

*N*ELSON BAY
BOWLING
RECREATION CLUB

Our Club is Your Club

Annual Report and Financial Statements

– As at 30th June 2021 –



BOARD MEMBERS



Max Harman
Chairman



Damien Kroek
Deputy Chairman



Helen Nicholls



Desmond Allen



Reginald Dowton



John Carroll



Warrick Lilly



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 9th January 2022 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 2020.
4. To receive and consider the Report of the Board of Directors for the year ended 30 June 2021.
5. To receive and consider the Financial Report and Auditor's Report for the year ended 30 June 2021.
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: 20/09/21

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 2021 (9th January 2022) until the Annual General Meeting of the Club in the year 2022:

- (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 2022:

- (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 mealtime;
- (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, 2021:

- (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 2021

It gives me great pleasure to present my yearly report for 2021 and as I write this report, unfortunately we are in lockdown.

This financial year has been very rewarding as the Clubs profit for 20/21 was \$1,005,011.

Included in this report was \$199,500 for Jobkeeper on behalf of the Federal Government.

This then shows a net profit of \$806,011 which I believe is a record yearly financial result for the Club.

Approximately two and a half years ago our total debt was \$3,403,114 of which to date we have paid off \$1,421,242 which leaves a balance debt of \$1,981,872. Our cash position in the bank at the moment is \$347,892 credit.

These results in my opinion are owed to the fact of dedicated and successful decisions put forward by your Board of Directors and good management.

May I take this opportunity to sincerely thank the Board of Directors for their valuable input, support and assistance to me over the past year. May I also thank Richard Girvan for his very solid and tireless effort in the management of our club which has certainly helped to finish the year with this financial result.

I also say thank you to our Administration Manager Karen Hartas for her dedication and help in working so closely and successfully with Richard in making the year such a financial success.

Thank you to Nicole Blue and Doc Ketley for their work ethic this year and also to all the staff in helping to please and welcome to the Club our Members and Visitors.

On the Men's Bowls scene I thank Bill Gainsford and his committee for a successful bowls year and no doubt Bill will be sorely missed. I wish the incoming Bowls President Mark Rodway and his committee all the best for the future.

The Board has appointed a Bowls Coordinator namely Kane Coulls who will commence duties as soon as we get back on the greens.

The Board also decided to build a synthetic bowls green at a cost of \$230,000 approximately of which we have already paid \$168,000 towards this cost. While playing and practicing on the synthetic green will help our bowlers to compete in away games on similar surfaces.

My thanks to outgoing Ladies President Pat Janes for her strong and well organised approach in helping her Club to a successful year. The Ladies have done a great job in handling their financial affairs which obviously helps towards our financial result.

May I wish Helen Nicholls incoming Ladies President all the very best for the future in her position.

Thank you to all the umpires who give a lot of time and effort in controlling our games of importance.

Nelson Bay Bowling & Recreation Club Limited

To our contract Greenkeeper Steve Green, I wish him all the best and I must admit I am impressed with his approach and work commitment.

While still in lockdown I really can not guess what the future holds with so much uncertainty with Covid-19. Luckily the Club has come through the shut down periods and still doing so, but hopefully not for long.

I assure you Members and Guests, myself and the Board of Directors with Management will endeavor to make the right decisions in the future in making sure the Club will prosper.

To all Members and Guests may I thank you for your support in the past and I look forward to your patronage again in the future.

To the families of departed Members, on behalf of the Board of Directors and Members of the Club, please accept our deepest sympathies.

A handwritten signature in black ink, appearing to read 'Max Harman', with a long horizontal flourish extending to the right.

Max Harman
Chairman

SECRETARY MANAGER'S REPORT 2021

It gives me pleasure to present to you, the Members, my 2nd Annual Report as Secretary Manager.

This year has been extraordinary as Covid-19 continues to present challenges to not only our Club, but the Community as a whole. The Club operated throughout this financial year with various restrictions in place, which weren't always well received, however had to be enforced for our Club to remain open. I certainly thank all our members for your patience, understanding and cooperation in helping us provide a Covid Safe environment for all to enjoy.

Despite the challenges the Club faced throughout the year, I am pleased to report to you a record operating profit of \$1,465,815. After provision for depreciation and amortisation, a net profit of \$1,005,012 has been realised. The Government Job Keeper package totalling \$199,500 is included in our profit figure and without it, the Club would have shown a profit of \$805,512. The Club received relief in deferment on payments for the Building Loan, Hire Purchase Facility, Poker Machine Tax, BAS and Insurance Premiums totalling approx. \$478,000. These commitments were met by December 2020.

It is hard to compare financial results from this year to last, due to the forced closure. When compared to our last full trading year of 2019 where the Club had a loss of (\$160,853), there are two important points of note that show where the club has been able to achieve this year's result.

Total Revenue year ended 2019 was \$5,707,997.

Total Revenue year ended 2021 was \$5,362,636 (including Job Keeper \$199,500).

Total Expenses year ended 2019 \$5,868,850.

Total Expenses year ended to 2021 \$4,357,624.

Despite less revenue this year, the necessary focus and subsequent reduction of expenses totalling \$1.5 million has been integral in the Clubs turnaround in profitability.

The Club has again contributed to the local community with both cash payments and in-kind initiatives to various charities and organisations through the Club Grants scheme totalling \$48,350.

It is an exciting period ahead for Bowls with the Board employing Kane Coulls to the vacant Bowls Co-Ordinators position. Kane comes to us with extensive experience spanning 30 years including representing his home state of South Australia on 79 occasions. Construction of a Synthetic Green is well underway, KCL Sports were commissioned to build the new surface on Green 3 at a total cost of \$230,000. We have also engaged the services of a contract green-keeper and it is a pleasure to welcome back to the Club Steve Green from Evergreen Turf Management. Steve is a highly credentialled green keeper and, like our members, I look forward to playing on his surfaces once renovations are complete.

To our outgoing Ladies Bowls President Pat Janes, Ladies Secretary Jacqui Aldred and Men's Bowls President Bill Gainsford thank you for your

outstanding contribution during your terms. Specifically, to Bill, I'm sure the members will join me in thanking you for your tireless effort, organisation and commitment to bowls in this Club over the last ten years.

I look forward to working with the new committees led by Ladies President Helen Nicholls and Men's President Mark Rodway. I must also acknowledge and thank all our volunteers who continue to stick their hand up when needed to ensure our various tournaments, championships, social bowls or working bees are a success.

I would like to take this opportunity to thank my Management team of Karen Hartas, Nicole Blue and Doc Ketley for their hard work and unconditional willingness to diversify their roles within the business when needed. This continued support is invaluable to me as Secretary Manager and the Club as a whole.

To our Duty Managers Leonie, Stuart and Relief Duty Manager Shannon, who along with our frontline staff, continue to provide excellent customer service whilst ensuring the Covid Safe measures implemented are adhered to, your efforts are very much appreciated.

Finally, it is very important to recognise the hard work and dedication of the Board in working towards our objectives whilst dealing with the uncertainty of the Delta variant of Covid-19. I wish to personally thank the Board for it's ongoing support and confidence in myself and our Management team. This couldn't be more important than now, as we work together to navigate the Club through this second difficult period of lockdown.

The immediate future is clear, vaccination against Covid-19 is key to attaining some stability and normality back in our lives. The Board and Management encourage all our members to consider their vaccine options as we are committed to providing all a safe environment to enjoy.

Richard Girvan
Secretary Manager

MENS BOWL'S REPORT 2021

In the absence of a Bowls Coordinator it gives me great pleasure to present this report.

Another year affected by "Covid", disrupted State Pennant Finals and some of our Club Championships. Prior to Covid we were able to complete Zone 2 [Newcastle] Saturday and Wednesday Pennants.

Saturday Pennants

In what was a Season of ups and downs due to unexpected illness to some of our players and unavailability of others. This resulted in selection of teams at times difficult and unfortunately, we had to play a team one player short twice during the season.

Despite these problems the Club still performed well with Grades 3,6 & 7's making the District Play-offs.

7 Grade made the Final but unfortunately lost to Lowlands by 6 shots. [51-57] Winning 2 rinks. Great effort by the Boys.

6 Grade won the Flag defeating Merewether 66-53. We await the chance to play the State Finals if "Covid" allows.

Congratulations to the following players:-

Des Allen. Peter Matwijow. Bill Gainsford. Graham Lewis [Skip]
Allan Pulbrook. Peter Bootland. Phil Fraser. John Prisk [Skip]

The Marlins have won the 6th Grade flag 4 times in recent years, 2013, 2017, 2018 & 2021 and look forward to going one step further and win a State Flag.

Midweek Wednesday Pennants

We entered teams in 2 and 5 Grades. 2 Grade won the section then lost the home and away final to Hamilton North.

5 Grade went through the season undefeated bringing the Flag home to our Club. We defeated Marks Point in Semi-final 84-34 and Kurri in final 63-52.

Team players were:-

Dave Morgan. John Carroll. Don McGregor. Damien Kroek [Skip]
Pete Wild. Kevin Kilbride. Ray Read. Peter Mentis [Skip]
Peter Bootland. Steve Thompson. Bill Gainsford. John Prisk [Skip]

Well done to all players.

5 Players had the thrill of bringing 2 Flags home to the Club in 2 weeks. John Prisk, Bill Gainsford, Steve Thompson, Peter Bootland and Don McGregor.

Congratulations to all Pennant Players. Special thanks to those will filled in when assistance was needed, sometimes with very little notice.

The following Club Championships have been completed.

Singles: Shannon Gittoes

Pairs: Blake Signal and Mark Watt

Fours: Conrad Ball. Steve Wright. Peter Mentis. Chris Rees

Minor Pairs: Peter Bootland and Paul Stephens

Mixed Pairs were due to start on the weekend the Club closed. Hopefully "Covid" will allow us to finish all our championships this year.

In March this year the Club made the decision to change to a Green's contractor instead of Club employees. Steve Green was appointed contractor and has been doing a great job.

By the time you read this report a new synthetic green will have been completed replacing Green 3.

We successfully ran our Blue Water Pairs and Mixed Winter Carnival although our number of visitors was restricted due to "Covid".

To all umpires and Members who volunteer, thank you for all your efforts throughout the year, it is greatly appreciated.

Finally, a big thanks to my other committee members, John Prisk, Steve Thompson, Ron Sharkey, Joe Pudney and Garry Witts. A great job done by all, sometimes in difficult circumstances.

Bill Gainsford

WOMENS BOWL'S REPORT 2021

Nelson Bay Women's Bowling Club have had another busy year. We were fortunate enough to be able to complete all our 2020 programmed Club Championship events. Hopefully we will be able to complete our 2021 Championships and look forward to another great Club Presentation night this December. Congratulations to all our Club Champions for 2020 and the 2021 winners so far this year.

We all enjoyed our Pennant Games this year and although we didn't win a flag we were very excited when our Grade 3 team, Jenice Brown, Denise Archibald, Pat Janes, Coralie Lewis, Leanne Murray, Ann McCann, Judy Eggert and Ellen Saunders, won not one but two District shields. The Armstrong Shield, Highest Score 65-17 and the Legacy Shield Highest margin 71-19. These shields will take pride of place in our trophy cupboard. Congratulations Ladies.

At District Level we had four Members selected to play in the inter District Coast v City games. Congratulations to Ann McCann, Bernie Carroll, Ellen Saunders and Coralie Lewis. Bernie was also selected to play in the District Waves/ Wine game.

Our charity bowls days have been very successful again this year. We all enjoyed our BBQ lunches and having the opportunity to dress up in the colours of the represented charities.

Pink Day - Tomaree Breast Cancer support group	Raised \$550
Teal Day - Ovarian Cancer Research	Raised \$540
Jeans for Genes Day - Children's Medical Research	Raised \$600

Unfortunately our Water Wonderland Carnival was cancelled again this year due to another Covid outbreak in Sydney.

I am proud to report that we have three newly Accredited Umpires. Congratulations to Jenice Brown, Bernie Carroll and Sandra Swan. Congratulations too to the Ladies who completed the Markers/ Measurers courses, Leanne Murray, Una Cornwell, Judi Priestley and Lee Butterworth.

I have really enjoyed my term of 3 years as the Ladies President and would like to thank the NBBRC members of the Board of Directors, Richard Girvan, Nicole Blue and all the staff for their continued support over the years.

I also wish to thank my Executive and Committee members who are a very hard working bunch of volunteers who give so much to our Club. Also special thanks to the Ladies who have volunteered their time to be on duty at the Club's front door every bowls day morning to monitor and welcome our members. I wish our new President Helen Nicholls and her committee all the best for the coming year.

My condolences go to members who have lost love ones during the year. I wish everyone good health and hope it won't be long before we can all go back to our normal way of life.

Pat Janes
President NBWBC

DIRECTORS REPORT 2021

Your Directors present this report on the Company for the financial year ended 30th June 2021. 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	Retired	3 years
Kerry Dumbrell	Deputy Chairman resigned 11th October 2020	Retired	9 years
Lorna Francis	Director resigned 11th October 2020	Retired	15 years
Helen Nicholls	Director	Retired	7 years
Damien Kroek	Deputy Chairman	Retired	5 years
Reginald Dowton	Director	Retired	3 years
Desmond Allen	Director	Retired	3 years
Warrick Lilly	Director appointed 11th October 2020	Retired	1 year
John Carroll	Director appointed 11th October 2020	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	13	13
Kerry Dumbrell	3	3
Lorna Francis	3	3
Helen Nicholls	13	11
Damien Kroek	13	13
Reginald Dowton	13	11
Desmond Allen	13	13
Warrick Lilly	10	8
John Carroll	10	9

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 \$1,005,012(2020: \$<129,806>)

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

DIRECTORS REPORT 2021

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 2020, the total amount that members of the company are liable to contribute if the company is wound up is \$14,026 (2019 \$7,812)

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 2021 has been received and is set out on the following page.

Dated at Nelson Bay 2nd August 2021.

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



Max Harman
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 2021, 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 2nd August 2021.

1/55 Donald Street
Nelson Bay NSW 2315

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021 \$	2020 \$
Revenue	2	4,869,224	3,782,183
Other Revenue	3	493,412	466,466
		<u>5,362,636</u>	<u>4,248,649</u>
Bar & Catering Purchases	4	750,525	646,742
Promotion & Entertaining		152,700	210,204
Rates & Electricity		137,772	139,007
Poker Machine Tax		458,997	334,483
Repairs & Maintenance		168,007	143,479
Insurances		133,058	157,062
Payroll Tax		16,065	23,321
Borrowing Costs & Interest	5	94,586	131,842
Depreciation & Amortisation	6	460,803	498,855
Wages & Labour on-costs		1,442,645	1,646,929
Other Expenses		542,466	446,531
Total Expenses		<u>4,357,624</u>	<u>4,378,455</u>
Total comprehensive income/<loss> for the year		<u>1,005,012</u>	<u>(129,806)</u>

STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6(a)	813,029	104,034
Inventories	7	34,515	33,025
Accounts Receivable & Other Debtors	8	22,525	25,040
TOTAL CURRENT ASSETS		870,069	162,099
NON CURRENT ASSETS			
Property, Plant & Equipment	9	8,995,078	8,980,458
Intangible Assets	11	211,451	211,451
TOTAL NON CURRENT ASSETS		9,206,529	9,191,909
TOTAL ASSETS		10,076,598	9,354,008
CURRENT LIABILITIES			
Accounts Payable & Other Payables	12	442,995	456,511
Employee Provisions	13	251,923	311,127
Interest Bearing Liabilities	14	422,762	473,389
TOTAL CURRENT LIABILITIES		1,117,680	1,241,027
NON CURRENT LIABILITIES			
Employee Provisions	13	15,943	27,613
Interest Bearing Liabilities	14	1,513,859	1,983,228
TOTAL NON CURRENT LIABILITIES		1,529,802	2,010,841
TOTAL LIABILITIES		2,647,482	3,251,868
NET ASSETS		7,429,116	6,102,140
EQUITY			
Retained Surplus		568,487	246,523
		6,860,629	5,855,617
Total Equity		7,429,116	6,102,140

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2021

	RETAINED SURPLUS \$	ASSET REVALUATION SURPLUS \$	TOTAL \$
Balance 30th June 2019	5,985,423	246,523	6,231,946
Surplus attributable to the members of the company	(129,806)	-	(129,806)
Balance 30th June 2020	5,855,617	246,523	6,102,140
Surplus attributable to the members of the company	1,005,012	321,964	1,326,976
Balance 30th June 2021	6,860,629	568,487	7,429,116

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		4,929,617	4,079,077
Jobkeeper subsidy		256,500	111,000
Cash boost stimulus		100,000	-
Payments to suppliers and employees		(3,861,929)	(3,710,824)
Interest paid		(93,001)	(89,669)
Interest received		33	-
Commissions received		48,090	109,820
Net cash generated from operating activities	15	1,379,310	499,404
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		19,000	5,455
Payment for property, plant & equipment		(169,320)	(114,054)
Net cash used in investing activities		(150,320)	(108,599)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of borrowings		-	36,072
Payment of interest bearing liabilities		(519,995)	(350,916)
Net cash (used in) generated from financing activities		519,995)	(314,844)
Net (decrease) increase in cash held		708,995	75,961
Cash at the beginning of the financial year		104,034	28,073
Cash at the end of the financial year	6 (a)	813,029	104,034

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2021

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.

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.

The financial statements were authorised for issue on August 2020 by the Directors of the company.

Accounting Policies

(a) Revenue

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).

(b) 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 23rd June 2015 and was prepared by Preston Rowe Paterson 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

Nelson Bay Bowling & Recreation Club Limited

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 instruments. For financial, 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).

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 2021 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 2021 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 does not exceed the recoverable amount of land and buildings at 30th June 2021.

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.

	2021	2020
	\$	\$
Note 2: Revenue		
Bar	1,741,135	1,435,872
Poker Machine Net Income	2,872,558	2,106,135
Catering-License Fees	132,209	105,087
Catering- Sales	33,068	58,836
Keno	72,993	61,715
TAB	17,261	14,538
	<u>4,869,224</u>	<u>3,782,183</u>
Note 3: Other Revenue		
Greens	103,882	89,068
Other Income	164,600	134,828
Cash Boost Stimulus	25,430	74,570
Jobkeeper Subsidy	199,500	168,000
	<u>493,412</u>	<u>466,466</u>
Note 4: Bar & Catering Purchases		
Bar & Catering	750,525	646,742
	<u>750,525</u>	<u>646,742</u>
Note 5: Borrowing Costs & Interest		
Loans and Trading account	80,523	109,520
Hire purchase term Charges	14,063	22,322
	<u>94,586</u>	<u>131,842</u>
Note 6: Depreciation & Amortisation		
- Poker Machines	192,213	213,076
- Plant & Equipment & Motor Vehicles	112,110	129,278
- Buildings	156,480	156,501
	<u>460,803</u>	<u>498,855</u>
Note 6(a): Cash on Hand		
Bank Account	417,614	(40,739)
Floats	100,000	68,289
ATM	44,230	27,290
Cash Maximiser	200,000	18,001
Cash Redemption Terminal	41,300	31,193
Bank Account - CBA	9,885	-
	<u>813,029</u>	<u>104,034</u>
Note 7: Inventories on hand		
Bar Stock	30,196	26,913
Bowls Stock	4,319	6,112
	<u>34,515</u>	<u>33,025</u>

Nelson Bay Bowling & Recreation Club Limited

	2021	2020
	\$	\$
Note 8: Accounts Receivable & Other Debtors		
Prepayments	5,172	12,559
Accounts Receivable	17,353	12,481
	<u>22,525</u>	<u>25,040</u>

The company has no significant concentration of credit risk with respect to any single 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. 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	2,064,225
Building at independent valuation	6,237,400	3,435,775
less accumulated depreciation	-	(429,470)
	<u>6,237,400</u>	<u>3,006,305</u>
Furniture, Plant & Equipment - at Cost	1,818,634	4,577,234
less accumulated depreciation	(1,304,430)	(1,457,357)
	<u>514,204</u>	<u>3,119,877</u>
Motor Vehicles - at Cost	52,175	52,175
less accumulated depreciation	(52,175)	(52,175)
	<u>-</u>	<u>-</u>
Poker Machines - at Cost	2,163,044	2,118,925
Less accumulated depreciation	(1,482,170)	(1,328,874)
	<u>680,874</u>	<u>790,051</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>8,995,078</u>	<u>8,980,458</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.

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.

2021	F/Hold Land	Building at Cost & Independent Valuation	Furniture & Plant	Motor Vehicle	Poker Machines	Total
Balance at Beginning of the Year	2,064,225	3,006,305	3,119,877		790,051	8,980,458
Additions at cost			70,731		95,120	165,851
Disposals at wdv			(308)		(12,084)	(12,392)
Depreciation expense		(85,894)	(182,696)		(192,213)	(460,803)
Carrying amount at the end of the year	1,562,600	6,237,400	514,204	0	680,874	8,995,078
2020	F/Hold Land	Building at Cost & Independent Valuation	Furniture & Plant	Motor Vehicle	Poker Machines	Total
Balance at Beginning of the Year	2,064,225	3,092,235	3,271,813	5,583	958,149	9,392,005
Additions at cost			54,827		47,000	101,827
Disposals at wdv			(6,532)		(7,987)	(14,519)
Depreciation expense		(85,930)	(138,627)	(5,583)	(268,715)	(498,855)
Allocation Adjustmerrt			(61,604)		61,604	
Carrying amount at the end of the year	2,064,225	3,006,305	3,119,877	0	790,051	8,980,458

Nelson Bay Bowling & Recreation Club Limited

	2021	2020
	\$	\$
Note 10: Related Party Transactions		
Key Management Personal Compensation		
Salaries & Benefits	101,744	93,306
Superannuation	9,665	8,793
Total Compensation	<u>111,409</u>	<u>102,099</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	132,389	128,974
Subscriptions in advance	59,576	53,642
PAYG Withholding & Payroll Deductions Payable	16,472	60,286
Other income in advance	2,585	5,732
Accruals	155,605	114,020
GST Payable (Refundable)	76,368	93,857
	<u>442,995</u>	<u>456,511</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>251,923</u>	<u>311,127</u>
Non Current		
Employee Benefits	<u>15,943</u>	<u>27,613</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.

Note 14: Interest Bearing Liabilities	2021	2020
	\$	\$
Current		
Business Markets Loan	312,000	312,000
Hire purchase liabilities - Secured	110,762	161,389
	<u>422,762</u>	<u>473,389</u>
Non Current		
Hire purchase liabilities - Secured	142,299	221,668
Business Markets Loan	1,371,560	1,761,560
	<u>1,513,859</u>	<u>1,983,228</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 National Australia Bank Limited.
- (ii) The hire purchase liabilities are secured by a registered mortgage debenture over the whole of the assets and undertakings of the Company, including uncalled capital and called but unpaid capital and a Master Asset Finance Agreement with National Australia Bank Limited. The hire purchase facilities vary from 1 month to 60 months.
- (iii) The business Markets loan is currently at an interest rate of 3.892% Repayments are on an interest only basis.

Note 15: Cash Flow Information

Reconciliation of cash flow from operations with loss		
Profit/(Loss) for the year	1,005,012	(129,806)
Non Cash Flows		
Depreciation & Amortisation	460,803	498,855
Loss on Disposal of Property, Plant & Equipment	308	18,994
Profit on disposal of Property Plant & Equipment	(6,917)	(5,455)
Increase in Stock	(1,489)	14,374
Decrease in Debtors & Prepayments	2,515	(5,963)
Decrease in Accounts Payable & Accruals	(10,048)	32,610
Decrease in Provisions	(70,874)	75,795
	<u>1,379,310</u>	<u>499,404</u>

Note 16: Financial Risk Management

Financial Risk Management Policies

- (i) The Company's financial instruments consist mainly of cash, receivable and payables, bank borrowings and hire purchase contracts.

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:

Nelson Bay Bowling & Recreation Club Limited

	2021	2020
	\$	\$
(ii) <i>Financial Assets</i>	813,029	104,034
Accounts Receivable & Other Receivables	17,353	12,481
	<u>830,382</u>	<u>116,515</u>
(iii) <i>Financial Liabilities</i>		
Accounts Payable & Other Payables	442,995	456,511
Borrowings	1,936,621	2,456,617
	<u>2,379,616</u>	<u>2,913,128</u>
(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		

Note 17: Reserves

The revaluation surplus records the revaluations of non current assets.

Note 18: 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 2021, the number of members was 7,013.(2020: 8,106)

Note 19: 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 20: Events after the reporting period

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

Note 21: 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 xxx to xxx 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 2021 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.



M. Harman
Chairman

Dated 2nd August 2021

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

Report on the Financial Report

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 2021, 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 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 2021 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 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 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether

the other information is materially inconsistent with the financial report or our knowledge obtained 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.

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.

2nd August 2021
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

- Justice of the Peace
- Jeans for Genes
- Legacy
- PS Sister Cities
- PS Marine Rescue
- PS Car Club
- PS Friendship Group
- PS Toastmasters
- PS Suicide Prevention
- Soldiers Point Lions Club
- OCCI Oceania Care
- Sea Shelter
- Rotary Club of Nelson Bay
- Port Stephens Koalas
- Tomaree Over 50's
- Tomaree Breast Cancer Support
- Tomaree Hospital
- Tomaree Rate Payers Association
- Tomaree Mens' & Ladies Probus Clubs
- Special Childrens Christmas Party
- Soldiers Point Lions Club
- Westpac Rescue Helicopter
- Men of League
- Nelson Bay Probus
- Nelson Bay Rugby Club
- Nelson Bay Junior Rugby Club
- NBBC Darts Club
- PS District Bodyboarders Club
- PS Probus Club
- Ronald MacDonald House
- Sporting Hope Foundation

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**

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