

# **Tomakin Sports and Social Club Limited**

**ABN 84 001 383 142**

**Financial Statements**

**For the Year Ended 30 June 2023**

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

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## Financial Statements

For the Year Ended 30 June 2023

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# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

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## Directors' Report

30 June 2023

Your directors present their report on Tomakin Sports and Social Club Limited for the financial year ended 30 June 2023.

### Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Name	Position	Qualifications, experience and responsibilities	Years on Board
T Montgomerie	President	Retired	10
N Aurousseau	Treasurer	Retired	28
K Francis	Director	Retired	10
K Bingley	Director	Domestic Duties	7
B Megee	Director	Public Servant	7
D Snedden	Director	Retired	5
J Ireland	Director	Retired	2
B Stone	Director	Retired	2

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

### Review of operations

The result of the Company for the year amounted to a deficit after tax of \$1,318,799 (2022: \$610,498).

### Principal activities

The principal activity of Tomakin Sports and Social Club Limited during the financial year was to conduct a Social, Sporting and Recreational Club for the benefit of members.

The principal continuing activities of the Company is to afford members the equal privileges, advantages, conveniences and facilities of a Registered Club.

No significant changes in the nature of the entity's activity occurred during the financial year.

These activities allowed the Company to achieve the following short and long term objectives.

### Short term objectives

The Company's short term objectives are to continue to provide quality facilities for the benefit of members and guests.

# Tomakin Sports and Social Club Limited

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## Directors' Report

30 June 2023

### Long term objectives

The Company's long term objectives are to upgrade the Club's existing facilities in a bid to provide members and guests with new services and Club amenities. These new facilities will hopefully increase patronage, which should have a positive impact on the operating performance of the Company.

### Strategy for achieving the objectives

To achieve these objectives, the Company will continue to review, and make changes where required to, income and cost drivers pertaining to the day-to-day operations of the Club.

### Performance measures

The Company assesses its performance in terms of its achievement of strategic and financial objectives with reference to:

- the quality of the service and facilities provided to members;
- the ability to generate strong cash flows from its operating activities;
- the trading and overall financial result; and
- the stability of the balance sheet with respect to the Company's liquidity and the total levels of debt.

### Members guarantee

The Tomakin Sports and Social Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5 subject to the provisions of the Company's constitution.

At 30 June 2023 the collective liability of members was \$44,405 (2022: \$ 44,805).

# Tomakin Sports and Social Club Limited

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## Directors' Report

30 June 2023

### Meetings of directors

During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
T Montgomerie	13	13
N Arousseau	13	10
K Francis	13	13
K Bingley	13	11
B Megee	13	13
D Snedden	13	12
J Ireland	13	11
B Stone	13	13

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 has been received and can be found on page 4 of the financial report.

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



T Montgomerie  
President

Dated: 30 October 2023

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Tomakin Sports and Social Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, 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.



Daley Audit



Stephen Milgate  
Partner

Wollongong

Dated: 30 October 2023

**Wollongong**

PO Box 333  
Wollongong NSW 2520  
02 4229 6477

wollongong@daley.com.au

**Bowral**

PO Box 1032  
Bowral NSW 2576  
02 4862 1082

bowral@daley.com.au

**Sydney**

PO Box 903  
Sydney NSW 2001  
02 8236 8177

sydney@daley.com.au

**daley.com.au**

ABN 43 152 844 291

Liability limited by a  
Scheme approved under  
Professional Standards  
Legislation.



# Tomakin Sports and Social Club Limited

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	4	8,066,025	6,201,550
Other income	4	301,774	469,023
		<u>8,367,799</u>	<u>6,670,573</u>
Employee benefits expense		(4,045,607)	(2,917,994)
Cost of sales		(1,724,474)	(1,228,918)
Gaming expense		(821,725)	(651,459)
Depreciation and amortisation expense	11	(831,429)	(727,313)
Membership expense		(463,149)	(383,085)
Clubhouse expense		(492,873)	(358,344)
Lease expenses	10	(143,173)	(128,816)
Property expense		(128,235)	(131,666)
Finance expenses		(182,550)	(4,868)
Administrative expenses		(485,936)	(398,859)
Loss on disposal of assets		-	(4,624)
Other expenses		(367,447)	(345,125)
<b>Result before income tax</b>		<b>(1,318,799)</b>	<b>(610,498)</b>
Income tax expense	6	-	-
<b>Result for the year</b>		<b>(1,318,799)</b>	<b>(610,498)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(1,318,799)</b>	<b>(610,498)</b>

The accompanying notes form part of these financial statements.

# Tomakin Sports and Social Club Limited

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## Balance Sheet

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	357,684	760,619
Trade and other receivables	8	50,842	32,516
Inventories	9	77,910	70,623
Prepayments		79,673	78,770
<b>TOTAL CURRENT ASSETS</b>		<b>566,109</b>	<b>942,528</b>
<b>NON-CURRENT ASSETS</b>			
Right-of-use assets	10	531,603	390,660
Property, plant and equipment	11	8,444,301	8,430,263
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,975,904</b>	<b>8,820,923</b>
<b>TOTAL ASSETS</b>		<b>9,542,013</b>	<b>9,763,451</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	968,682	994,734
Lease liabilities		230,714	146,606
Borrowings	13	3,601,842	118,602
Employee benefits	14	392,656	419,288
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,193,894</b>	<b>1,679,230</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		179,042	175,578
Borrowings	13	-	2,420,567
Employee benefits	14	67,376	67,576
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>246,418</b>	<b>2,663,721</b>
<b>TOTAL LIABILITIES</b>		<b>5,440,312</b>	<b>4,342,951</b>
<b>NET ASSETS</b>		<b>4,101,701</b>	<b>5,420,500</b>

The accompanying notes form part of these financial statements.



# Tomakin Sports and Social Club Limited

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## Balance Sheet

As at 30 June 2023

	2023	2022
	\$	\$
<b>EQUITY</b>		
Retained earnings	<u>4,101,701</u>	<u>5,420,500</u>
<b>TOTAL EQUITY</b>	<u><b>4,101,701</b></u>	<u><b>5,420,500</b></u>

The accompanying notes form part of these financial statements.

# Tomakin Sports and Social Club Limited

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## Statement of Changes in Equity

For the Year Ended 30 June 2023

	Retained Earnings \$
Balance at 1 July 2022	5,420,500
Result for the year	<u>(1,318,799)</u>
Balance at 30 June 2023	<u><u>4,101,701</u></u>
Balance at 1 July 2021	6,030,998
Result for the year	<u>(610,498)</u>
Balance at 30 June 2022	<u><u>5,420,500</u></u>

The accompanying notes form part of these financial statements.

# Tomakin Sports and Social Club Limited

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## Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		9,218,618	8,136,567
Payments to suppliers and employees		(9,508,006)	(6,973,269)
Interest received		688	92
Finance costs		(182,550)	(4,868)
Net cash provided/(used) by operating activities		(471,250)	1,158,522
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for property, plant and equipment		(797,814)	(4,287,975)
Proceeds from sale of property, plant and equipment		-	33,900
Net cash provided/(used) by investing activities		(797,814)	(4,254,075)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net proceeds from/(repayment of) borrowings		914,958	2,538,505
Repayment of lease liabilities		(196,544)	(142,843)
Net cash provided/(used) by financing activities		718,414	2,395,662
Net increase/(decrease) in cash and cash equivalents held		(550,650)	(699,891)
Cash and cash equivalents at beginning of year		760,619	1,460,510
Cash and cash equivalents at end of financial year	7	209,969	760,619

The accompanying notes form part of these financial statements.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

### For the Year Ended 30 June 2023

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

The functional and presentation currency of Tomakin Sports and Social Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosure Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Revenue and other income

###### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### **Specific revenue streams**

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

##### *Bar sales and poker machine income*

Revenue is recognised at the point the customer purchases the goods and services at the venue. Payment of the transaction price is due immediately at the time of purchase.

##### *Commissions*

Commissions income is recognised over the period in which the related services are rendered.

##### *Government COVID-19 stimulus income*

Income received recognised as in the period in which they are incurred. This is generally consistent with when payment is received for the cash flow boost and small business grant. For JobKeeper and JobSaver payments this is based on when amounts are receivable.

##### *Membership subscriptions*

Membership services requires the annual subscription payment to be made upfront. A contract liability is recognised on receipt of the payment and recognised on a straight-line basis as revenue as the services are provided.

##### *Donations*

Donations and bequests are recognised as revenue when received.

##### *Interest revenue*

Interest revenue is recognised using the effective interest rate method.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### (c) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

#### (d) Cash and cash equivalents

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

#### (e) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (e) Leases

##### Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

##### (i) Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

##### (ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (e) Leases

##### *Exceptions to lease accounting*

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

#### (f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

#### (g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment of losses.

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### **Depreciation**

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.



# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (g) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings and facilities	2 - 10%
Plant and equipment	10 - 50%
Poker machines	20 - 33%
Motor vehicles	20 - 25%

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

#### (h) Financial instruments

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

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

##### Financial assets

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

##### *Classification*

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

- amortised cost; or
- fair value through profit or loss (FVTPL).

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

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Financial assets

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Financial assets

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

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

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, loans and lease liabilities.

#### (i) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless of goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

#### (k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (l) Going Concern

This financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business. As a result of the current year trading loss of \$1,318,797, and the classification of the 12 month loan facility as current, current liabilities exceed current assets by \$4,267,780 (2022: \$736,701). In addition to this the company has an overdraft facility of \$265,000, which will reduce to \$100,000 on 31 December 2023. The directors believe that the 12 month loan facility will be renegotiated at the end of the term.

The Company continues to take steps to ensure that it can trade as a going concern through an ongoing plan to review and reduce operating costs and identifying opportunities to increase revenue.

Should any of the following not transpire, then this will have a significant impact on the ability of the Company to continue as a going concern and therefore realise its assets and liabilities in the normal course of business and at the amounts stated in the financial report:

- the Company's present trading not improve;
- the continued support of its banker and renegotiation of expiring facilities on sustainable terms; or
- the cost saving measures not eventuate to the extent estimated.

The Directors believe that they will be successful in the above matters and accordingly, have prepared the financial report on a going concern basis

Management have prepared forecasts for the year ended 30 June 2024 which indicate a smaller deficit, however they have forecasted a cash inflow for the year.

Where the Company is no longer considered to be a going concern, the financial report would have to be prepared on a liquidation basis, where assets may need to be revalued, additional liabilities may accrue and the current versus non-current classification of liabilities becomes less critical than the seniority features of debt and other preferences in liquidation

#### (m) New and amended standards adopted by the Company

The Company has adopted all applicable standards which became effective for the first time during the year ended 30 June 2023. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

# Tomakin Sports and Social Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below:

#### *Key estimates - employee entitlements*

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### *Key estimates - impairment of property, plant and equipment*

Management assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### *Key estimates - useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 4 Revenue and Other Income

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
- Gaming machine revenue	3,698,212	3,048,514
- Bar sales	2,045,532	1,581,542
- Catering income	1,930,500	1,234,444
- Raffle and bingo income	267,328	230,381
- Commissions - Keno and TAB	74,831	63,409
- Membership income	49,622	43,260
	<b>8,066,025</b>	<b>6,201,550</b>
<i>Other revenue</i>		
- Government subsidies	12,702	240,210
- Other commissions	77,732	65,645
- Supplier rebates	114,724	62,818
- Gain on disposal of assets	22,251	-
- EFT cards	14,362	15,300
- Internal club result	3,673	8,801
- Interest received	688	92
- Other income	55,642	76,157
	<b>301,774</b>	<b>469,023</b>

### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated, the following table shows this breakdown:

### Timing of revenue recognition

- At a point in time	8,016,403	6,158,290
- Over time	49,622	43,260
<b>Revenue from contracts with customers</b>	<b>8,066,025</b>	<b>6,201,550</b>



# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 5 Result for the Year

	2023	2022
	\$	\$
Superannuation contributions	375,218	282,397

### 6 Income Tax Expense

#### Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)

(329,699)	(152,624)
-----------	-----------

Add tax effect of:

- Non-deductible member only income

87,925	10,447
--------	--------

- Differences between tax and accounting deductions for the year in relation to provisions and prepayments

(908)	1,644
-------	-------

- Temporary differences and tax losses not brought to account as deferred tax assets

-	80,072
---	--------

(242,682)	(60,461)
-----------	----------

Less tax effect of:

- Income and expenditure subject to mutuality not assessable

(242,682)	(60,461)
-----------	----------

Income tax expense

-	-
---	---

### 7 Cash and Cash Equivalents

Cash on hand	183,812	342,452
Cash at bank	173,872	418,167
	357,684	760,619

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 7 Cash and Cash Equivalents

#### Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the balance sheet as follows:

	Note	2023 \$	2022 \$
Cash and cash equivalents		357,683	760,619
Bank overdrafts	13	(147,715)	-
<b>Balance as per statement of cash flows</b>		<b>209,968</b>	<b>760,619</b>

### 8 Trade and Other Receivables

Trade receivables from contracts with customers		41,843	21,979
Provision for impairment	(a)	-	-
		41,843	21,979
Other receivables		8,999	10,537
		50,842	32,516

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses incorporate forward looking information.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 8 Trade and Other Receivables

#### (a) Impairment of receivables

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over a number of years past due, whichever occurs first.

### 9 Inventories

	2023	2022
	\$	\$
Inventories - at cost	77,910	70,623

### 10 Leases

#### Company as a lessee

The Company has a leases over gaming machines and IT equipment. The Company has chosen not to apply AASB 16 to leases of intangible assets. Information relating to the leases in place and associated balances and transactions are provided below.

#### *Terms and conditions of leases*

Leases for plant and equipment is for periods up to 60 months with no option to renew.

#### Right-of-use assets

	Plant and Equipment \$
<b>Year ended 30 June 2023</b>	
Balance at beginning of year	390,660
Additions to right-of-use assets	286,501
Disposals	(2,385)
Depreciation charge	(143,173)
<b>Balance at end of year</b>	<b>531,603</b>

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 10 Leases

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2023	2022
	\$	\$
Depreciation of right-of-use assets	(143,173)	(128,816)
	<u>(143,173)</u>	<u>(128,816)</u>

#### Future Lease Payments

Future lease payments in relation to lease liabilities as at period end are as follows:

Within one year	231,493	151,696
Later than one year but not later than five years	168,967	181,331
	<u>400,460</u>	<u>333,027</u>

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 11 Property, Plant and Equipment

	2023	2022
	\$	\$
Freehold land at cost	191,768	191,768
Buildings and facilities		
At cost	10,833,046	6,696,724
Accumulated depreciation	(3,562,935)	(3,251,441)
	7,270,111	3,445,283
Total land and buildings	7,461,879	3,637,051
Plant and equipment		
At cost	1,887,125	1,806,710
Accumulated depreciation	(1,493,568)	(1,329,872)
	393,557	476,838
Poker machines		
At cost	3,222,465	3,338,214
Accumulated depreciation	(2,643,433)	(2,446,161)
	579,032	892,053
Motor vehicles		
At cost	202,363	202,363
Accumulated depreciation	(192,530)	(181,856)
	9,833	20,507
Capital works in progress	-	3,403,814
<b>Total property, plant and equipment</b>	<b>8,444,301</b>	<b>8,430,263</b>

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 11 Property, Plant and Equipment

#### (a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and equipment	Poker machines	Motor vehicles	Capital work in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	191,768	3,445,283	476,848	892,053	20,507	3,403,814	8,430,273
Additions	-	733,919	94,169	15,000	-	-	843,088
Transfers	-	3,403,814	-	-	-	(3,403,814)	-
Disposals - written down value	-	-	(16)	-	-	-	(16)
Depreciation expense	-	(312,905)	(177,444)	(328,021)	(10,674)	-	(829,044)
<b>Balance at 30 June 2023</b>	<b>191,768</b>	<b>7,270,111</b>	<b>393,557</b>	<b>579,032</b>	<b>9,833</b>	<b>-</b>	<b>8,444,301</b>

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 11 Property, Plant and Equipment

#### (b) Core and non-core property

As required under section 41J of the Registered Clubs Act 1976, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises from which the Company operates at Sunpatch Parade, Tomakin, including all freehold land referred to in the title deeds of the main licensed premises site (including the car parking area and the bowling greens, Lot 51 of DP 593692 and Lot 1 of DP 857076).

### 12 Trade and Other Payables

	2023	2022
	\$	\$
Trade payables	465,159	713,314
Contract liabilities	109,187	-
Other payables	394,336	281,420
	<u>968,682</u>	<u>994,734</u>

### 13 Borrowings

#### CURRENT

##### Secured liabilities:

##### Bank overdraft

##### Borrowings

147,715	-
<u>3,454,127</u>	<u>118,602</u>
<u>3,601,842</u>	<u>118,602</u>

#### NON-CURRENT

##### Secured liabilities:

##### Borrowings

-	2,420,567
<u>-</u>	<u>2,420,567</u>

Lease liabilities are secured by the underlying leased assets.

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 13 Borrowings

Bank loans and bank overdrafts are secured by a First Registered Mortgage over the property situated at Sunpatch Parade, Tomakin and a first registered equitable mortgage over the whole of the Company's assets and undertakings, including uncalled capital.

### 14 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Provision for employee benefits	<u>392,656</u>	<u>419,288</u>
NON-CURRENT		
Long service leave	<u>67,376</u>	<u>67,576</u>

### 15 Contracted Commitments

Contracted commitments for:		
Capital Works	<u>-</u>	<u>415,631</u>

### 16 Interests of Key Management Personnel

Total remuneration paid to key management personnel of the Company was \$168,989 (2022: \$ 181,056).

### 17 Auditors' Remuneration

Remuneration of the auditor Daley Audit, for:

- auditing of financial statements	17,000	16,850
- other services*	<u>29,020</u>	<u>16,500</u>
	<u>46,020</u>	<u>33,350</u>

\*Other services are for accounting, secretarial and tax services.



# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 18 Contingent Liabilities and Contingent Assets

In the opinion of the directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

### 19 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### 20 Events after the end of the Reporting Period

The financial report was authorised for issue on 30 October 2023 by the Board of Directors.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has 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 subsequent financial periods.

### 21 Statutory Information

The registered office of the company is:

1 Sunpatch Parade  
Tomakin NSW 2537

# Tomakin Sports and Social Club Limited

ABN 84 001 383 142

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## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 31, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Simplified Disclosure Standards; and
  - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

  
T Montgomery  
President

Dated: 30 October 2023

## Independent Auditor's Report to the members of Tomakin Sports and Social Club Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Tomakin Sports and Social Club Limited (the Company), which comprises the balance sheet as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Wollongong

PO Box 333  
Wollongong NSW 2520  
02 4229 6477  
wollongong@daley.com.au

#### Bowral

PO Box 1032  
Bowral NSW 2576  
02 4862 1082  
bowral@daley.com.au

#### Sydney

PO Box 903  
Sydney NSW 2001  
02 8236 8177  
sydney@daley.com.au

#### daley.com.au

ABN 43 162 844 291  
Liability limited by a  
Scheme approved under  
Professional Standards  
Legislation.





## **Independent Auditor's Report to the members of Tomakin Sports and Social Club Limited**

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2(l) in the financial report, which indicates that the Company has recorded a deficit and cash outflow during the year ended 30 June 2023. In addition to this the loan facility has a reduced term and has been classified as current. As stated in Note 2(l), these events or conditions, along with other matters set forth in Note 2(l), indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The Directors are responsible for the other information. The other information is the directors report for the year ended 30 June 2023, but does not include the financial report and auditor's report thereon accompanying the financial report.

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 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 Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## **Independent Auditor's Report to the members of Tomakin Sports and Social Club Limited**

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

  
Daley Audit

  
Stephen Milgate  
Partner

Wollongong

Dated: 30 October 2023

Liability limited by a scheme approved under Professional Standards Legislation