted and depreciation of the increased valuation was set at 6.67% or \$128,000 per year.

The board resolved to adopt the written down valuation of \$1,408,000 as the valuation of the buildings and cottage as at 30 June 2021. This written down value will be adopted as the director's valuation for the 2021 financial statements and there is no change in the comparatives. This will result in no depreciation of these assets for the 2022 financial year and going forward. Adopting the current written down valuation with no ongoing depreciation is considered a conservative accounting position. Depreciation of ongoing improvements will continue as required by accounting standards.

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.

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 method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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.

Note 2. Significant accounting policies (continued)

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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred. The entity has no legal obligation to provide benefits to employees on retirement.

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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. 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.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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.

Impairment of property, plant and equipment

The company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 2, 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.

Note 4. Revenue

	2022 \$	2021 \$
<i>Sales Revenue</i>		
Gaming income	426,949	345,170
Bar sales income	1,078,126	1,187,380
Catering income	12,831	4,427
Raffle income	16,300	21,333
Commission income	31,771	34,042
Functions income	4,318	3,682
Subscription income	46,733	29,011
Bowls income	69,442	111,985
HMBC income	31,495	49,453
	<u>1,717,965</u>	<u>1,786,483</u>
<i>Other revenue</i>		
Rent	98,399	103,843
Government grant and subsidies	68,734	141,986
Lady Bowl's consolidation	6,926	6,887
Other revenue	270	604
	<u>174,329</u>	<u>253,320</u>
Revenue	<u>1,892,294</u>	<u>2,039,803</u>

Revenue for the current financial year was impacted by the forced closure of the Club's operations from 23 June 2021 until 10 October 2021 due to Covid related restrictions. This represents approximately 25% of the trading year.

Note 5. Auditor's remuneration

	2022 \$	2021 \$
Auditor's remuneration	<u>10,750</u>	<u>10,750</u>

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 6. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank and on hand	426,572	339,349
Harbord Mens Bowling Club - Cash at bank and on hand	25,712	25,712
Lady Bowl's cash at bank and cash on hand	36,504	29,578
	<u>488,788</u>	<u>394,639</u>

Note 7. Current assets - trade and other receivables

	2022	2021
	\$	\$
Trade and other receivables	25,211	17,248
Accrued income	16,794	7,705
	<u>42,005</u>	<u>24,953</u>

Note 8. Current assets - inventories

	2022	2021
	\$	\$
Stock on hand - at cost	34,228	25,605

Note 9. Current assets - other assets

	2022	2021
	\$	\$
Prepayments	47,209	40,185

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 10. Non-current assets - property, plant and equipment

	2022 \$	2021 \$
Land - at directors' valuation	4,000,000	4,000,000
Buildings and Cottage - at directors' valuation	1,920,000	1,920,000
Less: Accumulated depreciation	(512,000)	(512,000)
	<u>1,408,000</u>	<u>1,408,000</u>
Building improvements - at cost	59,636	59,636
Less: Accumulated depreciation	(17,989)	(12,285)
	<u>41,647</u>	<u>47,351</u>
Plant and equipment - at cost	260,284	258,577
Less: Accumulated depreciation	(201,132)	(190,842)
	<u>59,152</u>	<u>67,735</u>
Gaming - at cost	430,718	371,126
Less: Accumulated depreciation	(249,122)	(191,210)
	<u>181,596</u>	<u>179,916</u>
Computer equipment - at cost	97,574	87,693
Less: Accumulated depreciation	(77,999)	(68,814)
	<u>19,575</u>	<u>18,879</u>
Furniture and fittings - at cost	467,143	445,813
Less: Accumulated depreciation	(205,122)	(170,252)
	<u>262,021</u>	<u>275,561</u>
Greens equipment - at cost	210,323	210,323
Less: Accumulated depreciation	(162,247)	(154,455)
	<u>48,076</u>	<u>55,868</u>
Work In progress	37,247	8,613
	<u><u>6,057,314</u></u>	<u><u>6,061,923</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land, Building & Cottage \$	Plant & Kitchen Equipment \$	Greens and Cottage Equipment \$	Gaming \$	Computer Equipment \$	Furniture & Fittings \$	WIP \$	Total \$
Balance at 1 July 2021	5,455,351	67,734	55,868	179,917	18,879	275,561	8,613	6,061,923
Additions	-	1,707	-	59,594	9,881	21,330	28,634	121,146
Depreciation expense	(5,704)	(10,289)	(7,792)	(57,915)	(9,185)	(34,870)	-	(125,755)
Balance at 30 June 2022	<u><u>5,449,647</u></u>	<u><u>59,152</u></u>	<u><u>48,076</u></u>	<u><u>181,596</u></u>	<u><u>19,575</u></u>	<u><u>262,021</u></u>	<u><u>37,247</u></u>	<u><u>6,057,314</u></u>

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 10. Non-current assets - property, plant and equipment (continued)

Asset revaluations

The Company's land, buildings and building improvements were revalued on the 21st April 2016 by independent valuers, Global Valuation Services at fair value. The revaluation was applied as at 30 June 2016 and the revaluation surplus was credited to the revaluation reserve. Refer to Note 2 property, plant and equipment for further details.

Note 11. Current liabilities - trade and other payables

	2022	2021
	\$	\$
Trade payables	56,786	46,933
GST payable	20,673	15,321
Other payables	32,199	31,157
	<u>109,658</u>	<u>93,411</u>

Note 12. Current liabilities - borrowings

	2022	2021
	\$	\$
Bank loans	26,598	8,333
Business credit card	2,265	2,228
Poker machines	28,836	18,248
	<u>57,699</u>	<u>28,809</u>

Note 13. Current liabilities - employee benefits

	2022	2021
	\$	\$
Annual leave	<u>37,060</u>	<u>26,522</u>

Note 14. Current liabilities - subscriptions in advance

	2022	2021
	\$	\$
Membership subscriptions in advance	<u>-</u>	<u>3,432</u>

Note 15. Non-current liabilities - borrowings

	2022	2021
	\$	\$
Bank loans	<u>-</u>	<u>67,535</u>

Note 16. Non-current liabilities - employee benefits

	2022	2021
	\$	\$
Long service leave	<u>16,028</u>	<u>7,036</u>

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 17. Equity - reserves

	2022	2021
	\$	\$
Revaluation surplus reserve	<u>4,098,017</u>	<u>4,098,017</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Note 18. Equity - retained surplus

	2022	2021
	\$	\$
Retained surplus at the beginning of the financial year	2,222,543	2,035,032
Surplus after income tax expense for the year	<u>128,539</u>	<u>187,511</u>
Retained surplus at the end of the financial year	<u>2,351,082</u>	<u>2,222,543</u>

Note 19. Key management personnel disclosures

	2022	2021
	\$	\$
Short-term benefits	130,417	126,371
Post employment benefits	11,918	10,803
Long-term employee benefits	<u>10,515</u>	<u>-</u>
	<u>152,850</u>	<u>137,174</u>

Note 20. Core property

For the year ended 30 June 2022, the core property of the Club is as follows:

The core property of the Club comprises the Club's premises located at Bennett Street, Curl Curl NSW 2096.

Note 21. Contingent liabilities

The company's bank provides a guarantee of \$5,000 with TAB Limited which is secured against a deposit held for the same amount.

Note 22. Capital commitments

The Club has not entered into any expenditure commitments as at 30 June 2022 (2021: Nil).

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 23. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2022 \$	2021 \$
Benefits agreed by members at the AGM:		
Refreshments and reimbursements	3,635	1,886
Training	2,050	255

In May 2020 the club entered into a \$250,000 loan facility with Community First Credit Union Ltd. The facility is unencumbered and 50% is guaranteed by the federal government as part of its Covid response to make cash flow loans available to eligible businesses. The loan is on usual commercial terms. Stephen Nugent is the Chair of both Harbord Bowling and Recreation Club Ltd and Community First Credit Union Ltd. Stephen Nugent declared this interest to the club's board and abstained from any discussions and decisions relating to this arrangement. \$26,598 was drawn down on the facility as at 30th June 2022.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Reconciliation of surplus after income tax to net cash provided by operating activities

	2022 \$	2021 \$
Surplus after income tax expense for the year	128,539	187,511
Adjustments for:		
Depreciation and amortisation	125,755	136,955
Change in operating assets and liabilities:		
Increase in trade and other receivables	(17,052)	(23,633)
Increase in inventories	(8,623)	(5,689)
Decrease/(increase) in prepayments	(7,024)	9,128
Increase in trade and other payables	16,247	10,219
Increase in employee benefits	19,530	6,944
Decrease in income in advance	(3,432)	(5,740)
Net cash provided by operating activities	<u>253,940</u>	<u>315,695</u>

Note 25. Company details

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

Harbord Bowling & Recreation Club Ltd
Cnr Bennett Street and Stirgess Street
Curl Curl NSW 2096

Harbord Bowling & Recreation Club Limited
Notes to the financial statements
30 June 2022

Note 26. Events after the reporting period

In March 2022, the Club experienced damage after a significant storm event. This event led to substantial damage to the floors and sub-structure of the Club for which an insurance claim was submitted.

As at the time of preparing this report, the Clubs insurer, ANSVAR, has still not confirmed if the Club's claim has been accepted or approved.

If approved, it is expected that main Club building will require substantial repairs and rectification works to restore the building to its previous condition.

These works may require the Club to close for a yet to be determined period. It is expected that this restoration work and possible closure will occur during the second half of the current 2023 financial year.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Harbord Bowling & Recreation Club Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- 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



Stephen Nugent
Chair

31 October 2022



Gerard Parlevliet
Treasurer

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
HARBORD BOWLING & RECREATION CLUB LTD**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of **Harbord Bowling & Recreation Club Ltd** (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of Harbord Bowling & Recreation Club Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures 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 (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, 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 – Simplified Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 has no realistic alternative but to do so.

Auditor's Responsibility 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

CABEL Partners
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Ray K', with a long horizontal stroke extending to the left.

Ray Khalil
Partner

North Sydney
Dated this 31st October 2022