



2020 ANNUAL REPORT

OLD BAR BEACH BOWLING CLUB LIMITED

OLD BAR BEACH BOWLING CLUB LIMITED
A.C.N. 001 068 104

NOTICE OF ANNUAL GENERAL MEETING

The ANNUAL GENERAL MEETING of MEMBERS of the Old Bar Beach Bowling Club Limited will be held in the Auditorium of Club Old Bar, 1 Belford Street, Old Bar
on
Sunday 18th October 2020
Commencing at 9.30 am.

The order of business at the Annual General Meeting shall be:

- 1) To receive and confirm the minutes of the last Annual General Meeting held on 20th October 2019.
- 2) Any matters arising from the minutes of 20th October 2019 Annual General Meeting.
- 3) To receive and consider Directors Report, Financial Report and Auditors Report for the financial year ending 30 June 2020.
- 4) To consider and if thought fit pass the First Ordinary Resolution to award Trevor Wisemantel Life Membership of Old Bar Beach Bowling Club Limited.
- 5) To consider and if thought fit pass the Second Ordinary Resolution in relation to benefits for Directors.
- 6) To declare the result of the Ballot for Directors.
- 7) General Business.

Please Note: All Club and Life Members attending the meeting must produce their current financial membership card.

NOMINATIONS FOR OFFICE BEARERS:

Members are advised that nominations for Office Bearers shall close on Wednesday 7th October 2020 at 6pm. Nomination Forms are available from the Chief Executive Officer, or the Office of the Club. Completed forms shall be signed by the Nominee, the Proposer and Secunder, all of whom shall be Members of the Club and lodged with the Chief Executive Officer.

In accordance with the ClubsNSW Code Of Conduct, all individuals nominating for the Board of Directors that are not current members of the Board are required to attend a Pre-Nomination seminar as a pre-condition to acceptance of their nomination. This seminar is to be held on Thursday 1st October 2020 at Club Old Bar commencing at 7.00pm.

VOTING NOTICE

Voting shall take place at Club Old Bar and Club West as follows:

Saturday 10th October 2020	4pm---7pm
Sunday 11th October 2020	4pm---7pm
Tuesday 13th October 2020	4pm---7pm
Wednesday 14th October 2020	4pm---6pm
Thursday 15th October 2020	4pm---6pm
Friday 16th October 2020	4pm---6pm

No member who is a servant of the Club shall be entitled to vote.

FIRST ORDINARY RESOLUTION

To Adopt the recommendation of the Board:

That the Board of Directors resolve, after due consideration, to recommend to the Annual General Meeting that Trevor Wisemantel be awarded Life Membership of Old Bar Beach Bowling Club Limited, in accordance with Section 26 (a) of the Club Constitution, in recognition of service to the members of the Club over many years.

Trevor Wisemantel (Member no: 2204) has been an active member of the Old Bar Beach Bowling Club since 2008 as well as being a valued member of the Board since 2010. In recognition of his outstanding leadership qualities and business acumen, Trevor was elected President of the Club in 2011, a position he has served in continuously until the present day. During his time as a Club member, Board member and as President, Trevor has displayed exemplary leadership, strategic foresight and commendable service to the Old Bar and Taree West Clubs, their members and the wider local community. He has worked tirelessly to ensure the growth of the Clubs and that their financial sustainability is secure into the future. One such example is the diversification of the business by way of the Motel project adjacent to Club Old Bar which was recently completed.

Trevor is very much a hands-on leader who is prepared to roll up his sleeves and assist the organisation at all levels whether it be doing monthly stock takes or advocating on behalf of the Club with Federal and State politicians or engaging with Club members, associated sporting organisations or community groups. His approachable nature and enthusiasm for all activities of the Club are well recognised.

It is considered that Trevor Wisemantel is a most worthy recipient of a Life Membership and it would be fitting recognition for his many years of dedicated volunteer service to the Old Bar Beach Bowling Club Limited that life membership be approved.

Proposed: Warren Fischer
Member 4187

Seconded: Wayne Deer
Member 3299

SECOND ORDINARY RESOLUTION

Consideration of Allowances and Benefits for Office Bearers:

That pursuant to the Registered Club Act.

- A: The Members hereby approve expenditure by the Club of a reasonable sum for professional development and education of Directors and Management over the next twelve months, including:
- (i) The reasonable cost of travel, accommodation and food for Directors and Management attending the Registered Clubs Association Annual General Meeting.
 - (ii) The reasonable cost of travel, accommodation and food for Directors and Management attending Seminars, Lectures, Trade Displays, Organised Study Tours, Fact Finding Tours and other similar events as may be determined by the Board from time to time.
 - (iii) The reasonable cost of Directors and Management attending other Clubs for the purpose of observing their facilities and methods of operation.
 - (iv) Attendance at functions with spouses where appropriate and required, to represent the Club.
 - (v) The reasonable expenditure for beverage for each Director and Management at the conclusion of Board Meetings.
 - (vi) That should the Board resolve that a uniform is required for Directors that this uniform will be provided at Club expense.
- B: The Members acknowledge that the benefits are not available to members generally, but only those who are Directors or Management of the Club.

By direction of the Board.

Dated 25th August 2020

ANNUAL REPORT 2020

Old Bar Beach Bowling Club Limited
1 Belford Street, Old Bar, NSW, 2430
ABN 98 001 068 104

Board of Directors at 30th June 2020

President Trevor Wisemantel

Treasurer Warren Fischer

Directors Anthony Cavanagh
Adam Stevenson
Wayne Deer
Marko Pendelj
Lindsay Langtry

Patron Roy Meguyer

Life Members: Andy Gilbert Roy Meguyer Clare Horrocks
Roy Lewis Malcolm Ladmore Henry Wilson
Flo Evans George Shreeve Irene Dobbs
Doreen Street Beatrice Gould Joan Hinton
Lyn Carle Raymond Cavanagh Anthony Jones
Matt Everingham (dec)

Bankers National Australia Bank, Taree
Westpac, Taree

Legal Pigott Stinson Lawyers
Walker Legal Taree

Auditor Essential Assurance Services Pty Ltd

Management Kim White Chief Executive Officer
Nicole Mullen Operations Manager
Nicole Gibbons Head Chef
Cara Chard Marketing Manager
Steve Burns Duty Manager
David Windus Duty Manager
Craig Anderson Duty Manager
Sandra Gibbons Guest Services Supervisor

PRESIDENT'S REPORT

What a year this has been; Drought, Fires, Flood, Subdued local economy and the COVID-19 pandemic which has changed all our lives in a way we would have never imagined. Resultant implications have had a significant impact on our business and profitability. The seriousness of COVID-19 has been massive, including a three month closure of our two Clubs. This required the Board and Management to implement a number of measures to minimise losses.

Despite the aforementioned, I am delighted to report that we achieved a Net Profit of \$171,322; most commendable under trying circumstances.

Specific details of financials are provided in our Treasurers Report. A gratifying aspect is that we achieved an "Unqualified Audit" Rating which is of the highest level.

A major accomplishment has been the successful construction of our 26 Room Motel which provides business diversity into the future aligned to our Strategic Plan. Whilst obviously impacted by COVID-19, uptake and enquiries are most encouraging which suggest occupancy will increase significantly once travel restrictions are lifted. The Motel Project (valued at approximately \$6M) was completed in line with projections. Bank borrowings have been contained at \$2.2M, despite an initial Loan approval of \$3.5M. Repayment program of a 5 to 7 year timeframe remains achievable.

I do need to acknowledge the outstanding stewardship and commitment of Kim White. Since assuming the role of Chief Executive Kim has excelled under exceptionally trying times from "Day One".

Also to Management and Staff for their cooperation in undertaking adhoc tasks during the closure of our operations. We are most grateful and will endeavour to support those who willingly supported our business during these times of uncertainty.

To fellow Board of Directors, my sincere thanks for your ongoing enthusiasm and unwavering commitment in "making things happen"; your broad experience and expertise at this time is invaluable.

The 2020-2021 financial year will be one of the most challenging on record. It will necessitate a major focus on all components of our business. Many "hard decisions" (and possibly unpopular) will need to be taken by the Board of Directors including changes to current Strategic Plans.

Whilst the pandemic is impacting the entire economy, we are well placed to meet the challenges, having strengthened, and diversified our business for the future.

We appreciate the support and patronage of our members and visitors. Our ongoing success is now more than ever reliant on the support and utilisation of the facilities of both our Community Clubs and the Motel.

Trevor Wisemantel
President

TREASURER'S REPORT

It is indeed a pleasure to present and make comment on the Audited Financial Statements of Old Bar Beach Bowling Club Limited for the financial year ending 30th June 2020. What a year it has been.

Our audited net profit for 2019-2020 was \$171,322 versus \$347,921 for the previous year. This is a wonderful achievement given the impact of COVID-19 and closure of our two Clubs for three months. Should this have not occurred our Business Plan target of \$500,000 would have been exceeded.

The following comments are relevant but demonstrate the prudent controls implemented by the Board and Management:

Total Revenue decreased by 20.77% from \$6,142,976 to \$4,867,079 due to;

- Bar Sales down 24%.
- Catering Sales down 26%.
- Poker Machine revenue decreasing by 15%.
- Interest on Investments decreased by \$48,286 due to reduced Interest Rates and use of funds for the Motel project.
- A number of other Income streams saw marginal decreases.

Total Expenditure decreased by 13.91% from \$5,813,695 to \$5,005,029 demonstrating excellent controls. Components include;

- Employee costs decreased by 7.63%.
- Depreciation and amortisation was \$80,422 less than in prior year.
- Interest costs of \$25,832 on NAB Loan of \$2.2M for Motel.
- A decrease of \$56,000 in Donations and Sponsorships.
- A decrease of \$27,000 in Electricity.
- A decrease of \$89,000 in Member Amenities.
- A decrease of \$37,000 in Repairs and Maintenance.
- An increase in Insurance for coverage of Motel.

Whilst there have been significant changes in the balance sheet, it is primarily aligned to the Motel construction. Total assets for the group are \$15,707,535 (\$13,607,685 for 2019) with cash reserves having reduced from \$3,435,640 to \$1,162,471. Overall this remains a very strong financial position.

The Board continues to have strong disciplines in place for Governance, Compliance, Accountability, Risk Management and Financial controls. This has provided an Unqualified Audit which is excellent in the current environment.

I continue to be satisfied that the accounts are in a fit state to meet the aims and objectives of the Board for our business in the foreseeable future.

My appreciation is extended to Chief Executive Officer Kim White, her team and fellow Directors for their excellent ongoing support.

Warren Fischer
Treasurer

NOTE: Any financial member of the Club attending the Annual General Meeting who requires clarification of any matter appertaining to the Financial Statements contained herein, please give your questions to the Chief Executive Officer no later than 7th October 2020.

CHIEF EXECUTIVE OFFICER'S REPORT

On behalf of our team I am pleased to present the 2020 Annual Management Report.

The past 12 months have seen us facing new challenges with drought, bush fires and now the Covid-19 pandemic. This has been an extremely difficult and challenging period, but during these times it highlights the strength and endurance of small communities and reinforces the important role Clubs play in providing crucial facilities during times of crisis.

Up until February 2020 the business was on track to meet budget expectations and record a very healthy profit, despite the bushfires and drought that the area had just experienced. However, being forced to close our doors on the 23rd March 2020 for ten weeks due to Covid-19 has had a disastrous impact on our business bottom line with significant losses during closure. Despite these many challenges I am pleased to report that the business achieved a net profit of \$171,322. This result could not have been achieved without the outstanding contribution of our Board, Management, Staff, Contractors, and our members all being able to adapt to these changing circumstances and work together to ensure the future of our organisation.

I offer my sincere thanks to our President Trevor Wisemantel for his strong leadership of our Board of Directors. The organisation is most fortunate to have a diverse and knowledgeable Board, who have a thorough understanding of the roles and responsibility of managing a multi-million-dollar business. Their professionalism and commitment are paramount to the success of our venues and they dedicate countless unpaid hours throughout their term. It is a credit that the Board remained focused on the strategic direction aligned to the business plan, making difficult decisions for the benefit of all members.

I am grateful for the support of an outstanding Management team that have pride, passion, and have performed tirelessly during the year. A special thanks to Nicole Mullen who joined the team as the Operations Manager in December 2019. Her support, along with her extensive understanding of the Clubs industry, has been invaluable over the last 6 months and her contributions and loyalty are greatly appreciated by all.

Nicole Gibbons and Tawny Sawyer have continued to lead our thriving catering department, Cara Chard the marketing and administration team, Sandra Gibbons in the role of Guest Services Supervisor at the Motel and our three Duty Managers, Craig Anderson, Dave Windus and Steve Burns, all performing above and beyond their individual roles and responsibilities.

To all members of staff, thank you for continuing to set benchmarks in service that are the envy of most Clubs and for your efforts to ensure that every visit for our members and guests is a memorable one. We are fortunate to have such a motivated and dedicated team of staff and contractors.

I would like to express my sincere gratitude to previous General Manager, Tony Jones. Not only for his assistance during my transition into the role of Chief Executive Officer, but for his guidance, support, and loyalty during the 20-year period of our working relationship. Tony stepped down in July 2019 after 22 years of successful tenure leaving the business in a strong financial position. Tony's dedication along with the relationships he formed will always be remembered and appreciated.

Thank you to our in-house Clubs, all of which have faced their own challenges over the last 12 months, you have displayed a strong commitment to keeping our members and guests entertained and have offered camaraderie and support during these difficult times.

To our members; many thanks for your ongoing support, patronage, loyalty and understanding, for which we are most grateful. To the families and loved ones of those members who have passed away during the last 12 months, we extend our sincerest condolences.

The highly anticipated Club Old Bar Motel opened its doors on the 3rd June 2020. This venue certainly compliments our current business model with continued growth in room occupancy expected as Covid- 19 restrictions are lifted. Although the opening was delayed due to the bushfires and Covid-19, the business is up and running with great feedback from our guests. We are excited to see what the next 12 months holds for this magnificent facility.

Our members should be proud of the Clubs' ability to survive this difficult period while continuing to support many local organisations. Our community is what makes our Clubs' remarkable and we are proud to be a part of the Taree and Old Bar communities.

Our team has proven time and time again to be resilient and progressive and together we will continue to face any challenges in the year ahead. Your invaluable contribution does not go unnoticed with your continued support and the essential robust backing of the Board of Directors and Management who make the difficult decisions on your behalf.

We look forward to welcoming you to Club Old Bar, Club West and the Club Old Bar Motel in the new financial year and we appreciate your ongoing support.

Kim White
Chief Executive Officer

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2020

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' REPORT

The directors present their report together with the financial report of Old Bar Beach Bowling Club Limited ("the Company") for the financial year ended 30 June 2020 and the auditor's report thereon.

Directors

The names of directors in office at any time during or since the end of the year are:

Trevor Wisemantel	President Appointed 17 October 2010 Retired Banking Executive
Adam Stevenson	Appointed 25 August 2017 Real Estate Agent, Business Owner
Anthony Cavanagh	Appointed 19 October 2014 Retired Racecourse Manager and Head Greenkeeper
Marko Pendelj	Appointed 21 October 2018 Carpenter
Lindsay Langtry	Appointed 21 October 2018 Groundsman
Wayne Deer	Appointed 21 October 2018 Retired Local Government Executive
Warren Fischer	Treasurer Appointed 23 October 2016 Financial Planning and Business Owner

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

Company Secretary

Mr Anthony Jones held the position of Company Secretary until 28 January 2020. Ms Kim White was appointed Company Secretary on 28 January 2020 and has held the position since that time.

Description of Company

This report covers the single entity Old Bar Beach Bowling Club Limited a public company limited by guarantee.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' REPORT

Description of objectives

The principal objectives of the company, outlined in more detail in the company's constitution, are:

Short-term

To promote and conduct the game of bowls and such other social and educational undertakings, sports, games, amusements and entertainments, pastimes and recreations, indoor and outdoor, as the club may deem expedient.

Long-term

To acquire, construct, establish, provide, maintain and conduct social, educational and sporting facilities, playing areas and grounds as the Club may determine and to construct, provide, establish, furnish and maintain clubhouses and other buildings containing such amenities, conveniences and accommodation either residential or otherwise as the Club determines as expedient to fulfil its core objects.

Strategies for achieving objectives

To achieve these objectives, the company has adopted the following strategies:

- To ensure the financial stability of the club by continued financial management.
- To promote and hold, either alone or jointly with any other association, competitions, matches and sports and to offer, give or contribute towards prizes.
- Close liaison with the Registered Clubs Association and Royal NSW Bowling Association and any other club, association or organisation formed for the purpose of promoting the interests of the club and its sporting, social and other activities.
- To make donations to such persons or organisations the Club determines as conducting activities conducive to its objects.

Principal activities

The principal activity of the club during the year was operating as a licenced bowling, sporting and social club and there has been no change in that activity from the prior year.

In June 2020 the company completed construction and commenced operation of the Club Old Bar Motel.

The contribution from trading as a licensed club contributes to the significant expense of maintaining the clubhouses and bowling greens and enables bowls and other sports and pastimes to be promoted both within the club and the broader community.

The company employs a functions manager to co-ordinate social and other activities. Committees and sub clubs coordinate the various sporting activities and hobbies conducted.

Measures of performance

The company measures its financial performance by comparison of financial results to budget, last year's results and key financial ratios such as bar gross profit percentages.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' REPORT

Operating Result

The profit of the company amounted to \$171,322 (2019: \$347,921). The company is not currently subject to income tax.

The operating result was affected by the drought, bushfires and the enforced shutdown due to COVID-19 which resulted in a decrease in bar and catering sales and a decrease in gaming revenue.

Meetings of Directors

During the financial year, 13 meetings of directors were held. Attendances were:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Trevor Wisemantel	13	13
Warren Fischer	13	13
Adam Stevenson	13	9
Anthony Cavanagh	13	12
Wayne Deer	13	11
Lindsay Langtry	13	12
Marko Pendelj	13	12

State of Affairs

Due to the impact of Covid-19, and the governments mandatory shutdown of Club's between 12 March and end of May 2020, the Club did not trade during this period. This has had a significant impact on the Club's results for the year. Whilst the Club has been receiving jobkeeper to subsidise staff wages, the loss of revenue has also impacted Club cashflow.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

Future developments

The company is committed to providing leading community venues for sport and special activities.

The Board are continuing to budget for the refurbishment of Club West and Club Old Bar.

Guarantee of members

The company is a public company limited by guarantee incorporated under the *Corporations Act 2001*. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$4 towards meeting any outstanding obligations of the company. At 30 June 2020, the total aggregate amount members of the company were liable to contribute if the company was wound up was \$23,748 (2019: \$26,544).

OLD BAR BEACH BOWLING CLUB LIMITED
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DIRECTORS' REPORT

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found following the directors' report.

Rounding of Amounts

Amounts in the financial statements and directors' report have been rounded to the dollar and accordingly small rounding errors may occur.

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

.....
Trevor Wisemantel
Director

.....
Warren Fischer
Director

Dated this 25th day of August 2020

**OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF OLD BAR BEACH BOWLING CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Essential Assurance Services Pty Ltd
ABN 51 119 802 229
Authorised Audit Company #305383

Signed by:

.....
Rhonda Futterleib
22 Pulteney Street, Taree, NSW, 2430
Dated this 25th day of August 2020

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Revenue	2	4,867,079	6,142,976
Other income	2	309,273	18,640
Cost of sales		(984,326)	(1,271,755)
Employee benefits expense		(1,601,830)	(1,734,229)
Depreciation and amortisation expense		(612,546)	(692,968)
Finance costs		(25,832)	(1,523)
Other expenses	3	<u>(1,780,496)</u>	<u>(2,113,220)</u>
Profit/(loss) before income tax		171,322	347,921
Income tax expense		-	-
Profit/(loss) for the year		<u>171,322</u>	<u>347,921</u>
Other Comprehensive income/ (loss) for the year		-	-
Comprehensive income/ (loss) for the year		<u>171,322</u>	<u>347,921</u>

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,162,471	3,435,640
Trade and other receivables	6	118,777	95,538
Inventories	7	89,503	94,289
Financial assets	8	5,118	5,000
Other	10	86,748	45,286
TOTAL CURRENT ASSETS		1,462,617	3,675,753
NON-CURRENT ASSETS			
Property, plant and equipment	9	13,641,229	9,328,243
Intangibles	11	603,689	603,689
TOTAL NON-CURRENT ASSETS		14,244,918	9,931,932
TOTAL ASSETS		15,707,535	13,607,685
CURRENT LIABILITIES			
Trade and other payables	12	268,727	438,889
Financial liabilities	13	44,835	28,079
Employee benefits	14	186,197	238,912
Other	15	25,502	57,149
TOTAL CURRENT LIABILITIES		525,261	763,029
NON-CURRENT LIABILITIES			
Financial liabilities	13	2,200,000	11,145
Employee benefits	14	16,653	39,212
TOTAL NON-CURRENT LIABILITIES		2,216,653	50,357
TOTAL LIABILITIES		2,741,914	813,386
NET ASSETS		12,965,621	12,794,299
EQUITY			
Retained earnings		12,965,621	12,794,299
TOTAL EQUITY		12,965,621	12,794,299

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings	Asset Revaluation Reserve	Other Reserves	Total
	\$	\$	\$	\$
Balance at 30 June 2018	12,446,378	-	-	- 12,446,378
2019 Profit/(loss) for the year	347,921	-	-	- 347,921
Other Comprehensive income/ (loss) for the year	-	-	-	-
Balance at 30 June 2019	12,794,299	-	-	- 12,794,299
2020 Profit/(loss) for the year	171,322	-	-	- 171,322
Other Comprehensive income/ (loss) for the year	-	-	-	-
Balance at 30 June 2020	<u>12,965,621</u>	-	-	<u>- 12,965,621</u>

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers & sponsors		5,550,852	6,680,872
Payments to suppliers and employees		(5,287,085)	(5,341,016)
Interest received		14,081	101,825
Finance costs		(25,832)	(1,523)
Net GST remitted to ATO		186,430	(269,579)
Net cash provided by (used in) operating activities	19	438,446	1,170,579
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant & equipment		28,091	18,640
Purchase of property, plant and equipment		(4,945,199)	(687,936)
(Investment)/redemption term deposits		(118)	200,269
Net cash provided by (used in) investing activities		(4,917,226)	(469,027)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of / (Proceeds from) borrowings		2,205,611	(46,719)
Net cash provided by (used in) financing activities		2,205,611	(46,719)
Net increase/ (decrease) in cash held		(2,273,169)	654,833
Cash at beginning of financial year	5	3,435,640	2,780,807
Cash at end of financial year	5	1,162,471	3,435,640

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the single entity Old Bar Beach Bowling Club Limited a public company limited by guarantee, incorporated and domiciled in Australia. The company's principal activity is operating licensed bowling clubs at Old Bar and Taree West.

The company applies the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 cash flow information, have been prepared on an accruals 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 25th August 2020 by the directors of the company.

Unless otherwise stated other Australian accounting standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2020.

Impact of COVID-19

During the period 12 March to end of May 2020 the Federal Government enforced a mandatory shutdown of Club's. The Company did not trade fully during this time, received credits for inventory and jobkeeper for staff. While the shutdown impacted the Club, directors believe the Club will continue to be a going concern now it can trade again.

Accounting Policies

a. *Principal Activity*

The company operates as a licensed bowling, sporting and social club.

b. *Income Tax*

The Directors consider the company exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997. This exemption applies only whilst the company remains predominantly established for the encouragement or promotion of a game or sport and satisfies the requirements of that section. As the company is subject to self assessment its tax status will be regularly reviewed.

c. *Inventories*

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

d. *Land for Sale*

When applicable, land held for sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

e. *Construction Contracts and Work in Progress*

Construction work in progress is valued at cost, less any provision for anticipated future write-offs. Where write-offs are anticipated they are provided for in full.

f. *Property, Plant and Equipment*

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

Property

Land and buildings are measured at cost.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. A formal assessment of recoverable amounts is made when an impairment indicator is present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Profit or Loss and Other Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Profit or Loss and Other Comprehensive Income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Plant and equipment that is contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.50-25.00%
Furniture and fittings	5.00-20.00%
Greens & outdoor equipment	2.50-20.00%
Office equipment	5.00-33.33%
Other plant and equipment	4.00-33.33%
Bar plant and equipment	7.00-20.00%
Catering plant and equipment	2.50-33.33%
Keno and TAB	5.00-10.00%
Poker machines	7.50-33.33%
Motor vehicles	12.50%
Leased plant and equipment	25.00%
Plant and equipment rental houses	7.62-10.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

g. *Company Limited by Guarantee*

The company is limited by a guarantee of members to contribute in the event of a winding up, a sum not exceeding \$4.00 per member. At 30 June 2020 there were 5,937 (2019: 6,636) members. As the company does not have share capital it cannot pay dividends.

h. *Investment Property*

When applicable investment property is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost. The two rented properties are not classified as investment property.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

i. *Leases*

Leases are capitalised, recognising a right to use asset and a lease liability.

The right to use asset is initially recognised at the present value of the lease payments that are unpaid at the date of recognition. Lease payments are discounted at the interest rate implicit in the lease.

The lease liability is initially recognised at the carrying amount of the right to use asset increased by the interest on the lease liability.

Right of use assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period

j. *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 (ie trade date accounting is adopted). Financial instruments 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 expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments.

Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are 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 amount being included in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

(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) *Amortised cost investments*

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

(iv) *Fair value through profit and loss investments*

Fair value through profit and loss 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.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Fair value through profit and loss financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other fair value through profit and loss financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees 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.

Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire 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 when the related obligations are discharged or 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.

k. *Impairment of Assets*

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

l. *Affiliated Clubs*

Affiliated clubs are amalgamated with the main company unless they can demonstrate financial and legal independence.

m. *Interests in Joint Ventures*

The company does not have any interests in joint ventures.

n. *Intangibles*

Poker Machine Entitlements

Purchased poker machine entitlements are initially recorded at cost. They do not have finite useful lives. They are tested annually for impairment and are carried at cost less accumulated amortisation and impairment losses. No asset has been recognised for existing entitlements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

o. *Employee Benefits*

Short-term employee benefits

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* within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the Statement of Financial Position.

Where annual leave is wholly expected to be settled within 12 months of reporting date it is recognised in employee benefits in respect of employee service up to the reporting date. It is measured at the amount expected to be paid when liabilities are settled.

Other long-term employee benefits

The company classifies employees' long service leave entitlements as long-term employee benefits where they are 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. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities 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 liabilities.

p. *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.

q. *Cash and Cash Equivalents*

Cash and cash equivalents include 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

r. *Revenue*

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CON'T

s. *Borrowing Costs*

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit or Loss and Comprehensive Income in the period in which they are incurred.

t. *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised exclusive of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

u. *Comparative Figures*

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

v. *Rounding of Amounts*

Amounts in the financial statements and directors' report have been rounded off to the nearest \$1 and accordingly small rounding errors may result.

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NOTES TO THE FINANCIAL STATEMENTS
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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 internally.

Key Estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments

No specific key judgements were required in preparing the Financial Statements.

	Note	2020	2019
		\$	\$
NOTE 2: REVENUE & OTHER INCOME			
Operating activities			
- sale of goods & services		2,512,579	3,336,056
- poker machine receipts		1,939,571	2,295,083
- interest received	a.	14,172	62,458
- government subsidies received		34,360	34,360
- other revenue		78,088	70,503
- rental revenue for property investment		-	14,154
- services revenue-member subscriptions		61,767	22,115
- services revenue-green fees		26,767	34,778
- services revenue-raffles		68,766	98,805
- insurance recoveries		5,062	3,348
- commissions		125,947	171,316
Total Revenue		4,867,079	6,142,976
Non-operating activities			
- COVID 19 Stimulus		285,250	-
- gain on disposal of property, plant and equipment		24,023	18,640
Other income		309,273	18,640
Total		5,176,352	6,161,616
a. Finance Income			
Interest Received – other entities		14,172	62,458

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3: OTHER EXPENSES	2020	2019
	\$	\$
Included in other expenses are the following items requiring specific disclosure:-		
Increase/(decrease) in employee provisions	(75,273)	26,910
Loss on sale of plant & equipment	15,599	18,320
Rental expense on property generating rental income	-	10,294
Poker machine annual duty	175,885	200,149
Contract cleaning	120,011	146,467
Donations	53,746	88,469
Electricity	159,189	186,850
Insurance – general and workers compensation	124,563	118,158
Members amenities	220,323	309,234
Promotions	91,323	134,894
Repairs and maintenance	180,754	217,376

NOTE 4: RELATED PARTY & KEY MANAGEMENT DISCLOSURE

Key management personnel compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Company

Total key management personnel compensation	334,269	331,926
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Other related parties

Director Marko Pendelj was paid \$16,844 (2019: \$6,770) during the year for maintenance work performed around the Clubs.

Director Lindsay Langtry was paid \$11,070 during the year for work on greens maintenance at the Clubs.

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	2020	2019
	\$	\$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash in hand and at bank	312,836	461,817
Cash at bank – other	80,392	89,751
Cash at bank – Invest. Acc. At call	205,944	1,060,588
Cash at bank – Invest. Acc. < 3 months	563,299	1,823,484
	<u>1,162,471</u>	<u>3,435,640</u>

Interest is receivable on the above accounts. At 30 June 2020 this was between 0% and 1.52%pa.

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	4,964	88,259
Sundry debtors	108,280	5,553
Other debtors	5,533	1,726
	<u>118,777</u>	<u>95,538</u>

No provision for impairment is deemed necessary (2019: Nil) and there is no material exposure to any single receivable. All receivables are expected to be collected within 30 days.

NOTE 7: INVENTORIES

CURRENT

Finished goods – at cost	<u>89,503</u>	<u>94,289</u>
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NOTE 8: FINANCIAL ASSETS

Amortised cost Investments

Interest bearing bank term deposits > 3 months terms	<u>5,118</u>	<u>5,000</u>
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The effective interest rate at 30 June 2020 was 1.20% (2019: 2.06%)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: PROPERTY PLANT & EQUIPMENT	2020 \$	2019 \$
<i>LAND AND BUILDINGS</i>		
Building work in progress – at cost	-	524,917
Land (Old Bar Clubhouse) – at cost	29,049	29,049
Land – (Taree West) – at cost	200,000	200,000
Greens – at cost	16,550	16,550
Land – (Motel) – at cost	681,252	681,252
Buildings – at cost	14,759,980	9,772,654
Provision for depreciation	(3,501,738)	(3,238,832)
	11,258,242	6,533,822
Total Land and Buildings	12,185,093	7,985,590
<i>PLANT AND EQUIPMENT</i>		
Catering plant and equipment	280,250	250,066
Less Provision for depreciation	(205,029)	(188,907)
	75,221	61,159
Bar plant and equipment	382,354	374,566
Less Provision for depreciation	(280,722)	(241,919)
	101,632	132,647
Motor vehicles	102,390	102,390
Less Provision for depreciation	(75,368)	(62,570)
	27,022	39,820
Office equipment	138,026	129,403
Less Provision for depreciation	(102,368)	(86,523)
	35,658	42,880

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT.)	2020 \$	2019 \$
Greens & outdoor equipment	786,432	764,768
Less Provision for depreciation	(516,112)	(488,790)
	<u>270,320</u>	<u>275,978</u>
Furniture & fittings	606,354	573,439
Less Provision for depreciation	(533,248)	(508,579)
	<u>73,106</u>	<u>64,860</u>
Other plant & equipment	350,769	345,384
Less Provision for depreciation	(293,864)	(274,969)
	<u>56,905</u>	<u>70,415</u>
Poker machines	2,961,843	3,069,761
Less Provision for depreciation	(2,377,765)	(2,440,621)
	<u>584,078</u>	<u>629,140</u>
Leased plant & equipment	-	67,363
Less Accumulated amortisation	-	(41,609)
	<u>-</u>	<u>25,754</u>
Motel plant and equipment	234,572	-
Less Provision for depreciation	(2,378)	-
	<u>232,194</u>	<u>-</u>
Total plant & equipment	<u>1,456,136</u>	<u>1,342,653</u>
Total Property, Plant & Equipment	<u>13,641,229</u>	<u>9,328,243</u>

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT.)

a. *Movements in Carrying Amounts*

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

	1 July 2019	Adds	Disposals/ Transfers	Depreciation	30 June 2020
	\$	\$	\$	\$	\$
Building – WIP see (b) below	524,917	4,673,319	(5,198,236)	-	-
Land - Old Bar	29,049	-	-	-	29,049
Land – Taree West	200,000	-	-	-	200,000
Greens	16,550	-	-	-	16,550
Land – Motel	681,252	-	-	-	681,252
Buildings and improvements	6,533,822	23,663	4,963,664	(262,907)	11,258,242
Catering	61,159	30,184	-	(16,122)	75,221
Bar	132,647	-	1924	(32,939)	101,632
Motor vehicles	39,820	-	-	(12,798)	27,022
Office equipment	42,880	8,623	-	(15,845)	35,658
Greens & outdoor equipment	275,978	21,664	-	(27,322)	270,320
Furniture & fittings	64,860	32,915	-	(24,669)	73,106
Other plant	70,415	5,385	-	(18,895)	56,905
Poker machines	629,140	155,310	(3,483)	(196,889)	584,078
Leased equipment	25,754	-	(23,972)	(1,782)	-
Plant & equipment rental houses	-	-	234,572	(2,378)	232,194
TOTAL excluding WIP	8,803,326	277,744	5,172,705	(612,546)	13,641,229
TOTAL including WIP	9,328,243	4,951,063	(25,531)	(612,546)	13,641,229

	2020	2019
	\$	\$
b. Carrying Amount of Plant and Equipment in the Course of Construction	-	524,917
Work in progress relates to the Old Bar Beach Bowling Club motel project and represents council application, demolition costs and design fees.		

Core Property

For the purposes of the Registered Clubs Act all land and buildings are core property except for the properties at 46 and 48 Waterman Street Old Bar and 41 Richardson Street Old Bar.

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NOTE 10: OTHER ASSETS	2020	2019
	\$	\$
CURRENT		
Prepayments	86,748	45,286
	<u>86,748</u>	<u>45,286</u>

NOTE 11: INTANGIBLES

Poker machine entitlements at cost	603,689	603,689
	<u>603,689</u>	<u>603,689</u>

Movement in written down value	Poker Machine Entitlements
	\$
Opening balance at 1 July 2019	603,689
Amortisation charge	-
Closing balance at 30 June 2020	<u>603,689</u>

Poker machine entitlements at cost only represent purchased entitlements. Existing entitlements created at nil cost have not been brought to account.

Poker machine entitlements have been determined to have indefinite useful lives on the basis that there is no set expiry or cancellation date. The carrying amount of the entitlements was tested at 30 June 2020 against a fair market value to check whether they were disclosed in excess of their recoverable amount. The result was the value of entitlements exceeded the cost of the entitlements and therefore no provision for impairment is considered necessary at 30 June 2020.

NOTE 12: TRADE AND OTHER PAYABLES	2020	2019
	\$	\$
CURRENT		
ATM clearing	-	28,930
Trade creditors	83,872	167,943
Other creditors & accruals	130,960	119,583
GST payable	27,218	43,346
PAYG Withholdings payable	24,332	24,237
Monies held in trust	2,345	54,850
	<u>268,727</u>	<u>438,889</u>

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13: FINANCIAL LIABILITIES

	2020	2019
	\$	\$
CURRENT		
Insurance Loan	44,835	-
Chattel mortgages – bank	-	28,079
TOTAL CURRENT	<u>44,835</u>	<u>28,079</u>
 <i>NON-CURRENT</i>		
NAB Loan	2,200,000	-
Chattel mortgages – bank	-	11,145
TOTAL NON-CURRENT	<u>2,200,000</u>	<u>11,145</u>
 <i>Finance facilities</i>		
Asset finance facility	100,000	100,000
Utilised	-	39,224
Unused	<u>100,000</u>	<u>60,776</u>
 Loan facility	d. 3,500,000	-
Utilised	2,200,000	-
Unused	<u>1,300,000</u>	-
 Credit card facility	14,000	14,000
Utilised	3,107	1,870
Unused	<u>10,893</u>	<u>12,130</u>

- a. The National Australia Bank has a registered security interest over “all present and after acquired property.”
- b. The motor vehicle finance agreements are chattel mortgage equipment loans secured over the vehicles. Refer also Note 16 (a) in respect of the lease commitments.
- c. There are security interests registered over company property in the Personal Property Securities Register which relate to the above liabilities.
- d. The NAB loan is an interest only facility until June 2021 at which time the directors will renegotiate the terms of the loan depending on the COVID 19 situation re ongoing trade. At 30 June 2020 the interest rate applicable to the loan was 2.633%. As directors do not expect to make repayments off this loan before 30 June 2021, they have classified the loan as a non-current liability.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: EMPLOYEE BENEFITS	2020	2019
	\$	\$
<i>Current</i>		
Accrued holiday pay	147,968	172,061
Accrued RDO's	16,912	13,140
Long Service Leave	21,317	53,711
	<u>186,197</u>	<u>238,912</u>
 <i>Non-current</i>		
Long Service Leave	<u>16,653</u>	<u>39,212</u>
 NOTE 15: OTHER LIABILITIES		
Subscriptions in advance	25,502	51,405
Income in advance	-	5,744
	<u>25,502</u>	<u>57,149</u>
 NOTE 16: CAPITAL AND LEASING COMMITMENTS		
a. <i>Finance Lease Commitments</i>		
Payable — minimum lease payments		
— not later than 12 months	-	28,665
— between 12 months and 5 yrs	-	11,151
— greater than 5 yrs	-	-
Minimum lease payments	<u>-</u>	<u>39,816</u>
Less future finance charges	<u>-</u>	<u>(592)</u>
	<u>-</u>	<u>39,224</u>

Capital Commitments

The company have committed to the purchase of a new oven and exhaust fan for the kitchen at Club West – estimated cost \$37,000 and for renovations to the bar and the purchase of a pizza oven costing an estimated \$21,500.

At 30 June 2020 the Company is also committed to the ongoing replacement of poker machines and air conditioners.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2020	2019
	\$	\$
<i>Contingent Liabilities</i>		
Bank guarantee facility to the TAB.	5,000	5,000
No other contingent liabilities existed at 30 June 2020		

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

At the date of this report, the Club is operating in a post Covid-19 shutdown period. Directors anticipate being able to continue to trade but if government regulations change which impact on the Club's ability to trade in the future, directors at this time, are not able to determine what impact this will have on the Club's operations.

No matter or circumstance has arisen since 30 June 2020 which has or will significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in financial years subsequent to 30 June 2020.

NOTE 19: CASHFLOW INFORMATION

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2020	2019
	\$	\$
Profit after income tax	171,322	347,921
Non-cash flows in profit		
Depreciation & amortisation	612,546	692,968
Net (gain)/loss on disposal of property, plant and equipment	(8,424)	(320)
Changes in assets and liabilities		
- (Increase)/decrease in trade receivables	(23,239)	45,667
- (Increase)/decrease in prepayments	(41,462)	17,909
- (Increase)/decrease in inventories	4,786	(9,666)
- Increase/(decrease) in trade payables and accruals	(170,162)	29,951
- Increase/(decrease) in income in advance	(31,647)	19,238
- Increase/(decrease) in employee benefits	(75,274)	26,911
Cash flow from operations	438,446	1,170,579

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 20: ECONOMIC DEPENDENCY

The company is not economically dependent on any other single entity other than government and regulatory authorities who administer and control liquor and gaming licences and the intrinsic value of poker machine entitlements. The Directors are of the opinion that significant poker machine reforms could materially impact the operations of the company.

NOTE 21: COMPANY DETAILS

The registered office and principal place of business of the company is:

1 Belford Street
 Old Bar NSW 2430

NOTE 22: FINANCIAL RISK MANAGEMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Accordingly, financial instruments include both financial assets and financial liabilities.

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, leases and poker machine finance agreements.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
<i>Financial Assets comprise:</i>			
Cash and cash equivalents	5	1,162,471	3,435,640
Receivables	6	118,777	95,538
Amortised cost investments	8	5,118	5,000
		<u>1,286,366</u>	<u>3,536,178</u>
<i>Financial Liabilities comprise:</i>			
Borrowings at amortised cost	13	2,244,835	39,224
Trade and other payables	12	268,727	438,889
		<u>2,513,562</u>	<u>478,113</u>

There is no material difference between aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the:
 - Statement of Financial Position as at 30 June 2020,
 - Statement of Profit or Loss and Other Comprehensive Income,
 - Statement of Changes in Equity
 - Statement of Cash Flows for the year then ended, and
 - Notes to the Financial Statementsare in accordance with the Corporations Act 2001, comply with Australian Accounting Standards – Reduced Disclosure Requirements, and give a true and fair view of the financial position of the company, as at 30 June 2020 and of its performance for the year ended on that date;
2. In the director's 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.

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

.....
Director Trevor Wisemantel

.....
Director Warren Fischer

Dated this 25th day of August 2020

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OLD BAR BEACH BOWLING CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Old Bar Beach Bowling Club Limited. (the Company), which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of Old Bar Beach Bowling Club Limited, is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) 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 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 (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 Company, 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.

Other Information

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 30 June 2020, 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 to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BAR BEACH BOWLING CLUB LIMITED CON'T

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OLD BAR BEACH BOWLING CLUB LIMITED CON'T**

Auditor's Responsibilities for the Audit of the Financial Report con't

- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Essential Assurance Services Pty Ltd
ABN 51 119 802 229
Authorised Audit Company #305383

Signed by: Rhonda Futterleib
Address: 22 Pulteney Street, Taree, NSW, 2430
Dated this 26th August 2020

C L U B

West

BISTRO WEEKLY SPECIALS

W-F

**\$12 Lunch
Specials**
12pm to 2pm



**\$12 Chicken
Schnitzel**
from 5.30pm

THU

SUN

**\$14 Roast
Lunch**
12pm to 2pm



PIZZA Bar FROM **\$12**

9 INCH HOUSE-MADE PIZZA'S
**SUNDAY, TUESDAY
& WEDNESDAY NIGHT'S**
DINE-IN OR TAKEAWAY*
FROM 5PM TO 7PM
*\$2 TAKEAWAY SURCHARGE APPLIES

BOOKINGS ESSENTIAL 6552 2094

Club

OLD BAR

BISTRO WEEKLY SPECIALS

M-F

\$12 Lunch Specials

12pm to 2pm



\$12 Chicken Schnitzel

from 5.30pm

WED

THU

\$14 Lamb Cutlets

from 5.30pm



\$14 Roast Dinner

from 5.30pm

SUN

BOOKINGS ESSENTIAL 6553 7224



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