Nelson Bay Bowling & Recreation Club Limited

ABN 85 071 145 287

Annual Financial Report for the year ended 30 June 2026

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Contents

These financial statements are the financial statements of Nelson Bay Bowling & Recreation Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 28 August 2026. The Directors have the power to amend and reissue the financial statements.

Directors' report

Your Directors present their report on Nelson Bay Bowling & Recreation Club Limited (the Club) for the year ended 30 June 2026.

Directors details
The following persons were Directors of Nelson Bay Bowling & Recreation Club Limited during the financial year, and up to the date of this report:

Damien Kroek
Chairman
Director since 16/10/2016
Retired

Stephen Woods
Director
Director since 30/10/2022
Retired

Mark Osborne
Director
Director since 10/11/2024
Mortgage Broker

Bruce Patchett
Director
Director 10/11/24-13/3/2026
Retired

Raad Richards
Deputy Chairman
Director since 30/10/2022
Chief Executive

Robert Aldred
Director
Director since 1/3/2024
Retired

Scott Kohler
Director
Director since 10/11/2024
Retired

Keith Draper
Director
Director since 27/4/2026
Retired

Directors' meetings
The number of meetings held during the year and the number of meetings attended by each director is as follows:

		Board meetings	
Board members		A	B
Damien Kroek		9	9
Raad Richards		9	9
Stephen Woods		9	9
Robert Aldred		9	9
Mark Osborne		9	9
Scott Kohler		9	7
Bruce Patchett	Appointed 10 November 2024, Resigned 13 March 2(	6	5
Keith Draper	Appointed 27 April 2026	2	2

Where:
- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

Core and non-core property

Pursuant to Section 41E(5) of the *Registered Clubs Act 1976 (NSW)* for the financial year ended 30 June 2026, the following land and buildings are considered to be core property:

Core 63 Dowling Street, Nelson Bay, NSW 2315

61A Dowling Street, Nelson Bay, NSW 2315

Non-Core Nil.

Principal activities
During the year, the principal activities of the Club were the promotion of the game of bowls and the operation of a licensed club.

There have been no significant changes in the nature of these activities during the year.

Directors' report (continued)

Short-term objectives

The Club's short-term objectives are to:

- Continue to promote lawn bowls and other indoor and outdoor recreational activities.
- Provide modern, comfortable and high-quality facilities and services for members and guests.
- Maintain the Club’s community focus and sustainable operations.

Long-term objectives

The Club's long-term objectives are to:

- Continue upgrading Club facilities and amenities.
- Explore appropriate revenue opportunities in accordance with the Board’s Strategic Plan.
- Maintain the Club’s long-term profitability and future viability.

Strategy for achieving short and long-term objectives

To achieve these objectives the Club has adopted the following strategies:

(a) Continue to offer exceptional facilities, including bowling, food and beverage offerings, to retain and attract patronage.
(b) Improve the Club’s standing as a bowling club, attract key events and provide high-quality bowling facilities.
(c) Improve repairs, maintenance and operational efficiency, including wages, expenses and stock control, and use marketing effectively to grow revenue and membership.

Performance measurement

The Club measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as food and beverage and gaming. The Club also uses EBITDA to measure the financial performance of the Club overall.

Contribution in winding up

The Club is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Club is wound up, each member is required to contribute a maximum of $2. At 30 June 2026, the Club had 3,153 members and the total amount members were liable to contribute was $6,306 (2025: $6,202).

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report have been rounded to the nearest dollar.

Auditor's independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of this Directors' report.

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

DKroek

Damien Kroek — Chairman

Raad Richards — Deputy Chairman

Dated: 28 August 2026
Nelson Bay, NSW

Level 5, 12 Stewart Avenue
Newcastle West NSW 2302

20 Church Street
Maitland NSW 2320

Box 29, Hunter Region MC NSW 2310

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pitchernewcastle.com.au

Auditor's independence declaration

To the Directors of Nelson Bay Bowling & Recreation Club Limited

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of Nelson Bay Bowling & Recreation Club Limited for the year ended 30 June 2026, there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

Kirsty Porteous

Kirsty Porteous - Partner

Pitcher Partners NH Partnership

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 28 August 2026
Newcastle West, NSW

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Revenue from continuing operations	2	**5,624,363**	5,521,983
Other income	3	**46,180**	84,360
Bar cost of goods sold		**(823,519)**	(855,432)
Bar direct expenses		**(734,612)**	(599,973)
Catering direct expenses		**(15,848)**	(11,429)
Caterer direct expenses		**(75,312)**	(93,480)
Gaming direct expenses		**(1,052,513)**	(1,105,464)
Greens / bowls direct expenses		**(502,883)**	(448,010)
Promotions expenses		**(495,968)**	(476,489)
Administration expenses		**(1,795,762)**	(1,847,875)
Finance cost		**(73,115)**	(80,205)
		(5,569,532)	(5,518,357)
Profit / (loss) before income tax		**101,011**	87,986
Income tax expense	1 (f)	-	-
Profit / (loss) for the year		**101,011**	87,986
Items that will not be reclassified to profit or loss			
Gain on revaluation of land and buildings		2,579,675	-
Income tax relating to these items	1 (f)	-	-
Total comprehensive income / (loss) for the year		**2,680,686**	87,986

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Statement of financial position

For the year ended 30 June 2026

	Notes	2026 $	2025 $
ASSETS			
Current assets			
Cash and cash equivalents	4	**320,664**	544,572
Trade receivables	5	**48,935**	62,056
Inventories	6	**62,413**	40,628
Other assets	7	**33,633**	38,349
Total current assets		**465,645**	685,605
Non-current assets			
Property, plant and equipment	8	**11,527,411**	8,885,344
Intangible assets	9	**211,452**	211,452
Total non-current assets		**11,738,863**	9,096,796
Total assets		**12,204,508**	9,782,401
LIABILITIES			
Current liabilities			
Trade and other payables	10	**430,344**	554,028
Financial liabilities	11	**11,675**	227,865
Provisions	12	**304,388**	268,274
Other liabilities	13	**72,707**	82,139
Total current liabilities		**819,114**	1,132,306
Non-current liabilities			
Financial liabilities	11	**870,018**	822,158
Provisions	12	**6,753**	-
Total non-current liabilities		**876,771**	822,158
Total liabilities		**1,695,885**	1,954,464
Net assets		**10,508,623**	7,827,937
MEMBERS FUNDS			
Reserves	14	**3,148,162**	568,487
Retained profits		**7,360,461**	7,259,450
Total members funds		**10,508,623**	7,827,937

The above *statement of financial position* should be read in conjunction with the accompanying notes

Nelson Bay Bowling & Recreation Club Limited

Statement of changes in equity

For the year ended 30 June 2026

	Reserves $	Retained profits $	Total $
Balance at 1 July 2024	568,487	7,171,463	7,739,950
Profit / (Loss) for the year	-	87,986	87,986
Total comprehensive income for the year	**-**	**87,986**	**87,986**
Balance at 30 June 2025	**568,487**	**7,259,450**	**7,827,937**
Profit / (Loss) for the year	-	101,011	101,011
Revaluation of land and buildings, net of applicable tax	2,579,675		2,579,675
Total comprehensive income for the year	**2,579,675**	**101,011**	**2,680,686**
Balance at 30 June 2026	**3,148,162**	**7,360,461**	**10,508,623**

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Receipts from members and customers		6,227,818	5,357,778
Payments to suppliers and employees		(5,635,293)	(4,797,209)
Interest received		4	951
Interest paid		(73,115)	(80,206)
Net cash inflow (outflow) from operating activities		**519,414**	**481,314**
Cash flows from investing activities			
Payments for property, plant and equipment		(608,995)	(456,613)
Proceeds from sale of property, plant and equipment		34,003	70,100
Net cash inflow (outflow) from investing activities		**(574,992)**	**(386,513)**
Cash flows from financing activities			
Proceeds from borrowings		101,882	82,695
Repayment of borrowings		(270,212)	(214,291)
Net cash inflow (outflow) from financing activities		**(168,330)**	**(131,596)**
Net increase in cash and cash equivalents		(223,908)	(36,795)
Cash and cash equivalents at the beginning of the financial year		544,572	581,367
Cash and cash equivalents at the end of the financial year	4	**320,664**	**544,572**

The above *statement of cash flows* should be read in conjunction with the accompanying notes

1 Summary of material accounting policies

(a) Information about the entity

- Nelson Bay Bowling & Recreation Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.
- Nelson Bay Bowling & Recreation Club Limited is a not-for-profit entity for the purpose of preparing the financial report.
- The registered office of the Club is Cnr Stockton and Dowling Streets, Nelson Bay NSW 2315.
- The principal place of business is Cnr Stockton and Dowling Streets, Nelson Bay NSW 2315.

(b) Basis of preparation

The financial report covers Nelson Bay Bowling & Recreation Club Limited as an individual entity.

This general purpose financial report has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* .

(c) Material accounting policy information

The material accounting policies applied in the preparation of this financial report are consistent with the previous period unless otherwise stated.

(d) Statement of compliance

This financial report complies with *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.*

The financial report has been prepared on an accruals basis and is based on historical costs, except for land and buildings which have been measured at fair value. The financial report is presented in Australian Dollars.

(e) Working capital deficiency

As at 30 June 2026, Nelson Bay Bowling & Recreation Club Limited has a current assets of $465,645 compared to current liabilities of $819,114 resulting in a working capital deficiency of $353,469.

The working capital deficiency is caused by:

(a) cash utilised to reduce the balance of the loan facility;
(b) current employee provisions due to long standing employees of $304,388.

The Directors have determined that the going concern basis is appropriate given:-

(a) the Club has a cash balance of $320,664 at 30 June 2026;
(b) the Club has positive operating cashflows of $519,414;
(c) the Club has positive net profit of $101,011;
(c) the Club reported earnings before interest, tax and depreciation of $666,193; and
(d) the Club has $1,050,136 in undrawn loan facilities which are available and would be drawn on if required. This loan facility does not expire until August 2027.

The Directors are of the opinion the above will be achieved and the Club will continue as a going concern and meet its debts and commitments as they fall due. As a result, the Directors have prepared the financial report on a going concern basis.

(f) Income taxes

The Club is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

(h) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(i) Comparative information

Comparative information has been adjusted to reflect current year disclosures where applicable.

2 Revenue

(a) Disaggregation of revenue from contracts with customers

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

2026	Beverage revenue $	Gaming revenue $	Catering revenue $	Greens revenue $	Promotions revenue $	Other revenue $	Total $
Revenue from contracts with customers	**2,173,876**	**2,738,376**	**117,681**	**192,846**	**203,225**	**198,359**	**5,624,363**
Other revenue (not covered by AASB15)	-	-	-	-	-	-	-
	2,173,876	**2,738,376**	**117,681**	**192,846**	**203,225**	**198,359**	**5,624,363**
Timing of revenue recognition							
At a point in time	**2,173,876**	**2,738,376**	**117,681**	**190,331**	**203,225**	**130,874**	**5,554,363**
Over time	-	-	-	**2,515**	-	**67,485**	**70,000**
	2,173,876	**2,738,376**	**117,681**	**192,846**	**203,225**	**198,359**	**5,624,363**

2025	Beverage revenue $	Gaming revenue $	Catering revenue $	Greens revenue $	Promotions revenue $	Other revenue $	Total $
Revenue from contracts with customers	2,149,787	2,722,476	125,631	140,940	190,518	192,631	5,521,983
Other revenue (not covered by AASB15)	-	-	-	-	-	-	-
	2,149,787	2,722,476	125,631	140,940	190,518	192,631	5,521,983
Timing of revenue recognition							
At a point in time	2,149,787	2,722,476	125,631	140,940	190,518	125,636	5,454,988
Over time	-	-	-	-	-	66,995	66,995
	2,149,787	2,722,476	125,631	140,940	190,518	192,631	5,521,983

(b) Accounting policies and significant judgements

The Club recognises revenue when the applicable performance obligation is satisfied and control of the goods or services passes to the customer. Revenue is measured at the amount of consideration to which the Club expects to be entitled.

Revenue streams are assessed according to the nature and timing of the underlying transaction. The Club's principal revenue streams and recognition policies are set out below.

(i) Sale of goods - beverage revenue
Beverage revenue is recognised at a point in time when food or beverages are sold and control passes to the customer, generally at the point of sale.

(ii) Provision of services - gaming revenue
Gaming revenue, including poker machine, TAB and Keno revenue, is recognised at a point in time as the gaming or wagering activity is performed. Poker machine revenue is measured as wagers placed less customer winnings paid out, while TAB and Keno commissions are recognised when the wagering transaction is completed.

(iii) Provision of services - catering licence fee revenue
Catering licence fee revenue is recognised as the underlying catering sales occur and is measured by applying the contractual licence fee percentage to catering turnover processed through the Club's point-of-sale system.

(iv) Provision of services - greens revenue
Greens and bowls revenue is recognised at a point in time when the relevant game or event has been conducted. Membership components within this revenue stream are recognised over the applicable membership period.

2 Revenue (continued)

(b) Accounting policies and significant judgements (continued)

(v) Provision of services - promotions revenue
Promotions revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle game has been conducted as at this point the performance obligations have been satisfied.

(vi) Other revenue
Other revenue is recognised according to the nature of the underlying transaction, generally at a point in time when the relevant performance obligation is satisfied. Membership components are recognised over the applicable membership period.

3 Other income and expense items

(a) Other income

	2026 $	2025 $
Other income	17,103	729
Interest income	4	951
Gain on disposal of property, plant and equipment	29,073	82,680
	46,180	84,360

(i) Other income
The Club recognises other income when it becomes receivable.

(ii) Gain on disposal of property, plant and equipment

The Club recognised gains and losses on disposal of property, plant and equipment by comparing proceeds received on sale with the carrying amount of the asset being sold.

(b) Other expenses

	2026 $	2025 $
Employee benefits expense	1,790,176	1,786,736
Loss on disposal of plant and equipment	2,427	-
Depreciation and amortisation expense	492,071	486,110

4 Cash and cash equivalents

	2026 $	2025 $
Current		
Cash and cash equivalents	320,664	544,572
	320,664	544,572

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (if any).

5 Trade receivables

	2026 $	2025 $
Current		
Trade receivables	48,935	61,507
GST receivable	-	549
	48,935	62,056

Accounting policy
Trade receivables are non-interest bearing and are generally due for payment within 30 days of the invoice date.

6 Inventories

	2026	2025
	$	$
Current		
Stock on hand - bar	62,413	40,628
	62,413	40,628

Accounting policy
Inventories are measured at the lower of cost and net realisable value.

7 Other assets

	2026	2025
Current		
Prepayments	33,633	38,349
	33,633	38,349

8 Property, plant and equipment

	Land & buildings	Plant & equipment	Poker machines	Capital WIP	Total
Non-current assets	$	$	$	$	$
At 1 July 2025					
Cost	7,800,000	2,680,688	2,445,309	113,180	13,039,177
Accumulated depreciation	(623,740)	(1,754,636)	(1,775,457)	-	(4,153,833)
Net book amount	7,176,260	926,052	669,852	113,180	8,885,344
Year ended 30 June 2026					
Opening net book amount	7,176,260	926,052	669,852	113,180	8,885,344
Additions	-	307,882	174,628	79,310	561,820
Fair value adjustment	2,579,675				2,579,675
Disposals	-	-	(7,357)	-	(7,357)
Depreciation charge	(155,935)	(174,138)	(161,998)	-	(492,071)
Closing net book amount	9,600,000	1,059,796	675,125	192,490	11,527,411
At 30 June 2026					
Cost or fair value	9,600,000	2,791,338	2,441,235	192,490	15,025,063
Accumulated depreciation	-	(1,731,542)	(1,766,110)	-	(3,497,652)
Net book amount	9,600,000	1,059,796	675,125	192,490	11,527,411

Accounting policy
(a) Land and buildings

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Freehold land and buildings were revalued on 16 April 2021 by Baker & Magin Valuers. Baker & Magin Valuers frequently assess the market values for properties similar to those held by the Club in the same areas, having regard to past sales prices of other properties and current market conditions. A further valuation of the Club buildings was carried out 29 June 2026 by Marty Sadlier of MCG Quantity Surveyors. The Directors' having considered the above valuation report of the estimated building replacement cost, current market conditions and other available evidence, determined that the fair value of land and buildings at 30 June 2026 is appropriately reflected by the adopted carrying amount.

(b) Plant and equipment
Each class of plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

(c) Depreciation
Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings	40 years
Plant & Equipment	4 - 10 years
Poker Machines	7 years

8 Property, plant and equipment (continued)

Significant accounting estimates and judgements

The useful life of property, plant and equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

The fair value of land and buildings is estimated at each reporting date, based on independent assessments of the market value of the property conducted at least every three years and other available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

9 Intangible assets

Non-current assets	Poker machine entitlements $	2026 $	2025 $
As at 30 June 2026			
Cost	211,452	211,452	211,452
Accumulated amortisation	-	-	-
Net book amount	211,452	211,452	211,452

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost. The useful lives of these intangible assets are assessed to be indefinite as there is no indication that gaming machines will become obsolete.

Intangible assets are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

Significant accounting estimates and judgements

The useful life of intangible assets is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

10 Trade and other payables

	2026	2025
	$	$
Current		
Trade payables	207,734	367,796
Other payables and accruals	176,199	136,648
GST payable	46,411	49,584
	430,344	554,028

Accounting policy

Trade and other payables, including accruals, are non-interest bearing and are generally due for payment within 30 days of the invoice date.

11 Financial liabilities

	2026	2025
Current		
Secured		
Bank Loan - (i)	-	216,842
Equipment finance (ii)	11,675	11,023
Total current financial liabilities	11,675	227,865
Non-current		
Secured		
Bank Loan - (i)	810,856	751,028
Equipment finance (ii)	59,162	71,130
Total non-current financial liabilities	870,018	822,158

(i) Secured liabilities

The Club has a facility of $1,860,992 with an undrawn amount of $1,050,136 at 30 June 2026. The loan is interest only (with a variable interest rate of 7.24% at balance date). The facility has an expiry date of August 2027.

Security has been provided as follows:

First registered mortgage by Nelson Bay Bowling and Recreation Club Limited ACN 071 145 287 over non residential real property located at 63 Dowling Street Nelson Bay NSW 2315

First registered mortgage by Nelson Bay Bowling and Recreation Club Limited ACN 071 145 287 over non residential real property located at 61A Dowling Street Nelson Bay NSW 2315

General security interest by Nelson Bay Bowling and Recreation Club Limited ACN 071 145 287 comprising first ranking charge over all present and after acquired property.

(ii) Other secured liabilities

The other loans are secured by a fixed charge over the specific assets that are financed.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

12 Provisions

	2026	2025
	$	$
Current		
Employee entitlements (i) & (ii)	304,388	268,274
	304,388	268,274
Non-current		
Employee entitlements (ii)	6,753	-
	6,753	-

Accounting policy

(i) *Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) *Long service leave*

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

13 Other liabilities

Current		
Contract liabilities	72,707	82,139
	72,707	82,139

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

14 Reserves

Asset revaluation reserve	3,148,162	568,487

(i) *Nature and purpose of reserves*

Asset revaluation

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, specifically the Club's land and buildings. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

15 Contingent liabilities

	2026 $	2025 $
Bank guarantee substituting for a security deposit for TAB facilities	5,000	5,000

16 Related parties

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

(a) *Key management personnel compensation*

	2026 $	2025 $
Total key management personnel benefits	175,348	171,439

17 Remuneration of auditors

	2026 $	2025 $
Auditor of the company		
Audit of the financial statements	24,500	31,873
	24,500	31,873

18 Subsequent events

No matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Club, the results of those operations, or the state of affairs of the Club in future financial years.

Consolidated entity disclosure statement

For the year ended 30 June 2026

Nelson Bay Bowling & Recreation Club Limited is not required by Australian Accounting Standards to prepare consolidated financial statements.

Accordingly, under subsection 295(3A) of the *Corporations Act 2001* , no further entity information is required in this consolidated entity disclosure statement.

Directors' declaration

In the Directors' opinion:

(a) The financial statements, notes and consolidated entity disclosure statement set out on pages 6 to 18 are in accordance with the *Corporations Act 2001,* including:

  (i) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*; and

  (ii) giving a true and fair view of the Club's financial position as at 30 June 2026 and its performance for the year then ended.

(b) There are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable; and

(c) The consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

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

Damien Kroek — Chairman

Raad Richards — Deputy Chairman

28 August 2026
Nelson Bay, NSW

Pitcher Partners

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Independent auditor's 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 (the Club) which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement 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:

(a) giving a true and fair view of the Club's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(b) complying with *Australian Accounting Standards - Simplified Disclosures* 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 Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (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 Club, 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 audit opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Club's Directors' report for the year ended 30 June 2026, 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing further to report in this regard.

Independent auditor's report (cont.)

Responsibilities of the Directors for the financial report

The Directors of the Club are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* ; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001* ; and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Club'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 Club 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent auditor's report (cont.)

Auditor's responsibilities for the audit of the financial report (continued)

- 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 Club'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 Club to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Kirsty Porteous

Kirsty Porteous - Partner

Pitcher Partners NH Partnership

Pitcher Partners NH Partnership
Chartered Accountants

28 August 2026
Newcastle West, NSW