

The logo features the text 'NELSON BAY BOWLING RECREATION CLUB' in a serif font. 'NELSON BAY' is on the top line, 'BOWLING' is on the second line, and 'RECREATION CLUB' is on the third line. A decorative flourish is positioned to the right of 'RECREATION CLUB'.

NELSON BAY
BOWLING
RECREATION CLUB

Our Club is Your Club

Annual Report and Financial Statements

– As at 30th June 2022 –



BOARD MEMBERS



*Max Harman
Chairman*



*Damien Kroek
Deputy Chairman*



Helen Nicholls



Desmond Allen



Reginald Downton



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 30th October 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 2021.
4. To receive and consider the Report of the Board of Directors for the year ended 30 June 2022.
5. To receive and consider the Financial Report and Auditor's Report for the year ended 30 June 2022.
6. Declaration of ballot for election of the Board.
7. To consider and if thought fit pass the First Ordinary Resolution contained in this Notice.
8. To consider and if thought fit pass the Second Ordinary Resolution contained in this Notice.
9. General business.

Dated: 12/09/2022

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. Ordinary Resolutions to Members

NOTICE OF 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 in 2022 (30th October 2022) until the Annual General Meeting of the Club in the year 2023:

- (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 2023:

- (a) the reasonable costs of directors and their spouses attending the Annual General Meeting of ClubsNSW;
- (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 ClubsNSW 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.

CHAIRMAN'S REPORT 2022

It is my pleasure to present my report to you, the Members for 2022. It has been a steady year for the Club financially with a profit of \$109,984.00. The figure is well down on the previous year owing to the Club being closed down for 9 weeks caused by the Covid pandemic.

The previous year 2021 was a record profit of which has enabled us to be in a very good financial position. This year there have been quite a few changes in different areas.

A greens contractor, Steve Green was made welcome to the Club and also a Bowls Co-ordinator, Kane Coulls. Both of these men are doing a very good job and I know the members are very pleased of their efforts and dedication.

A synthetic green was built on Green 3 of which the Board of Directors and Management decided the Club should keep up with times. Members and visitors alike are relating how very pleased they are with the surface. At all times the Board of Directors and Management are looking at areas where to spend money in improving our amenities for members and visitors.

I must thank the Ladies Bowling Club for the responsible way they have handled their finances for the past four years, well done ladies.

Thank you to all the Staff for their efforts in helping to make our Club a great venue for members and visitors.

A particular thanks to Management staff namely Richard Girvan, Karen Hartas and Nicole Blue for their dedication and attitude towards their job, in particular this year. I have spent a lot of time with the three of them in discussions in trying to improve all areas of the Club.

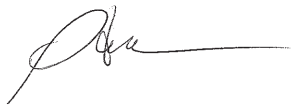
I thank the Board of Directors for their input, support and assistance to me, in giving our best effort to please our member and visitors.

I will be standing down as Chairman of the Board after four years of which was a great experience in serving this Club in the position. I thank you, the members, for your support.

During those four years the Club has reduced its debt by \$2,350,000, mainly owing to responsible Directorship and Management. I will stand for the Board of Directors this year in trying to assist the incoming Chairman and Board of Directors with my many years of licenced Club experience.

This year the Club has supported charities and sporting Clubs to the amount of approximately \$54,000.

To the families of our departed members, please on behalf of the Club, accept our deepest sympathy.



Max Harman
Chairman

SECRETARY MANAGER'S REPORT 2022

It gives me pleasure to present to you, the Members, my 3rd Annual Report as Secretary Manager.

Covid-19 raised it's head again causing issues for the Club and the Community with a second forced 9 week lockdown which took place from 5th August 2021 to 10th October 2021. Reopening from the lockdown saw a number of restrictions in place to allow the Club to trade. These, along with a downturn in tourist trade over our normally busiest period were contributing factors to the significant decrease (\$1,458,947) in total revenue when comparing to the last financial year.

Despite the challenges the Club faced throughout the year, I am pleased to report to you an operating profit of \$584,136. After provision for depreciation and amortisation, a net profit of \$109,988 has been realised. This is a great result when considering at the end of October 2021 following the lockdown, the Club was showing a Net Loss of (\$206,455).

With the overall improvement in our financial structure and position, the Club was able to go to market with our Business Banking. In August 2021, the Commonwealth Bank took over our Building Loan and Hire Purchase Facilities consolidating them into one loan of \$1,983,880. The Club has been able to reduce that amount to \$1,624,816 as at 30th June 2022.

The Board realise that reinvestment into Club Facilities is extremely important and over the last financial year supported the following necessary initiatives and improvements:

- Construction of Synthetic Green	\$230,000
- Replacement of the Clubs Generator	\$55,259
- Gaming Improvements	\$48,903
- Replacement of LED sign	\$23,837
- Replacement of Greens Mower	\$9,240
- Replacement of Bathroom Vanities	\$6,314
- Upgrade of BBQ Facilities	\$2,618

The Club has also contributed to the local community by way of cash payments and in-kind initiatives to various charities and organisations through the Club Grants scheme totalling \$54,800.

The Hospitality Industry like most industries is suffering from staff shortages. It is important for me to personally recognise and praise our fantastic frontline staff who are determined to provide our members with a high standard of service. To all of you, THANK YOU for all your efforts in what has been a difficult period. To my Management team of Karen Hartas, Nicole Blue, new Bowls Manager Kane Coulls, thank you for your support and your commitment to growing your individual roles to suit the needs of the Business. I would also like to take this opportunity to pay tribute to our longest serving employee James 'Doc' Ketley. Doc has been with the Club for 33 years and has undoubtedly presented our members with the best beer in town. Although he is not leaving us just yet (you will still see him a couple of days a week) Doc has decided that it's time to step back from his

duties and enjoy some time on the Golf Course. I'm sure all our members will join me in acknowledging the outstanding contribution Doc has made for this Club over three decades.

As we come to the end of this two-year term, I would like to recognise the hard work, commitment and dedication to the Club, the current Board of Directors have shown. Their unwavering support of myself and my management team has allowed us to work together and navigate the Club positively through the Covid-19 Pandemic.

Finally, our Club could not have achieved what it has over the last two years without the support of our Members. Your patience, cooperation and understanding with restrictions and now staff shortages is certainly appreciated.

Richard Girvan
Secretary Manager

MENS BOWLS REPORT 2022

As the newly appointed Bowls Manager of the Club it gives me great pleasure in presenting this report.

Firstly, I would like to thank all members for the welcoming and friendship shown to me during my first 12 months in this role.

Part of our last 12 months has been affected by Covid, however we are now working through the troubles of the last few years and Bowls is again back and thriving in the Bay!

Saturday Pennants

Earlier this year we had our 2021 Grade 6 Pennant Side represent the Club in the 2021 State Pennant Finals played at Lorn Park and Maitland City. Our Team were exceptional just losing the Semi-final to Cabra Vale on greens one can only describe as difficult to play on due to the rain we experienced leading up to the finals. All players involved represented the Club well and should be proud of their achievements.

At the time of writing this report, our 2022 pennant season is still underway due to the season starting in August rather than the usual time of February/ March.

With the later start we had a great result in entering 5 teams into the competition and thus giving several new members the opportunity to experience "pennant Competition" and representing our Club. With only a couple of rounds to be played both our Grade 3 and 4 sides are in a position to win their Division and play off for the Zone Flags.

Club Championships 2022

The following Club Championships have been completed at the time of this report. Congratulations to all winners;

Minor Singles – Steve Woods

Handicap Pairs – Phil Flack & Chris Edmonds

Men's Fours – Steve Green, Kane Coulls, Jake Graham, Richard Girvan

Minor Pairs – John Carroll & Kevin Kilbride

Mixed Pairs – Bernadette Carroll & John Carroll

Mixed Fours – Sue Clark, Dennis McCann, Helen Maloney, Kane Coulls

Tournaments

Our Club again has successfully run our Blue Water Pairs and our Winter Mixed Carnival with entries being very good.

We introduced a new tournament for Grade 6 and 7 bowlers this year which was run over three days. This tournament has been named in the honour of our recently departed member and named "The Geoff Prisk Memorial Tournament".

The tournament was exceptionally well attended and will only get bigger and better as the years go on. A big thank you to John and Penny Prisk and Families for their support in getting this tournament off the ground.

To all of our umpires and volunteers that have assisted both myself and the Club over the last twelve months I thank you very much as your time and efforts are greatly appreciated.

Finally, to our Men's President, Mark Rodway and the Men's Committee - Kevin Kilbride, Joe Pudney, Ron Sharkey, Garry Price, Garry Witts I thank you for your time and efforts during the year as well.

Kane Coulls
Bowls Manager

WOMENS BOWLS REPORT 2022

This year has seen some dramatic changes within women's bowls, generally with the advent of unification throughout and in our own club with the welcome arrival of new bowls Co-ordinator Kane Coulls. Kane has introduced a number of new initiatives for the ladies with training sessions and weekend bowling which have proved very popular with all players. A big thank you to Kane.

Our Christmas party for 2021 was even better than the previous year, so come on girls, let's keep up the good work. We have also introduced more luncheon barbecues on special charity days throughout the year which have been much enjoyed.

This year has demonstrated to us how times are changing. Old methods, rules are evolving and amalgamating to make it more general for both women and men. We have had covid, bad weather and staff shortages to contend with but as a club united we have come through with flying colours.

Our Blue Marlin Ladies Carnival was altered for this year to allow for changing times. We have held two Blue Marlin Invitation Pairs days so far with great success. Our first one in February had a full complement of 60 odd players from many regions. A barbeque lunch was cooked and served by our ladies. Our second in May was another very successful day. We have high hopes for our third carnival in November.

Club Championships were played despite continuing Covid and a great deal of poor weather throughout the year, but thanks to our new synthetic green and hard work by our Greenkeepers, we were able to fit them all in. All games were keenly contended with some really good performances. Notable winners were Bernie Carroll for success in the indoor championships and district selection for the annual Waves to Wines challenge. Debra Johns also for entry into the singles Champion of Champions tournament.

Pennant games this year did not start until August instead of earlier in the year so that all club championships could be finalised beforehand. Hopefully next year we will not have to work around covid and things will settle down.

We welcomed a new life member this year to the Women's Bowling Club, Ellen Saunders joining Lorna Francis and Liz Breen. Sadly we lost one of our longer serving and very popular members Val Renshaw, who is sadly missed.

I would like to thank my hardworking committee for their efforts this year. It has been a learning curve for most of us. Welcome to our new President Pam Pullbrook and her new committee and wish them well in the exciting year ahead.

Many thanks also go to Richard Girvan and his staff who have always been there for us when we needed them. Kane has done a great job this year and we hope he will stay with us. Our greenkeeper, Steve Green, has done a superb job especially having a lot to contend with after all the rain we have had.

Our staff members have also coped very well under the circumstances and deserve all our thanks and appreciation.

Last but not least, thank you Nelson Bay Bowling members for your support.

Helen Nicholls

DIRECTORS REPORT 2022

Your directors present this report on the Company for the financial year ended 30th June 2022.

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	4 years
Damien Kroek	Deputy Chairman	Retired	6 years
Helen Nicholls	Director	Retired	8 years
Reginald Dowton	Director	Retired	4 years
Desmond Allen	Director	Retired	4 years
Warrick Lilly	Director	Retired	2 years
John Carroll	Director	Retired	2 years

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	12
Damien Kroek	13	11
Helen Nicholls	13	12
Reginald Dowton	13	7
Desmond Allen	13	12
Warrick Lilly	13	9
John Carroll	13	11

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 \$109,988 (2021: \$1,005,012)

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 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$11,778 (2021 \$14,026)

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 club data 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 2022 has been received and is set out on the following page.

Dated at Nelson Bay 7th September 2022.

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 2022, 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 7th September 2022.

1/55 Donald Street
Nelson Bay NSW 2315

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2022 \$	2021 \$
Revenue	2	3,524,858	4,869,224
Other Revenue	3	378,831	493,412
		<u>3,903,689</u>	<u>5,362,636</u>
Bar & Catering Purchases	4	562,984	750,525
Promotion & Entertaining		153,372	152,700
Rates & Electricity		132,005	137,772
Poker Machine Tax		272,585	458,997
Repairs & Maintenance		137,004	168,007
Insurances		184,124	133,058
Payroll Tax		1,867	16,065
Borrowing Costs & Interest	5	93,674	94,586
Depreciation & Amortisation	6	474,148	460,803
Wages & Labour on-costs		1,658,325	1,442,645
Other Expenses		123,613	542,466
Total Expenses		<u>3,793,701</u>	<u>4,357,624</u>
Total comprehensive income/(<loss>) for the year		<u>109,988</u>	<u>1,005,012</u>

STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6(a)	676,164	813,029
Inventories	7	35,920	34,515
Accounts Receivable & Other Debtors	8	17,196	22,525
TOTAL CURRENT ASSETS		729,280	870,069
NON CURRENT ASSETS			
Property, Plant & Equipment	9	8,887,822	8,995,078
Intangible Assets	11	211,451	211,451
TOTAL NON CURRENT ASSETS		9,099,273	9,206,529
TOTAL ASSETS		9,828,553	10,076,598
CURRENT LIABILITIES			
Accounts Payable & Other Payables	12	380,323	442,995
Employee Provisions	13	279,089	251,923
Borrowings	14	216,840	422,762
TOTAL CURRENT LIABILITIES		876,252	1,117,680
NON CURRENT LIABILITIES			
Employee Provisions	13	5,221	15,943
Borrowings	14	1,407,976	1,513,859
TOTAL NON CURRENT LIABILITIES		1,413,197	1,529,802
TOTAL LIABILITIES		2,289,449	2,647,482
NET ASSETS		7,539,104	7,429,116
EQUITY			
Retained Surplus		568,487	568,487
		6,970,617	6,860,629
Total Equity		7,539,104	7,429,116

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2022

	RETAINED SURPLUS \$	ASSET REVALUATION SURPLUS \$	TOTAL \$
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
Surplus attributable to the members of the company	109,988	-	109,988
Balance 30th June 2022	6,970,617	568,487	7,539,104

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,668,575	4,929,617
Jobkeeper subsidy		-	256,500
Cash boost stimulus		-	100,000
Job saver subsidy		146,991	-
Covid grant		7,500	-
Payments to suppliers and employees		(3,257,008)	(3,861,929)
Interest paid		(93,674)	(93,001)
Interest received		20	33
Commissions received		73,612	48,090
Net cash generated from operating activities	15	546,016	1,379,310
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		11,547	19,000
Payment for property, plant & equipment		(382,623)	(169,320)
Net cash used in investing activities		(371,076)	(150,320)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of borrowings		-	-
Payment of borrowings		(311,805)	(519,995)
Net cash (used in) generated from financing activities		(311,805)	(519,995)
Net (decrease) increase in cash held		(136,865)	708,995
Cash at the beginning of the financial year		813,029	104,034
Cash at the end of the financial year	6 (a)	676,164	813,029

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2022

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 September 2022 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.

The financial statements were authorised for issue on August 2022 by the directors of the company.

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).

(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 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 instruments. 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)

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 2022 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 2022 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.

	2022	2021
	\$	\$
Note 2: Revenue		
Bar	1,288,474	1,741,135
Poker Machine Net Income	2,048,536	2,872,558
Catering-License Fees	91,813	132,209
Catering- Sales	22,423	33,068
Keno	61,299	72,993
TAB	12,313	17,261
	<u>3,524,858</u>	<u>4,869,224</u>
Note 3: Other Revenue		
Greens	114,632	103,882
Other Income	109,708	164,600
Cash Boost Stimulus	-	25,430
Jobkeeper Subsidy	-	199,500
Jobsaver Subsidy	146,991	-
Covid Grant	7,500	-
	<u>378,831</u>	<u>493,412</u>
Note 4: Bar & Catering Purchases		
Bar & Catering	562,984	750,525
	<u>562,984</u>	<u>750,525</u>
Note 5: Borrowing Costs & Interest		
Loans and Trading account	70,860	80,523
Hire purchase term Charges	22,814	14,063
	<u>93,674</u>	<u>94,586</u>
Note 6: Depreciation & Amortisation		
- Poker Machines	195,058	192,213
- Plant & Equipment & Motor Vehicles	123,155	112,110
- Buildings	155,935	156,480
	<u>474,148</u>	<u>460,803</u>
Note 6(a): Cash on Hand		
Bank Account	-	417,614
Floats	100,000	100,000
ATM	9,560	44,230
Cash Maximiser	-	200,000
Cash Redemption Terminal	47,767	41,300
Bank Account - CBA	478,837	9,885
	<u>676,164</u>	<u>813,029</u>
Note 7: Inventories on hand		
Bar Stock	30,445	30,196
Bowls Stock	5,475	4,319
	<u>35,920</u>	<u>34,515</u>

	2022 \$	2021 \$
Note 8: Accounts Receivable & Other Debtors		
Prepayments	3,826	5,172
Accounts Receivable	13,370	17,353
	17,196	22,525

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	1,562,600
Building at independent valuation	6,237,400	6,237,400
less accumulated depreciation	(155,935)	-
	6,081,465	6,237,400
Furniture, Plant & Equipment - at Cost	2,127,601	1,818,634
less accumulated depreciation	(1,427,585)	(1,304,430)
	700,016	514,204
Motor Vehicles - at Cost	52,175	52,175
less accumulated depreciation	(52,175)	(52,175)
	-	-
Poker Machines - at Cost	2,177,094	2,163,044
Less accumulated depreciation	(1,633,353)	(1,482,170)
	543,741	680,874
TOTAL PROPERTY PLANT & EQUIPMENT	8,887,822	8,995,078

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.

	2022	2021
Total	8,995,078	8,887,822
Poker Machines	680,874	543,741
Motor Vehicle	-	-
Furniture & Plant	514,204	700,016
Building at Cost & Independent Valuation	6,237,400	6,081,465
F/Hold Land	1,562,600	1,562,600
Total	8,980,458	8,995,078
Poker Machines	790,051	680,874
Motor Vehicle	-	-
Furniture & Plant	3,119,877	2,493,400
Building at Cost & Independent Valuation	3,006,305	3,316,989
F/Hold Land	2,064,225	(501,625)
Total	8,980,458	8,995,078
Poker Machines	165,851	680,874
Motor Vehicle	(12,392)	-
Furniture & Plant	(460,803)	514,204
Building at Cost & Independent Valuation	(192,213)	6,237,400
F/Hold Land	321,964	2,064,225

Balance at Beginning of the Year
 Additions at cost
 Disposals at wdv
 Depreciation expense
 Carrying amount at the end of the year

Balance at Beginning of the Year
 Additions at cost
 Disposals at wdv
 Depreciation expense
 Revaluation Adjustment
 Carrying amount at the end of the year

	2022	2021
	\$	\$
Note 10: Related Party Transactions		
Key Management Personal Compensation		
Salaries & Benefits	105,492	101,744
Superannuation	10,049	9,665
Total Compensation	<u>115,541</u>	<u>111,409</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	112,982	132,389
Subscriptions in advance	50,752	59,576
PAYG Withholding & Payroll Deductions Payable	43,412	16,472
Other income in advance	5,086	2,585
Accruals	111,050	155,605
GST Payable (Refundable)	57,041	76,368
	<u>380,323</u>	<u>442,995</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>279,089</u>	<u>251,923</u>
Non Current		
Employee Benefits	<u>5,221</u>	<u>15,943</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.

	2022	2021
	\$	\$
Note 14: Interest Bearing Liabilities		
Current		
Business Markets Loan	-	312,000
Hire Purchase Liabilities - Secured	-	110,762
CBA Business Loan	216,840	-
	<u>216,840</u>	<u>422,762</u>
Non Current		
Hire Purchase Liabilities - Secured	-	142,299
Business Markets Loan	-	1,371,560
CBA Business Loan	1,407,976	-
	<u>1,407,976</u>	<u>1,513,859</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 CBA Business loan is currently at an interest rate of 3.74%. 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	109,988	1,005,012
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Non Cash Flows

Depreciation & Amortisation	474,148	460,803
Loss on Disposal of Property, Plant & Equipment	1,239	308
Profit on disposal of Property Plant & Equipment	(10,261)	(6,917)
Increase in Stock	(1,406)	(1,489)
Decrease in Debtors & Prepayments	5,329	2,515
Decrease in Accounts Payable & Accruals	(49,464)	(10,048)
Increase in Provisions	16,443	(70,874)
	<u>546,016</u>	<u>1,379,310</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:

	2022 \$	2021 \$
(ii) <i>Financial Assets</i>		
Cash on hand	676,164	813,029
Accounts Receivable & Other Receivables	13,370	17,353
	689,534	830,382
(iii) <i>Financial Liabilities</i>		
Accounts Payable & Other Payables	384,574	442,995
Borrowings	1,624,816	1,936,621
	2,009,390	2,379,616

- (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 2022 and 30 June 2021 are as follows:

		2022 \$	2021 \$
Total borrowings		1,624,816	1,936,621
Accounts payable and other payables	12	384,574	442,995
Less cash on hand	6(a)	(676,164)	(813,029)
Net debt		1,333,226	1,566,587
Total equity (retained surplus and reserves)		7,539,104	7,429,116
Total capital		8,872,330	8,995,703
Gearing ratio		15.02%	21.08%

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 2022, the number of members was 5889 (2021:7013)

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

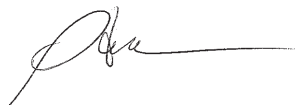
The principal place of business is: Nelson Bay Bowling & Recreation Club Limited, Stockton Street, Nelson Bay NSW 2315

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 13 to 29 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 2022 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 its debts as and when they become due and payable.



M. Harman
Chairman

Dated 7th September 2022

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 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and 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 2022 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 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our

responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained 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 for the 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.

7th September 2022
1/55 Donald Street
Nelson Bay NSW 2315

MORLEY & COMPANY
CHARTERED ACCOUNTANTS



S B TOLHURST

The logo features the word 'NELSON BAY' in a serif font with a horizontal line underneath. Below it, 'BOWLING' and 'RECREATION CLUB' are stacked in a sans-serif font. A decorative flourish is on the right. The background of the logo area is a white rectangle with a faint grey leaf pattern.

NELSON 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