

*N*ELSON BAY
BOWLING
RECREATION CLUB

Our Club is Your Club

Annual Report and Financial Statements

– As at 30th June 2023 –



BOARD MEMBERS



Damien Kroek
Chairman



John Carroll
Deputy Chairman



Desmond Allen



Warrick Lilly



Raad Richards



Patricia Janes



Steven Woods



Richard Girvan
Secretary Manager

NELSON BAY BOWLING AND RECREATION CLUB LIMITED

ACN 071 145 287

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of NELSON BAY BOWLING AND RECREATION CLUB LIMITED will be held on 12th November 2023 commencing at the hour of 10am at the premises of the Club, Stockton Street, Nelson Bay, New South Wales.

BUSINESS

The business of the Annual General Meeting shall be as follows:

1. Minutes silence for departed members.
2. Apologies.
3. To confirm the Minutes of the Annual General Meeting of the Club held in 2022.
4. To receive and consider the Report of the Board of Directors for the year ended 30 June 2023.
5. To receive and consider the Financial Report and Auditor's Report for the year ended 30 June 2023.
6. To consider and if thought fit pass the First Ordinary Resolution contained in this Notice.
7. To consider and if thought fit pass the Second Ordinary Resolution contained in this Notice.
8. General business.

Dated: 20/09/23

By direction of the Board

Richard Girvan
Secretary Manager

Important Note regarding Questions for the Annual General Meeting

Members with questions on the Annual Report or accounts are asked to submit those questions in writing to the Secretary Manager seven (7) days before the meeting. Members are entitled to ask questions at the Annual General Meeting without giving this notice. However, if you do not submit questions in writing seven (7) days before the meeting, it may not be possible to provide you with an answer to your question at the meeting.

Notes on Resolutions and Voting at the Annual General Meeting

1. Below are two Ordinary Resolutions which will be considered at the Annual General Meeting.
2. Life members, financial Bowling members and financial Social members shall be eligible to attend and vote on the Ordinary Resolutions.
3. Each Ordinary Resolution will be passed if at least a majority (ie. 50% plus 1) of the votes cast on the resolution by members present at the meeting are cast in favour of the resolution.
4. Under the Registered Clubs Act:
 - (a) proxy voting is prohibited; and
 - (b) employees cannot vote.
5. Notes on the resolutions follow the Ordinary Resolutions.
6. The Board recommends the Ordinary Resolutions to members.

NOTICE OF ORDINARY RESOLUTIONS

NOTICE is hereby given that during the Annual General Meeting the members will be asked to consider and if thought fit pass the following resolutions which are proposed as Ordinary Resolutions:

FIRST ORDINARY RESOLUTION

[The First Ordinary Resolution is to be read in conjunction with the notes to members set out below.]

That pursuant to Section 10(6)(b) of the Registered Clubs Act the members hereby approve the payment of the following honorariums to the directors of the Club in respect of their services as directors of the Club from the date of the Annual General Meeting for 2023 (12th November 2023) until the Annual General Meeting of the Club in the year 2024:

- (a) Chairperson \$4,000;
- (b) Deputy Chairperson \$3,000;
- (c) Ordinary Director \$2,500.

SECOND ORDINARY RESOLUTION

[The Second Ordinary Resolution is to be read in conjunction with the notes to members set out below.]

That pursuant to Section 10(6A) of the Registered Clubs Act the members hereby approve the following benefits to directors until the Annual General Meeting of the Club in the year 2024:

- (a) the reasonable costs of directors and their spouses attending the Annual General Meeting of Clubs NSW;
- (b) the reasonable costs of directors attending meetings of associations of which the Club is a member provided such attendance by directors is approved by a current resolution of the Board of the Club;
- (c) the reasonable costs of directors attending seminars, trade displays, organised study tours, fact finding tours and other similar events

- provided the same are beneficial to the Club or contribute to the professional development and education of directors and such attendance is approved by a current resolution of the Board of the Club;
- (d) the reasonable costs of directors attending other clubs for the purpose of observing their facilities and methods of operation provided such attendance is approved by a current resolution of the Board of the Club;
 - (e) the reasonable costs of directors attending with their spouses at functions to represent the Club provided such attendance is approved by a current resolution of the Board;
 - (f) the provision of a meal and refreshment at reasonable cost to the Club for each director either before or after a Board or Committee meeting when that meeting occurs at a normal meal time;
 - (g) the provision at reasonable cost to the Club of a blazer and associated apparel for each director for use when representing the Club;
 - (h) the provision of a meal and refreshment at reasonable cost to the Club for each Director whilst on duty during a normal meal time;
 - (i) the provision of an annual dinner at reasonable cost to the Club for each Director and their spouse to attend during the year in recognition of their services to the Club; and
 - (j) the provision of marked car parking spaces in the Club's car park for the exclusive use of directors
 - (k) payment of the premium for Directors' and Officers' insurance cover.

The members hereby acknowledge that the benefits in this resolution are not available to members generally but only to those who are directors of the Club or as indicated are spouses of directors.

Notes to Members on Ordinary Resolutions

1. The First Ordinary Resolution, if passed, will authorise the payment of an honorarium to each director of the Club, in the amount set out in the resolution, for their services to the Club. These amounts are unchanged from the previous year.
2. The Second Ordinary Resolution, if passed, will authorise the Club paying for various expenses for directors to attend meetings of Clubs NSW and associations of which the Club is a member, seminars and trade shows, attend at functions to represent the Club, the provision of a meal and a refreshment for each director when that meeting falls at a normal meal time and various other expenses as set out in the resolution.

NOTICE TO MEMBERS

CLUB PROPERTY

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June, 2023:

- (a) the following properties are core property of the Club:
 - (i) licensed premises at Stockton Street, Nelson Bay
 - (ii) bowling greens at Stockton Street, Nelson Bay
 - (iii) car park facilities at Stockton Street, Nelson Bay
- (b) the following properties are non-core property of the Club:
 - (i) Nil

NOTES TO MEMBERS

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) the defined premises of the Club; or
 - (b) any facility provided by the Club for use of its members and their guests; or
 - (c) any other property declared by a resolution passed by a majority of the members present at a General Meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property (other than that referred to above as core property) and any property which is declared by the members at a General Meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a General Meeting of the ordinary members of the Club at which the majority of the votes cast support the approval;
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above, amongst other things, do not apply to:
 - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer; or
 - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.
6. Non-core property is not subject to the limitations referred to in paragraph 4 and 5 above and can be disposed of without the Club having to following the procedure referred to in paragraph 4 above.

CHAIRMAN'S REPORT 2023

This report may be a bit different to some previous ones, but my intention is to outline the Board's role and what we are trying to achieve for you, the members.

The Board exists to set a strategic direction for the Club, and this happens across multiple areas. The Board makes decisions in what it believes are the best interests of the continued viability of the Club as a vehicle for providing facilities, events and services for members' benefit, and in support of community needs.

I won't say much on our financial performance – I'll leave that up to Secretary-Manager, Richard Girvan. What I will say is that it is extremely pleasing to see a positive result in very challenging times in terms of overall revenue, and the significant investment in revitalising our gaming and lounge areas. There is a delicate balance here to undertake these works but maintain a healthy cash position.

From a bowls perspective, you can see that the Board has made a decision to continue as a competitive bowling organisation – in men's, women's and open gender bowls. As a result, we have a synthetic green, a Bowls Manager in Kane Coulls, a contracted greenkeeper in Steve Green (and Chris Rees), and some 'imported' players in the higher pennant grades. We have witnessed clear benefits from these inclusions to the Club's facilities and performances. I would like to thank the Bowls Presidents, Pam and Mark, and their committees (and volunteers) for their work throughout the year.

We have recently engaged new caterers and their performance thus far has generated a great deal of appreciation - I welcome Navin and his team to the Club. Opening 'The Fat Belly' downstairs has also been appreciated and provides a greater range of food choice. We look forward to working together with Navin and his team for some exciting initiatives!

The path to developing Green 4 has been slow, and the Board shares in the frustration. However, it is important to get it right in the context of what is possible now, while allowing for any future development. We are still looking at rezoning our whole site and expect to meet with Council soon to determine what is possible. From that point, I hope to see more rapid progress in being able to bring a realistic development proposal to you.

I would like to thank Richard and his management team – Karen, Nicole and Kane – for their sterling efforts throughout the year. We have had some staff shortages and you would have seen all of them working in roles which are not part of their core duties – bar, reception and so on. They have been well-supported by our Duty Managers in Judy and David, Dave and Doc in the cellar and the remainder of the staff. I believe the current staff is the most settled I've seen for a while and a happy and welcoming atmosphere in the Club is the result.

To the families of our departed members, please accept our deepest sympathies on behalf of all the members and staff of the Club.

Damien Kroek, Chairman

SECRETARY MANAGER'S REPORT 2023

I am pleased to present to you, the Members, my 4th Annual Report as Secretary Manager.

While we can all breathe a sigh of relief that the shadow of Covid-19 has receded, we now find ourselves navigating a new challenge in the form of an economic climate marked by rising living expenses and increasing interest rates. These factors have had notable impact on recreational spending in our area, particularly from a tourism point of view.

Despite these economic challenges, I am pleased to report a Net Profit of \$61,300. While this year's revenue of \$4,898,930 represents a significant 26% increase over the previous year, it is important to note we are still down approximately 20% from pre Covid revenue levels. With the Club returning to full operation, expected increases to expenses have been realised. Total expenses of \$4,837,630 are up 28% on last year. These expenses have been well maintained and managed over the course of the year but highlight the importance for Management and The Board to explore new avenues to increase revenue and ensure the Club's sustainability into the future.

The Board continue to support strategic initiatives and investment into Club facilities. This year saw much needed renovations to the Gaming Area as well as the replacement of carpet throughout the ground floor, upgrading of furnishings in the Sports Bar and installation of new LED Screens. It is important to note, that these enhancements were financed using our cash reserves and we did not add to the Club's debt.

Furthermore, I'm pleased to report that we have made substantial progress in reducing the Club's building loan. Over the course of the year, we have reduced the outstanding balance from \$1,624,816 to \$1,398,459.

The Club continues to support the local community by way of cash payments and in-kind initiatives to various charities and organisations through the Club Grants scheme totalling \$49,824.

I'm sure the majority of Members will agree that the recent overhaul of the Club's Catering options have been a resounding success with the opening of 'The Fat Belly' downstairs along with 'Fin and Scales' upstairs. We welcome Navin, Roop and their catering team to the Club, we look forward to building on what is already a fantastic working relationship.

Our fantastic frontline staff, supported by Duty Managers Judy Dart, David Nicholls and newly appointed Relief Duty Manager Robyn Borland have continued to provide a high standard of customer service for Members and Visitors to the Club. In the Cellar, Doc Ketley and Dave Walters continue to provide excellent product for consumption. Thank you all for your efforts throughout the year. To my Management team of Nicole Blue, Karen Hartas, Kane Coulls and Traci Green, thank you for your support and continued commitment to broadening and growing your roles within the business, your hard work is invaluable.

Congratulations and thanks must go to the current Board for their dedication and commitment to the Club. I look forward to their continued support as we work together in planning for the successful future of our Club.

Most importantly, to you, our valued Members, thank you for your continued support. In particular, our 'Regulars' those that are here week in week out supporting various activities, social bowls, raffles, functions or just enjoying a few drinks with your mates, thank you for your constant support.

To the Families of our departed members, please accept our deepest sympathies on behalf of the Board, Management, Staff and Members of the Club.

Richard Girvan, Secretary Manager

MENS BOWLS REPORT 2023

In my second year as Bowls Manager, it gives me great pleasure to provide you with our Bowls Report for 2023.

Saturday Open Pennants

In 2023 "Saturday Open Pennants" was introduced by Bowls NSW. This change in Pennant format has and will initially cause angst within the pennant playing membership at all clubs, due to the perceived changes it brings.

As a Club we fielded 6 sides (Grade 1, 3, 2 x 5, 6, & 7) in the Open Pennant Competition and as a Club competed well for the majority of the 10-week season.

At the completion of the minor round sectional 10 games our teams finished;

Grade 1 – 1st, Grade 3 – 1st, Grade 5.1 – 4th, Grade 5.2 – 2nd, Grade 6 – 4th, Grade 7 – 5th

Both our Grade 1 and Grade 3 sides went onto play for the respective Zone 2 Flags.

Our Grade 1 side played Raymond Terrace in the Zone Grade 1 Final. Unfortunately, lost the final 58-70 shots but the team gave it a real crack and showed how far they had developed over the course of the season.

Our Grade 3 side played Charlestown in the Semi-final, however were beaten in a very close match 50-55, but the whole team should be proud of what they achieved this season and can go into 2024 knowing they are close to winning a Zone Flag.

Our Grade 1 side qualified for the Bowls NSW Grade 1 BCIB State Open Pennant Finals held at Forster. After the completion of the sectional play, we finished top of the section with 2 wins and 1 loss. In our quarterfinal match-up we got to play Raymond Terrace again. Once again, we were unsuccessful losing 32-60.

As a Club we should be proud of what we were able to achieve this year, however, we should be striving to improve on the above results for the 2024 Open Pennant Season and continue to strive for more Zone and State success.

Tournaments

Once again, this year we have successfully run the following tournaments;

- Men's Bluewater Pairs with 42 teams entered.
- Blue Water Winter Mixed Carnival with 384 bowlers participating over the course of the 4 days. We welcomed back our New Zealand visitors from the Royal Oak Bowling Club and look forward to them coming back in 2024.
- At the time of this report our Geoff Prisk Memorial 2 Bowl Men's Triples Grade 6 & 7 Tournament was yet to be played, however we have 42 teams entered.

I would like to thank all the Members of the Club who have assisted me with the running of our large and small tournaments throughout the year,

your efforts do not go un-noticed.

Also, a big thank you to all of our umpires, your efforts are fantastic as we have limited numbers and you are always available to help out even at short notice. As a Club we need more members to undertake the Umpires course to help out during Pennants, club championships and our tournaments.

Club Championships 2023

At the time of this report the following Club Championships have been completed including the 2022 winners.

2022

Men's Major Singles – Kane Coulls

Men's Major Pairs – Chris Edmonds & Jake Graham

Men's Major Triples – Joe Pudney, Peter Moxham & Chris Edmonds

Most Improved Player of the Year – Sue Clark

Ladies Player of the Year – Bernie Carroll

Men's Player of the Year – Kane Coulls

2023

Men's Minor Singles – David Hall

Men's Minor Pairs – Sam Lurton & Alan Pulbrook

Men's Handicap Pairs – Darren Stewart & Mark Rice

Mixed Fours – Sue Clark, Sam Lurton, Ann McCann, Ray Read

Mixed Pairs – Bernie Carroll & Chris Edmonds

Zone Championships

This past year has seen our members excel when playing in the Zone Championships.

A snapshot of our member success is as follows:

Zone Open Singles Winner – Jono Davis

Zone Senior Fours Winners – David Holmes, Ray Asquith, Russell Nobes, John Gibson

Zone Presidents Fours Winners – John Carroll, Kevin Kilbride, Brian Comley, Peter Mentis

To our Men's President, Mark Rodway and the Men's Committee and our Ladies President Pam Pulbrook and the Ladies Committee I thank you for your time and efforts over the course of the last twelve months and I look forward to working with you again in 2024.

Finally, to all Members I thank you for your continued support of the Club and your willingness to participate in as many Bowls Related competitions we are providing, whether it be in our social / Gala bowls, the tournaments we are running or in our Pennant Competitions.

I look forward to seeing you all on the Greens in 2024 and seeing the continued growth and success of our Club.

Kane Coulls, Bowls Manager

WOMENS BOWLS REPORT 2023

I am honoured to present to you the annual report as the President of our esteemed Nelson Bay Women's Bowling Club.

As I reflect on the past year, I am filled with pride and gratitude for each and every one of our ladies who have contributed to our club's success. I feel it has been a year filled with friendship, fun, bowling and unwavering dedication to our sport.

Many members of Nelson Bay Women's club have participated in numerous competitions and tournaments throughout the year. We have celebrated achievements on both individual and team levels, with members achieving commendable performances in Club Championships, District, Regional, State and National tournaments. Their accomplishments are a testament to the dedication and hard work they have put in to developing their skills.

Introducing our 2022-2023 Ladies Club Champions

Major Singles

Winner - Bernie Carroll

Runner-up - Sue Clark

Minor Singles

Winner - Pam Pulbrook

Runner-up - Lee Butterworth

Major Pairs

Winners - Toni Martin & Bernie Carroll

Runners-up - Sue Clark & Judy Eggert

Triples

Winners - Margaret Ariyawanawit, Helen Maloney, Pat Janes

Runners-up - Val Deacon, Marion Dawson, Noreen Allen

Fours

Winners - Sue Clark, Pat Pepper, Lee Butterworth, Helen Maloney

Runners-up - Lin Hudson, Una Cornwell, Coralie Lewis, Denise Archibald

Consistency Singles

Winner - Bernie Carroll

Runner-up - Toni Martin

Congratulations go to Bernie Carroll for receiving the Inaugural 2022 Female Bowler of the Year award. Congratulations also go to Sue Clark who received the Most Improved Bowler award.

Congratulations to all the ladies on their achievements and great efforts in club Championships. We are proud of you all.

Our Pennant teams did very well this year. Grade 3 achieved second place in their section and Grade 4 achieved fourth place. Congratulations to both teams on their efforts and achievements this year. Both teams have proven that they are very competitive in our region and are close to bringing home a flag.

Beyond the greens, our Ladies club has remained committed to engaging with the broader community when our NBWBC hosted the Ladies Blue Marlins Pairs Tournament on 20th March 2023, an annual event with three greens full of ladies from all over the district competing. Congratulations to our ladies for

what proved to be a very successful day. Well done ladies, for an exceptional team effort.

Furthermore, our Ladies have worked hard at fund raising to support out local charities. These charity days have been lots of fun and a great success. A very generous amount of money was raised for the following Charities:

Ronald McDonald House - \$352

Pink Day - for Tomaree Breast Cancer Support Group - \$885

Teal Day - for Ovarian cancer \$600

Westpac Helicopter \$180

Jeans for genes -\$710

NBWBC Club held their inaugural Mixed Thursday morning bowls on 27th April 2023 that proved to be a great success. All members and guests are welcome to attend every Thursday morning at 9.00am for a fun filled game of the sport that we all enjoy.

I am pleased to announce that our membership has continued to grow over the past year. We welcomed three new members who have embraced the spirit of our club and brought fresh enthusiasm to our games and events.

Our social events, have provided opportunities for members to bond and create lasting friendships. From Gala bowls, celebration of members birthdays, our charity fundraisers, our lively Christmas party to our Presentation night, our calendar has been filled with laughter, shared stories, and the spirit of camaraderie that defines our ladies club. These events have strengthened the bonds within our club and wider community and reinforced our commitment to supporting one another both on and off the greens.

I would like to extend my deepest appreciation and sincere thanks to my management Committee; Coralie Lewis, Jenice Brown, Leanne Murray, Helen Maloney Judy Eggert, Sandra Swan, Fiona Waltham and all committee members who have contributed their time, expertise, and enthusiasm to make our club thrive.

I also extend my appreciated and sincere thanks to our welfare officer - Coralie Lewis

Delegate - Jenice Brown and Communications Officer- Bernie Carroll for their time and dedication to supporting our members and our club.

Furthermore, I would like to take the opportunity to thank the Board of Directors, Richard Girvan, Kane Coulls, our Office staff; Nicole Blue, Karen Hartas and Tracey Green, The Green Keeper, Steve Green, and all the staff for their support throughout the year.

As we move forward , I encourage all members to continue to actively participate, contribute ideas, and support one another. Here's to another fantastic year ahead. I wish you all good bowling, fun and friendship.

Pam Pulbrook, President, Nelson Bay Women's Bowling Club

DIRECTORS REPORT 2023

Your directors present this report on the Company for the financial year ended 30th June 2023.

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

NAME	POSITION	QUALIFICATION	YEARS IN OFFICE
Max Harman	Chairman Resigned 30/10/2022	Retired	5 years
Damien Kroek	Chairman	Retired	7 years
John Carroll	Deputy Chariman	Retired	3 years
Helen Nicholls	Director Resigned 30/10/2022	Retired	9 years
Reginald Dowton	Director Resigned 30/10/2022	Retired	5 years
Desmond Allen	Director	Retired	5 years
Warrick Lilly	Director	Retired	3 years
Patricia Janes	Director Appointed 30/10/2022	Retired	1 year
Raad Richards	Director Appointed 30/10/2022	Chief Executive	1 year
Stephen Woods	Director Appointed 30/10/2022	Retired	1 year

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

MEETINGS OF DIRECTORS

	No. eligible to attend	No. attended
Max Harman	5	5
Damien Kroek	14	14
Helen Nicholls	5	5
Reginald Dowton	5	5
Desmond Allen	14	14
Warrick Lilly	14	11
John Carroll	14	12
Patricia Janes	9	9
Raad Richards	9	8
Stephen Woods	9	8

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of promotion of the game of bowls and conducting a licensed club. No significant change in the nature of these activities occurred during the year.

REVIEW OF OPERATIONS

The net profit/<loss> for the year was \$61,300 (2022: \$109,988)

SHORT AND LONG TERM OBJECTIVES

The Company will continue to promote the game of lawn bowls and other such games, entertainment, pastimes and recreational activities, both indoor and outdoor, as the club sees fit. It also aims to provide modern and comfortable quality facilities and services for the benefit of its members and their guests.

In the long term it will continue to update the clubs facilities and amenities and explore other areas of business to generate revenue in accordance with the Board's Strategic Plan. The Board's Strategic Plan is reviewed every 12 months to ensure it remains viable and is updated to reflect changes in the local market and to ensure the ongoing profitability and future of the Company.

Strategies for Achieving these Objectives

- Continue to support Gaming growth by changing the layout of the floor, service standards, player comfort and player loyalty.
- Continue to improve the clubs standing as a bowling club, attract key events and provide the best possible bowling facilities.
- Increase the focus on repairs and maintenance to set the club up for the future.
 - Continue to create more efficiency within the club operations - wages, expenses, stock control.
- Use our marketing dollars wisely to drive revenue and club membership

MEMBERS GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the company. At 30th June 2023, the total amount that members of the company are liable to contribute if the company is wound up is \$12,958 (2022 \$11,778)

KEY PERFORMANCE MEASURES

The company's performance is measured on a monthly and annual basis against Board approved budgets and KPI's. It participates in benchmarking against other clubs via the clubdata online portal and these extensive reports which are published monthly and quarterly are an excellent tool for management to track performance and market trends.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30th June 2023 has been received and is set out on the following page.

Dated at Nelson Bay 10th August 2023.

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

A handwritten signature in black ink, appearing to read 'D Kroek', written in a cursive style.

Damien Kroek

Chairman

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NELSON BAY BOWLING & RECREATION CLUB LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Nelson Bay Bowling & Recreation Club Limited. As the lead auditor for the audit of the financial report of Nelson Bay Bowling & Recreation Club Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



STEPHEN TOLHURST CA
MORLEY & COMPANY

Dated 10th August 2023.

1/55 Donald Street
Nelson Bay NSW 2315

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2023**

	Note	2023 \$	2022 \$
Revenue	2	4,631,100	3,524,858
Other Revenue	3	4,631,100	3,524,858
		4,898,930	3,903,689
Bar & Catering Purchases	4	715,157	562,984
Promotion & Entertaining		255,240	153,372
Rates & Electricity		157,291	132,005
Poker Machine Tax		404,168	272,585
Repairs & Maintenance		213,187	137,004
Insurances		150,891	184,124
Payroll Tax		21,027	1,867
Borrowing Costs & Interest	5	91,807	93,674
Depreciation & Amortisation	6	492,611	474,148
Wages & Labour on-costs		1,620,038	1,212,571
Other Expenses		716,213	569,367
Total Expenses		1,837,630	3,793,701
Total comprehensive income/<loss> for the year		61,300	109,988

STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE 2023

	Note	2023 \$	2022 \$
Cash and Cash Equivalents	6(a)	423,409	676,164
Inventories	7	44,077	35,920
Accounts Receivable & Other Debtors	8	39,878	17,196
TOTAL CURRENT ASSETS		507,364	729,280
NON CURRENT ASSETS			
Property, Plant & Equipment	9	9,028,139	8,887,822
Intangible Assets	11	211,451	211,451
TOTAL NON CURRENT ASSETS		9,239,590	9,099,273
TOTAL ASSETS		9,746,954	9,828,553
CURRENT LIABILITIES			
Accounts Payable & Other Payables	12	472,782	380,323
Employee Provisions	3	275,309	279,089
Borrowings	14	216,842	216,840
TOTAL CURRENT LIABILITIES		964,933	876,252
NON CURRENT LIABILITIES			
Employee Provisions	13	-	5,221
Borrowings	14	1,181,617	1,407,976
TOTAL NON CURRENT LIABILITIES		1,181,617	1,413,197
TOTAL LIABILITIES		2,146,550	2,289,449
NET ASSETS		7,600,404	7,539,104
EQUITY			
Retained Surplus		568,487	568,487
		7,031,917	6,970,617
Total Equity		7,600,404	7,539,104

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2023

	RETAINED SURPLUS	ASSET REVALUATION SURPLUS	TOTAL
	\$	\$	\$
Balance 30th June 2021	6,860,629	568,487	7,429,116
Surplus attributable to the members of the company	109,988	-	109,988
Balance 30th June 2022	6,970,617	568,487	7,539,104
Surplus attributable to the members of the company	61,300	-	61,300
Balance 30th June 2023	7,031,917	568,487	7,600,404

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		4,813,965	3,668,575
Job saver subsidy		-	146,991
Covid grant		-	7,500
Payments to suppliers and employees		(4,270,776)	(3,257,008)
Interest paid		(91,807)	(93,674)
Interest received	5	20	
Commissions received		84,919	73,612
Net cash generated from operating activities	15	536,306	546,016
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		-	11,547
Payment for property, plant & equipment		(562,704)	(382,623)
Net cash used in investing activities		(562,704)	(371,076)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of borrowings		-	-
Payment of borrowings		(226,357)	(311,805)
Net cash (used in) generated from financing activities		(226,357)	(311,805)
Net (decrease) increase in cash held		(252,755)	(136,865)
Cash at the beginning of the financial year		676,164	813,029
Cash at the end of the financial year	6 (a)	423,409	676,164

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2023

The financial statements cover Nelson Bay Bowling & Recreation Club Limited as an individual entity incorporated & domiciled in Australia. Nelson Bay Bowling & Recreation Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on 25th August 2023 by the Directors of the Company.

Note: 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Accounting Policies

(a) Revenue recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of service to the customer. All revenue is stated net of the amount of goods and services tax (GST).

(a) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(c) Inventories

Inventories are measured at cost.

(d) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation and subsequent impairment of buildings. The last valuation was dated 16th April 2021 and was prepared by Baker & Magin Valuers.

Increases in the carrying amount arising on revaluation of land & buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the

same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised, either in profit or loss, or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present. (refer to note 1f for details of impairment).

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over their useful lives to the Company commencing from the time the asset is available for use.

The depreciation rates for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% Prime Cost
Furniture & Fittings	10% Prime Cost
Poker Machines (purchased pre June 2016)	20% Prime Cost
Poker Machines (purchased post June 2016)	14.2% Prime Cost
Plant & equipment	10%-25% Prime Cost
Motor Vehicles	22.5% Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset. (i.e. trade date accounting is adopted) adopted) Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are recognised as expenses in profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying amount of the financial liability which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy.

Such assets are subsequently measured at fair value with changes in carrying amounts being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or loss are recognised in profit or loss through the amortisation and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management.

They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantee are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(f) Impairment of Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows - that is, they are specialised assets held for continuing use of their service capacity - the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Employee Provisions**Short-term employee provisions**

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries annual leave and sick leave.

Short term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Upon the re measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

(h) Cash and cash equivalents

Cash & cash equivalents includes cash on hand, deposits held at-call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(i) Goods & Services Tax (GST)

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

Receivables and payables are shown inclusive of the amount of GST receivable or payable. The net amount of GST receivable from or payable to the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the Cash Flow Statement on a net basis.

(j) Intangible Assets

Expenditure on Poker Machine Entitlements have been capitalised and included in intangible assets. The entitlements are tested annually for impairment and carried at cost less accumulated impairment losses if any.

Poker machine entitlements are a tradable commodity within the Clubs Industry. They are considered to have an indefinite useful life. However, as at 30 June 2023 the dollar value of poker machine licences to the Company in an open and unbiased (active) market was not able to be determined. Poker machine entitlements are therefore reported at historical cost. The directors do not consider that the licences have suffered any impairment loss.

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

Impairment

The freehold land and buildings were independently valued on 16th April 2021 by Baker & Magin Valuers.

The valuation was based on the fair value less cost of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings and the demand for land and buildings in the area.

At 30th June 2023 the directors reviewed the key assumptions made by the valuers at 16th April 2021. They concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30th June 2022.

Useful lives of property, plant and equipment

As described in Note 1(d), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(n) Accounts Receivable and Other Debtors

Accounts Receivable and Other Debtors include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(o) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments by reference to observable market information where such instruments are held as assets. Where this information is not available other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Nelson Bay Bowling & Recreation Club Limited

	2023	2022
	\$	\$
Note 2: Revenue	1,794,980	1,288,474
Poker Machine Net Income	2,595,279	2,048,536
Catering-License Fees	122,927	91,813
Catering- Sales	33,995	22,423
Keno	65,758	61,299
TAB	18,161	12,313
	<u>4,631,100</u>	<u>3,524,858</u>
Note 3: Other Revenue		
Greens	132,698	114,632
Other Income	135,132	109,708
Jobsaver Subsidy	-	146,991
Covid Grant	-	7,500
	<u>267,830</u>	<u>378,831</u>
Note 4: Bar & Catering Purchases		
Bar & Catering	715,157	562,984
	<u>715,157</u>	<u>562,984</u>
Note 5: Borrowing Costs & Interest		
Loans and Trading account	91,807	70,860
Hire purchase term Charges	-	22,814
	<u>91,807</u>	<u>93,674</u>
Note 6: Depreciation & Amortisation		
- Poker Machines	199,564	195,058
- Plant & Equipment & Motor Vehicles	137,146	123,155
- Buildings	155,901	155,935
	<u>492,611</u>	<u>474,148</u>
Note 6(a): Cash on Hand		
Floats	100,000	100,000
ATM	34,820	49,560
Cash Redemption Terminal	43,793	47,767
Bank Account - CBA	244,796	478,837
	<u>423,409</u>	<u>676,164</u>
Note 7: Inventories on hand		
Bar Stock	35,040	30,445
Bowls Stock	9,037	5,475
	<u>44,077</u>	<u>35,920</u>
Note 8: Accounts Receivable & Other Debtors		
Prepayments	39,421	3,826
Accounts Receivable	457	13,370
	<u>39,878</u>	<u>17,196</u>

counterparty or group of counterparties other than those receivables specifically provided for and mentioned within this note. The main source of credit risk to the company is considered to relate to the class of assets described as accounts receivable and other debtors.

2023
\$**2022**
\$

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

Note 9: Property, Plant & Equipment

Freehold land at independent valuation	1,562,600	1,562,600
Building at independent valuation	6,237,400	6,237,400
less accumulated depreciation	(311,870)	(155,935)
	<u>5,925,530</u>	<u>6,081,465</u>
Furniture, Plant & Equipment - at Cost	2,388,498	2,127,601
less accumulated depreciation	(1,405,851)	(1,427,585)
	<u>982,647</u>	<u>700,016</u>
Motor Vehicles - at Cost	52,175	52,175
less accumulated depreciation	(52,175)	(52,175)
	<u>-</u>	<u>-</u>
Poker Machines - at Cost	2,296,766	2,177,094
Less accumulated depreciation	(1,739,404)	(1,633,353)
	557,362	543,741
TOTAL PROPERTY PLANT & EQUIPMENT	<u>9,028,139</u>	<u>8,887,822</u>

Asset Revaluation

The freehold land and buildings were independently valued on 16th April 2021 by Baker & Magin Valuers. The valuation was based on fair value less costs to sell. The critical assumptions made in the valuation were the location of the land and buildings and demand in the area.

Nelson Bay Bowling & Recreation Club Limited

Movements in Carrying amounts

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

2023	F/Hold Land	Building at Cost & Independent Valuation	Furniture & Plant	Motor Vehicle	Poker Machines	Total
Balance at Beginning of the Year	1,562,600	6,081,465	700,016	-	543,741	8,887,822
Additions at cost	-	-	426,532	-	213,184	639,716
Disposals at wdv	-	-	(6,788)	-	-	(6,788)
Depreciation expense	-	(155,935)	(137,382)	-	(199,294)	(492,611)
Carrying amount at the end of the year	1,562,600	5,925,530	982,378	-	557,631	9,028,139
2022	F/Hold Land	Building at Cost & Independent Valuation	Furniture & Plant	Motor Vehicle	Poker Machines	Total
Balance at Beginning of the Year	1,562,600	6,237,400	514,204	-	680,874	8,995,078
Additions at cost	-	-	308,967	-	60,450	369,417
Disposals at wdv	-	-	-	-	(2,525)	(2,525)
Depreciation expense	-	(155,935)	(123,155)	-	(195,058)	(474,148)
Carrying amount at the end of the year	1,562,600	6,081,465	700,016	-	543,741	8,887,822

2023
\$**2022**
\$**Note 10: Related Party Transactions**

Key Management Personal Compensation

Salaries & Benefits	130,300	105,492
Superannuation	14,126	10,049
Total Compensation	<u>144,426</u>	<u>115,541</u>

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

Note 11: Intangibles

Poker Machine Entitlements at Cost	<u>211,451</u>	<u>211,451</u>
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Note 12: Accounts Payables & Other Payables

Trade Creditors	198,542	112,982
Subscriptions in advance	51,279	50,752
PAYG Withholding & Payroll Deductions Payable	40,246	43,412
Other income in advance	(17,752)	5,086
Accruals	135,817	111,050
GST Payable (Refundable)	64,650	57,041
	<u>472,782</u>	<u>380,323</u>

The average credit period on accounts payable and other payables (excluding GST payable) is 1 month. No interest is payable on outstanding payables.

Note 13: Employee Provisions

Current		
Employee Benefits	<u>275,309</u>	<u>279,089</u>
Non Current		
Employee Benefits	<u>-</u>	<u>5,221</u>

Employee provisions represent amounts accrued for annual leave, long service and sick leave.

The current portion for the provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement. The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Nelson Bay Bowling & Recreation Club Limited

Note 14: Interest Bearing Liabilities	2023	2022
	\$	\$
Current		
CBA Business Loan	216,842	216,840
	<u>216,842</u>	<u>216,840</u>
CBA Business Loan	1,181,617	1,407,976
	<u>1,181,617</u>	<u>1,407,976</u>

(i) The bank overdraft is secured by a fixed and floating charge over the whole of the assets of the Company including goodwill and uncalled capital, and called but unpaid capital together with relative insurance policy assigned to the Commonwealth Bank of Australia Limited.

(ii) The CBA Business loan is currently at an interest rate of 6.99%.

Repayments are on a principal & interest basis.

Note 15: Cash Flow Information

Reconciliation of cash flow from operations with loss		
Profit/(Loss) for the year	61,300	109,988
Non Cash Flows		
Depreciation & Amortisation	492,611	474,148
Loss on Disposal of Property, Plant & Equipment	1,188	1,239
Profit on disposal of Property Plant & Equipment	-	(10,261)
Increase in Stock	(8,156)	(1,406)
Decrease in Debtors & Prepayments	(22,682)	5,329
Decrease in Accounts Payable & Accruals	21,045	(49,464)
Increase in Provisions	(9,000)	16,443
	<u>536,306</u>	<u>546,016</u>

Note 16: Financial Risk Management

Financial Risk Management Policies

(i) The Company's financial instruments consist mainly of cash, accounts receivable and payable and bank borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 Financial

Instruments: as detailed in the accounting policies to these financial statements are, as follows:

(ii) Financial Assets		
Cash on hand	423,409	676,164
Accounts Receivable & Other Receivables	457	13,370
	<u>423,866</u>	<u>689,534</u>
(iii) Financial Liabilities		
Accounts Payable & Other Payables	472,782	384,574
Borrowings	1,398,459	1,624,816
	<u>1,871,241</u>	<u>2,009,390</u>

- | | 2023 | 2022 |
|--|-------------|-------------|
| | \$ | \$ |
| (iv) A finance Committee consisting of management and board members meet on a regular basis to analyse financial risk exposure and to assist the company in meeting financial targets. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements. | | |
| (v) Specific Financial Risk Exposures & Management | | |
| The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity and credit risk. | | |

Note 17: Reserves

The revaluation surplus records the revaluations of non current assets.

Note 18: Capital Management

Management controls the capital of the company to ensure that the adequate cash flows are generated to fund its activities and that returns from investments are maximised within tolerable risk parameters. The finance Committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The company's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the company's capital by assessing the company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the company since the previous year.

The gearing ratios for the years ended 30 June 2023 and 30 June 2022 are as follows:

Total borrowings		1,398,459	1,624,816
Accounts payable and other payables	12	472,782	384,574
Less cash on hand	6(a)	(423,409)	(676,164)
Net debt		<u>1,447,832</u>	<u>1,333,226</u>
Total equity (retained surplus and reserves)		7,600,404	7,539,104
Total capital		9,048,236	8,872,330
Gearing ratio		16.00%	15.02%

Note 19: Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the number of members was 6,479 (2022:5,889).

Note 20: Core Property

The club's property at Stockton St Nelson Bay is core property as defined in Section 41J (2) of the Registered Clubs Act.

Note 21: Events after the reporting period

The directors are not aware of any significant events since the end of the reporting period.

Note 22: Entity Detail

The registered office of the Company is:

Stockton Street

Nelson Bay NSW 2315

The principal place of business is:

Nelson Bay Bowling & Recreation Club Limited

Stockton Street

Nelson Bay NSW 2315

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Nelson Bay Bowling & Recreation Club Limited

The directors declare that:

1. The financial statements and notes as set on pages 16 to 32 are in accordance with the Corporations Act 2001, and
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the Company as at 30th June 2023 and of its performance for the year ended on that date.
2. In the directors opinion there are reasonable grounds to believe that the Company will be able to pay it's debts as and when they become due and payable.



Damien Kroek
Chairman

Dated 10th August 2023

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF NELSON BAY BOWLING & RECREATION CLUB LIMITED

Opinion

We have audited the financial report of Nelson Bay Bowling & Recreation Club Limited, which comprises the statement of financial position as at 30th June 2023, 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 the notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the company's financial position as at 30th June 2023 and of its financial performance for the year then 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 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 registered entity, 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 are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30th June 2023, 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 within 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 the 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 and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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.

Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the registered company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the registered company audit. We remain solely responsible our audit opinion

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.

10th August 2023
1/55 Donald Street
Nelson Bay NSW 2315

MORLEY & COMPANY
CHARTERED ACCOUNTANTS



S B TOLHURST

CLUB GRANTS DONATIONS

YOUR CLUB CONTINUES TO SUPPORT THE NELSON BAY COMMUNITY THROUGH THE FOLLOWING DONATIONS

- Jeans for Genes
- Justice of the Peace
- Kids with Cancer Foundation
- Legacy
- Family of League
- Nelson Bay BOWLF Club
- Nelson Bay Junior Rugby Club
- Nelson Bay Men's and Ladies Probus
- Nelson Bay Rugby Club
- OCCI Oceania Care
- Port Stephens Koalas
- PS Car Club
- PS District Bodyboarders Club
- PS Econetwork
- PS Friendship Group
- PS Marine Rescue
- PS Probus Club
- PS Sister Cities
- PS Suicide Prevention
- PS Toastmasters
- Rotary Club of Nelson Bay
- Sea Shelter
- Special Children's Christmas Party
- Sporting Hope Foundation
- Tomaree Breast Cancer Support
- Tomaree Hospital
- Tomaree Men's' & Ladies Probus Clubs
- Tomaree Over 50's
- Tomaree Rate Payers Association
- Westpac Rescue Helicopter
- Northern Hawks Rugby League Club

Our club is a proud supporter of local junior and senior sport as well as many community support initiatives. You can trust that Nelson Bay Bowling Club takes great pride in assisting the local community.

*N*ELSON BAY
BOWLING
RECREATION CLUB

Our Club is Your Club

**Nelson Bay Bowling &
Recreation Club Limited**

Stockton Street Nelson Bay NSW 2315 • P: 02-4981 1272