

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 **10th November 2024** 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 2023.
4. To receive and consider the Report of the Board of Directors for the year ended 30 June 2024.
5. To receive and consider the Financial Report and Auditor's Report for the year ended 30 June 2024.
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: 02/09/2024

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 2024 (10th November 2024) until the Annual General Meeting of the Club in the year 2025:

- (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 2025:

- (a) the reasonable costs of directors and their spouses attending the Annual General Meeting of Clubs NSW;
- (b) the reasonable costs of directors attending meetings of associations of which the Club is a member provided such attendance by directors is approved by a current resolution of the Board of the Club;
- (c) the reasonable costs of directors attending seminars, trade displays, organised study tours, fact finding tours and other similar events provided the same are beneficial to the Club or contribute to the professional development and education of directors and such attendance is approved by a current resolution of the Board of the Club;
- (d) the reasonable costs of directors attending other clubs for the purpose of observing their facilities and methods of operation provided such attendance is approved by a current resolution of the Board of the Club;
- (e) the reasonable costs of directors attending with their spouses at functions to represent the Club provided such attendance is approved by a current resolution of the Board;
- (f) the provision of a meal and refreshment at reasonable cost to the Club for each director either before or after a Board or Committee meeting when that meeting occurs at a normal meal time;

- (g) the provision at reasonable cost to the Club of a blazer and associated apparel for each director for use when representing the Club;
- (h) the provision of a meal and refreshment at reasonable cost to the Club for each Director whilst on duty during a normal meal time;
- (i) the provision of an annual dinner at reasonable cost to the Club for each Director and their spouse to attend during the year in recognition of their services to the Club; and
- (j) the provision of marked car parking spaces in the Club's car park for the exclusive use of directors
- (k) payment of the premium for Directors' and Officers' insurance cover.

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

Notes to Members on Ordinary Resolutions

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

Nelson Bay Bowling & Recreation Club Limited
ABN 85 071 145 287

DIRECTORS REPORT

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 \$139,546 (2023: \$61,300)

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 2024, the total amount that members of the company are liable to contribute if the company is wound up is \$12,396 (2023: \$12,958)

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 2024 has been received and is set out on the following page.

Dated at Nelson Bay 2nd August 2024.

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



Damien Kroek
Chairman

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

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Nelson Bay Bowling & Recreation Club Limited. As the lead auditor for the audit of the financial report of Nelson Bay Bowling & Recreation Club Limited for the year ended 30 June 2024, 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 FCA
MORLEY & COMPANY**

Dated 2nd August 2024.

1/55 Donald Street
Nelson Bay NSW 2315

Nelson Bay Bowling & Recreation Club Limited
ABN 85 071 145 287

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2024

	Note	2024 \$	2023 \$
Revenue	2	4,897,222	4,631,100
Other Revenue	3	356,300	267,830
		<u>5,253,522</u>	<u>4,898,930</u>
Bar & Catering Purchases	4	784,731	715,157
Promotion & Entertaining		269,669	255,240
Rates & Electricity		178,185	157,291
Poker Machine Tax		426,829	404,168
Repairs & Maintenance		173,167	213,187
Insurances		201,322	150,891
Payroll Tax		30,326	21,027
Borrowing Costs & Interest	5	91,979	91,807
Depreciation & Amortisation	6	494,367	492,611
Wages & Labour on-costs		1,761,313	1,620,038
Other Expenses		<u>702,098</u>	<u>716,213</u>
Total Expenses		5,113,976	4,837,630
Total comprehensive income/<loss> attributable to members of the entity		<u>139,546</u>	<u>61,300</u>

Nelson Bay Bowling & Recreation Club Limited
 ABN 85 071 145 287

STATEMENT OF FINANCIAL POSITION
 AT 30TH JUNE 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and Cash Equivalents			
Inventories	6(a)	581,367	423,409
Accounts Receivable & Other Debtors	7	33,880	44,077
	8	83,266	39,878
TOTAL CURRENT ASSETS		698,013	607,364
NON CURRENT ASSETS			
Property, Plant & Equipment	9	8,803,273	9,028,139
Intangible Assets	11	211,451	211,451
TOTAL NON CURRENT ASSETS		9,014,724	9,239,590
TOTAL ASSETS		9,712,737	9,746,954
CURRENT LIABILITIES			
Accounts Payable & Other Payables	12	503,029	472,782
Employee Provisions	13	288,140	275,309
Borrowings	14	216,842	218,842
TOTAL CURRENT LIABILITIES		1,008,011	964,933
NON CURRENT LIABILITIES			
Employee Provisions	13	-	-
Borrowings	14	964,776	1,181,617
TOTAL NON CURRENT LIABILITIES		964,776	1,181,617
TOTAL LIABILITIES		1,972,787	2,146,550
NET ASSETS		7,739,950	7,600,404
EQUITY			
Reserves		568,487	568,487
Retained Surplus		7,171,463	7,031,917
Total Equity		7,739,950	7,600,404

Nelson Bay Bowling & Recreation Club Limited
ABN 85 071 146 287

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2024

	RETAINED SURPLUS	ASSET REVALUATION SURPLUS	TOTAL
Balance 30th June 2022	6,070,617	568,487	7,539,104
Surplus attributable to the members of the company	61,300	-	61,300
Balance 30th June 2023	7,031,917	568,487	7,600,404
Surplus attributable to the members of the company	139,546	-	139,546
Balance 30th June 2024	7,171,463	568,487	7,739,950

Nelson Bay Bowling & Recreation Club Limited
 ABN 85 071 145 287

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30TH JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		5,087,930	4,813,965
Payments to suppliers and employees		(4,466,773)	(4,270,776)
Interest paid		(91,978)	(91,807)
Interest received		-	5
Commissions received		96,529	84,919
Net cash generated from operating activities	15	<u>625,707</u>	<u>536,306</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		29,478	-
Payment for property, plant & equipment		(260,386)	(562,704)
Net cash used in investing activities		<u>(250,908)</u>	<u>(562,704)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of borrowings		-	-
Payment of borrowings		(216,841)	(226,357)
Net cash (used in) generated from financing activities		<u>(216,841)</u>	<u>(226,357)</u>
Net (decrease) increase in cash held		157,958	(252,766)
Cash at the beginning of the financial year		423,409	676,164
Cash at the end of the financial year	6 (a)	<u>581,367</u>	<u>423,409</u>

Nelson Bay Bowling & Recreation Club Limited
ABN 85 071 145 287

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024

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 _____ by the directors of the company

Note: 1 Summary of Significant Accounting Policies

Basis of Preparation

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

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

Accounting Policies

(a)

Revenue recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.
Revenue from the rendering of services is recognised upon the delivery of service to the customer.

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

(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.

Nelson Bay Bowling & Recreation Club Limited
ABN 85 071 145 287

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024

Increases in the carrying amount arising on revaluation of land & buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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

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

Plant and Equipment

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

Depreciation

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

The depreciation rates for each class of depreciable assets are:

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

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

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

(e)

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset. (i.e. trade date accounting is adopted) 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

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024

Note: 1 Statement of Significant Accounting Policies (Continued)

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.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024

Note: 1 Statement of Significant Accounting Policies (Continued)

(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 company 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 (undiscounted) amounts expected to be paid when the obligation is settled.

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.

Nelson Bay Bowling & Recreation Club Limited
ABN 86 071 145 287

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024

Note: 1 Statement of Significant Accounting Policies (Continued)

(j) **Intangible Assets**

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

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

(k) **Provisions**

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

(l) **Comparative Figures**

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

(m) **Critical Accounting Estimates and Judgments**

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

Key estimates

Impairment

The freehold land and buildings were independently valued on 16th April 2021 by Baker & Magin Valuers. The valuation was based on the fair value less cost of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings and the demand for land and buildings in the area.

At 30th June 2024 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 2024.

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.

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30TH JUNE 2024

(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.

	2024 \$	2023 \$
Note 2: Revenue		
Bar		
Poker Machine Net Income	1,988,898	1,794,960
Catering-License Fees	2,676,975	2,595,279
Catering- Sales	95,347	122,927
Keno	39,473	33,985
TAB	76,857	65,758
	20,672	18,181
	<u>4,897,222</u>	<u>4,631,100</u>
Note 3: Other Revenue		
Greens		
Other Income	184,727	132,698
	171,573	195,132
	<u>356,300</u>	<u>287,830</u>
Note 4: Bar & Catering Purchases		
Bar & Catering		
	784,731	715,157
	<u>784,731</u>	<u>715,157</u>
Note 5: Borrowing Costs & Interest		
Loans and Trading account		
	91,979	91,807
	<u>91,979</u>	<u>91,807</u>
Note 6: Depreciation & Amortisation		
- Poker Machines		
- Plant & Equipment & Motor Vehicles	189,493	199,564
- Buildings	144,897	137,146
	159,977	155,901
	<u>494,367</u>	<u>492,611</u>
Note 6(a): Cash on Hand		
Floats		
ATM	115,000	100,000
Cash Redemption Terminal	58,810	34,820
Bank Account - CBA	39,231	43,793
	368,326	244,796
	<u>581,367</u>	<u>423,409</u>

Nelson Bay Bowling & Recreation Club Limited
ABN 86 071 146 287
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024

	2024 \$	2023 \$
Note 7: Inventories on hand		
Bar Stock	26,902	35,040
Bowls Stock	6,478	9,037
	33,380	44,077
Note 8: Accounts Receivable & Other Debtors		
Prepayments	18,014	39,421
Accounts Receivable	65,252	457
	83,266	39,878

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	1,662,600	1,662,600
Building at independent valuation less accumulated depreciation	6,237,400 (467,805)	6,237,400 (311,870)
	5,769,595	5,925,530
Furniture, Plant & Equipment - at Cost less accumulated depreciation	2,514,298 (1,555,378)	2,388,498 (1,405,861)
	958,920	982,647
Motor Vehicles - at Cost less accumulated depreciation	52,175 (52,175)	52,175 (52,175)
	-	-
Poker Machines - at Cost Less accumulated depreciation	2,340,231 (1,828,073)	2,296,766 (1,739,404)
	512,158	557,362
TOTAL PROPERTY PLANT & EQUIPMENT	8,603,273	9,028,139

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

Nelson Bay Bowling & Recreation Club Limited
 ABN 85 071 145 287

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30TH JUNE 2024

Note 9: Property, Plant & Equipment (continued)
 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

2024	F/Hold Land	Building at Cost & Independent Valuation	Furniture & Plant	Motor Vehicle	Poker Machines	Total
Balance at beginning of the Year	1,562,600	5,925,630	982,378	-	557,831	9,028,139
Additions at cost	-	-	140,418	-	129,083	269,501
Disposals at wdv	-	-	-	-	-	-
Depreciation expense	-	(159,977)	(144,897)	-	(189,493)	(494,367)
Carrying amount at the end of the year	1,562,600	5,765,553	977,899	-	497,221	8,803,273
2023	F/Hold Land	Building at Cost & Independent Valuation	Furniture & Plant	Motor Vehicle	Poker Machines	Total
Balance at beginning of the Year	1,562,600	6,081,465	700,016	-	543,741	8,887,822
Additions at cost	-	-	426,532	-	213,184	639,716
Disposals at wdv	-	-	(6,788)	-	-	(6,788)
Depreciation expense	-	(155,935)	(137,362)	-	(199,294)	(492,611)
Carrying amount at the end of the year	1,562,600	5,925,530	982,378	-	557,831	9,028,139

Nelson Bay Bowling & Recreation Club Limited
ABN 85 071 146 287

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024**

	2024 \$	2023 \$
Note 10: Related Party Transactions		
Key Management Personal Compensation		
Salaries & Benefits	133,520	130,300
Superannuation	14,687	14,126
Total Compensation	148,207	144,426

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	211,451	211,451

Note 12: Accounts Payables & Other Payables		
Trade Creditors	242,084	198,542
Subscriptions in advance	54,805	51,279
PAYG Withholding & Payroll Deductions Payable	21,887	40,246
Other income in advance	4,700	(17,752)
Accruals	114,985	135,817
GST Payable (Refundable)	64,568	64,850
	503,029	472,782

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	288,140	275,309
Non Current		
Employee Benefits	-	-

Employee provisions represent amounts accrued for annual leave and long service 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		
Current		
CBA Business Loan	216,842	216,842
Non Current		
CBA Business Loan	964,775	1,181,617
	964,775	1,181,617

Nelson Bay Bowling & Recreation Club Limited
ABN 85 071 146 287

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024

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

(ii) The CBA Business loan is currently at an interest rate of 7.24%. Repayments are on a principal & interest basis.

	2024	2023
	\$	\$
Note 15: Cash Flow Information		
Reconciliation of cash flow from operations with loss		
Profit/(Loss) for the year	139,546	61,300
Non Cash Flows		
Depreciation & Amortisation	494,367	492,611
Loss on Disposal of Property, Plant & Equipment	-	1,188
Profit on disposal of Property Plant & Equipment	(29,478)	-
Increase in Stock	(43,389)	(8,166)
Increase in Debtors & Prepayments	10,686	(22,682)
Decrease in Accounts Payable & Accruals	41,134	21,045
Decrease in Provisions	12,831	(9,000)
	<u>625,707</u>	<u>636,306</u>

Note 16: Financial Risk Management

Financial Risk Management Policies

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 Financial Instruments, as detailed in the accounting policies to these financial statements are, as follows:

(ii) Financial Assets		
Cash on hand	581,367	423,409
Accounts Receivable & Other Receivables	65,253	457
	<u>646,620</u>	<u>423,866</u>
(iii) Financial Liabilities		
Accounts Payable & Other Payables	503,029	472,782
Borrowings	1,181,618	1,398,459
	<u>1,684,647</u>	<u>1,871,241</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.

Nelson Bay Bowling & Recreation Club Limited
 ABN 85 071 145 287

**NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30TH JUNE 2024**

(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 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 2024 and 30 June 2023 are as follows:

	Note	2024	2023
		\$	\$
Total borrowings		1,181,618	1,398,469
Accounts payable and other payables	12	503,028	472,782
Less cash on hand	6(a)	<u>(581,367)</u>	<u>(423,409)</u>
Net debt		1,103,280	1,447,832
Total equity (retained surplus and reserves)		<u>7,739,950</u>	<u>7,600,404</u>
Total capital		8,843,230	9,048,236
Gearing ratio		12.48%	16.00%

Note 19: 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 each towards meeting any outstanding obligations of the entity. At 30 June 2024, the number of members was 6198 (2023:6,479)

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

NELSON BAY BOWLING & RECREATION CLUB LIMITED
ABN 85 071 145 267

DIRECTORS' 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 2024 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.



Damien Krook
Chairman

Dated 2nd August 2024



NELSON BAY BOWLING & RECREATION CLUB LIMITED
ABN 85 071 145 287

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 2024, 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 2024 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 (including independence standards) (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 2024, 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

NELSON BAY BOWLING & RECREATION CLUB LIMITED
ABN 85 071 145 287
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
NELSON BAY BOWLING & RECREATION CLUB LIMITED

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 our audit opinion.

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



2nd August 2024
1/55 Donald Street
Nelson Bay NSW 2315

MORLEY & COMPANY
CHARTERED ACCOUNTANTS

S B TOLHURST FCA

