



ANNUAL REPORT

YEAR ENDED
30 JUNE 2023

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 15 October 2023
Commencing at 10.30 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 15 October 2022.
- 2) Any matters arising from the minutes of 15 October 2022 Annual General Meeting.
- 3) To receive and consider Directors Report, Financial Report and Auditors Report for the financial year ending 30 June 2023.
- 4) To consider and if thought fit pass the Resolution in relation to benefits for Directors.
- 5) General Business

NOTICE TO MEMBERS

Any Member attending the Annual General Meeting and who requires a clarification of any matter relating to the Reports or Financial Statements included in the Annual Report should give their question in writing to the Chief Executive Officer no later than 5:00pm Friday 6 October 2023 so that it may be answered at the meeting.

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

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

ORDINARY RESOLUTION IN RELATION TO BENEFITS FOR DIRECTORS

Consideration of Allowances and Benefits for Office Bearers:

That pursuant to the Registered Clubs Act 1976 (NSW), in the period up to the next Annual General Meeting of the Club, the members approve and agree:

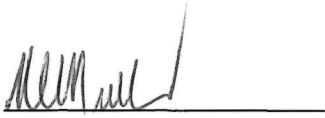
(a) to expenditure by the Club for:

- (i) a reasonable meal and refreshment for each Director in conjunction with each Board and committee meeting;
- (ii) reasonable costs and expenses of travel by Directors to attend Board meetings and other Club meetings;
- (iii) reasonable costs and expenses in relation to the professional development and education of Directors including, but not limited to, attending meetings of associations of which the Club or relevant Director is a member, attending conferences and seminars, attending industry and trade events, attending study tours, and attending other venues to inspect their facilities and operations determined by the Board as being relevant to the Club's business;

- (iv) reasonable costs and expenses of Directors attending functions (with partners where appropriate) to represent the Club;
- (v) reasonable costs and expenses of Directors carrying out their duties including, but not limited to, entertaining guests of the Club and promotional activities;
- (vi) reasonable costs and expenses of providing Directors with corporate apparel when representing the Club;

By direction of the Board.

Dated 29 August 2023

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

Chief Executive Officer

ANNUAL REPORT 2023

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

Board of Directors at 30 June 2023

President: Wayne Deer

Directors: Jeff Brown
Robert Cameron
Janeve Wallace
Garry Stewart
Nick Chard
Brenda Perrett

| | | | |
|----------------------|-----------------|-------------------|----------------|
| Life Members: | Andy Gilbert | Roy Meguyer | Doreen Street |
| | Clare Horrocks | Lyn Carle | Beatrice Gould |
| | Roy Lewis | Anthony Jones | Joan Hinton |
| | Malcolm Ladmore | Trevor Wisemantel | Irene Dobbs |
| | George Shreeve | Flo Evans | |

Patron: Roy Meguyer

Bankers: National Australia Bank, Taree
Westpac, Taree

Legal: Pigott Stinson Lawyers
Walker Legal Taree

Auditor: Essential Assurance Services Pty Ltd

| | | |
|--------------------|-------------------|--------------------------------|
| Management: | Nicole Mullen | Chief Executive Officer |
| | Robert Hendricks | Operations Manager |
| | Barry Murray | Venue Manager |
| | Cara Chard | Marketing Manager |
| | Sharon Osborn | Functions Manager |
| | Guy Fitzsimmons | Motel Manager |
| | Shane Nipperess | Duty Manager |
| | Holly Dains | Duty Manager |
| | Connor Hutchinson | Duty Manager |
| | Andy Atkins | Duty Manager |

PRESIDENT'S REPORT

On behalf of the Board of Directors, Jeff Brown, Bob Cameron, Nick Chard, Brenda Perrett, Gary Stewart and Jan Wallace, Chief Executive Officer (CEO), Nicole Mullen, Management and Staff I am pleased to present the Annual Report for the financial year 2022-2023.

On reflecting on the past 12 months, it has been pleasing to see that the Covid-19 Pandemic and all its impacts are now well behind us with the reporting year being one of looking forward to meeting the needs of our members and improving our facilities.

The net profit for the reporting period was \$1,117,172. This excellent result is a testament to the commitment of the CEO, Management, Staff and Board as well as the ongoing loyalty and support of our members. It is also encouraging to note that our Organisation has once again achieved an "Unqualified Audit Rating" which is the highest level possible. Our membership remains strong with a total membership as of 30 June 2023 being 7,826 members comprising 4,107 males and 3,719 females.

Considerable time and effort has been taken in ensuring that all of the necessary plans, specifications, engineering details and application requirements for the Development Application for the Emergency Evacuation Centre and Generator at Club Old Bar have been completed, resulting in Midcoast Council approving the Development Application in June 2023. This will now allow work to commence on the alterations and additions to Club Old Bar together with the installation of the Generator allowing the Club to become an Emergency Evacuation Centre in times of natural disasters, further enhancing the Club's ability to serve our local community. As previously reported funding towards this project of \$689,932 by way of a grant under the Federal Stronger Communities Program and a further grant of \$165,000 under the Black Summer Recovery Program will greatly assist in funding this work.

Unfortunately, the grant application of \$1,377,988 under the Stronger Country Communities Fund- Round 5 to carry out the roof replacement and structural work at Club West was unsuccessful. The Board continues to look at ways that this much needed work can be carried out.

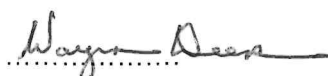
The annual review of the Old Bar Beach Bowling Club Ltd Strategic Plan 2020 -2025 occurred in February 2023 to ensure its currency, that it reflects our strategic objectives, looks at potential business opportunities and reviews the Organisation's long term financial goals.

I am pleased to advise that in August 2022, Nicole Mullen was appointed as the new CEO following the resignation of the previous CEO, Kim White in July 2022. Nicole has provided exemplary leadership, dedicated service and commitment to her role, as well as support to all staff of our Organisation and the Board of Directors.

We welcomed two new members to the Board, firstly Nick Chard in February 2023 following the resignation of Trevor Wisemantel in January 2023, and then Brenda Perrett in May 2023 following the resignation of Warren Fischer in February 2023. We thank both Trevor and Warren for their valued contribution to the Board over many years. My sincere appreciation is extended to all Board members for their ongoing support, dedication, and expertise in ensuring that Club Old Bar, Club West and Club Old Bar Motel remain highly successful.

I would also like to express the Board's appreciation to the many inhouse sporting clubs, groups and volunteers who have given their time selflessly to enhance the facilities and encourage friendship amongst members, with a special thank you to the members who have helped with the upkeep of bowling greens and surrounds at Club Old Bar and Club West. A special mention is made of Board Member, Jan Wallace and the volunteers in initiating the junior Rookie Rollers Bowls Program on Friday evenings at Club Old Bar which has proved to be so successful.

Finally on behalf of the Board, Management and Staff I would like to thank you, our members and visitors for your ongoing loyalty and support of Club Old Bar, Club West and Club Old Bar Motel.



Wayne Deer
President

TREASURER'S REPORT

On behalf of the Board of Directors, CEO and Management Team it is pleasing to report on the Audited Financial Statements of Old Bar Beach Bowling Club Limited for the financial year ending 30 June 2023. The excellent result of a Net Profit of \$1,117,172 was reflective of the ongoing disciplines and controls put in place by the Board of Directors and delivered by the CEO and Management Team.

A summary of specific Balance Sheet performance is provided as follows, (It being noted that comparatives are difficult in the 2023 financial year compared to 2022 due to 2022 including Covid-19 shutdown periods).

Total Revenue increased by 30.77% from \$6,470,505 (2022) to \$8,461,998 (2023) comprising of:

- Bar Sales increased by 44%.
- Catering Sales for Club Old Bar increased by 2%, despite only including catering sales at Club Old Bar until March 2023.
- Motel Income was \$1,009,000 compared to \$681,000 for the 2022 year.
- Poker Machine Revenue increased by 31.69%.
- Interest received was higher due to increasing interest rates available on investments.
- Insurance claims were higher due to the claim for the storm damage to the bowling green at Club West.
- Commissions increased by \$33,585.
- All other revenue items were higher than 2022 due to no COVID shutdowns impacting the trading year.

Other Income of \$56,544 (\$190,025 in 2022) represents profit on sale of plant and equipment and rent on the Oasis Bistro at Club West. 2022 included the receipt of COVID 19 subsidies of \$147,395.

Total Expenditure represents a 25.91% overall increase in expenses (2022: 1.0% overall decrease) and reflects the significant increase in revenue for the reporting period. Items of note are summarised as follows:

- Employee costs were 27.47% higher in 2023 (2022: increased by 20.54%). This reflects the payout to the previous CEO in July 2022, higher wage rates and no COVID shutdowns during the year.
- Depreciation and amortisation were \$811,948 versus \$817,642 in 2022. This is reflective of Capital aligned to the Board's diversification programme.
- Interest costs decreased due to the NAB loan for the Motel being paid out during the year.
- An increase of \$114,000 in poker machine duty due to increased turnover during the year.
- An increase in members amenities of \$40,000, increase in entertainment of \$33,964, an increase in promotions of \$90,000 and \$125,000 of additional repairs and maintenance were the significant movements in other expenses.
- Employee Benefits – a decrease in overall liabilities of \$106,690.

As evidenced in the Independent Auditors Report and the Balance Sheet of the Financial Statements for the year ended 30 June 2023, the Organisation continues to be in a very solid financial position. As at the 30 June 2023 the Club had tax losses of \$35,000 to carry forward with no tax payable. Whilst Total Group Assets have decreased from \$17,223,151 to \$16,887,154 this is a result of the purchase of new Capital Items.

At the 30 June 2023 Current Assets of (\$2,589,000) were in excess of Current Liabilities of (\$1,072,600).

The Board of Directors remain mindful of meeting the obligations of the financial requirements of the Organisation, including the key performance areas of the Old Bar Beach Bowling Club Limited Strategic Plan 2020-2025 in regard to good governance, financial sustainability, risk management, business development and growth, together with ensuring compliance with Accounting Standards and regulations. It is also pleasing to note that we have again achieved an Unqualified Audit.

Appreciation is extended to the CEO, Nicole Mullen, her Management Team and fellow Directors for their valued ongoing commitment to the financial success of the Organisation.



Wayne Deer
Acting Treasurer

CHIEF EXECUTIVES OFFICER'S REPORT

On behalf of the Board of Directors, I am pleased to present the 2023 Annual Report incorporating the Annual Financial Report for the year ending 30 June 2023 which details the financial result of a Net Profit of \$1,117,172.

This is an excellent result that is reflective of our three business units trading strongly as we have experienced a return to pre-Covid functioning of our Organisation. The result is a credit to our forward-thinking Board of Directors who continue to look at improving and diversifying our facilities to ensure we continue to focus on doing what we can do to support each other, our Members and our Community.

The Breakdown of the Net Profit of our Organisation is as follows:

- Club Old Bar - \$470,397
- Club West - \$349,249
- Club Old Bar Motel - \$297,526

The Oasis Bistro at Club West and the Blue Ocean Bistro at Club Old Bar continue to provide quality food at affordable prices. We thank and acknowledge Sam and Max Lee for their ongoing support of our Clubs.

To our Inhouse Clubs, who are an integral part of our Organisation and provide, sporting events, activities and interests for our members and visitors, we sincerely acknowledge and thank you for the enormous amount of time you give each week to ensure these Clubs run smoothly and the expectations and pressures that you experience at times is not taken for granted and is very much appreciated. This year has seen several championships won at State and Zone competitive levels, and to all the individuals and teams who were able to compete, congratulations to the winners and we hope you enjoyed a year of competitive spirit and fellowship.

Club West and Club Old Bar continue to be community driven and the contributions given back to the community through donations, sponsorship and the in-kind use of meeting rooms and facilities exceeded \$197,651.

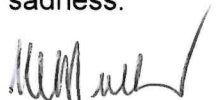
The greatest competitive edge our Organisation has is the quality of our employees which remains second to none. It is our team members who make the day-to-day activities happen. To each and every team member, thank you.

Our Management team of Barry Murray (Venue Manager), Cara Chard (Marketing Manager), Sharon Osborn (Functions Manager), Guy Fitzsimmons (Motel Manager), Robert Hendricks (Operations Manager), Holly Dains (Duty Manager), Andy Atkins (Duty Manager), Shane Nipperess (Duty Manager) and Connor Hutchinson (Duty manager), are to be congratulated and thanked for their ongoing dedication, commitment and hard work.

I am very fortunate and grateful to be working with an understanding and proactive Board of Directors, led by President Wayne Deer. We are extremely privileged to have a diverse wealth of knowledge and experience amongst our Board, and their informative approach and strategic planning in making decisions is reassuring to know that they have their hearts in the business, the members and the community. I acknowledge and thank you for the unquantified hours of work you perform behind the scenes, your strength, endurance, and guidance.

Finally, my thanks to all members for their support. Our Organisation is much more than bricks and mortar, our Organisation is about people and I am very grateful for your ongoing support

To all that lost loved ones throughout this year, our thoughts are with you and your families during this time of sadness.



Nicole Mullen

Chief Executive Officer

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2023

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 2023 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:

| | |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wayne Deer | President Appointed 21 October 2018 Retired Local Government Executive |
| Robert Cameron | Appointed 5 April 2022 Real Estate Agent |
| Jeffrey Brown | Appointed 20 December 2021 Electrician |
| Janeve Wallace | Appointed 16 October 2022 Retired |
| Garry Stewart | Appointed 16 October 2022 Retired |
| Nigel Chard | Appointed 28 February 2023 Manager |
| Brenda Perrett | Appointed 30 May 2023 Retired |
| Trevor Wisemantel | Appointed 17 October 2010 Resigned 11 January 2023 Retired Banking Executive |
| Warren Fischer | Appointed 23 October 2016 Resigned 8 February 2023 Financial Planning and Business Owner |
| Leonie Davidson | Appointed 18 October 2020 Resigned 16 October 2022 Retired General Manager Lower & Mid North Coast Cluster Hunter New England Area Health Service |
| Jamie Moorehead | Appointed 18 October 2020 Resigned 16 October 2022 Family Mental Health Senior Support Worker |

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

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' REPORT

Company Secretary

Ms Nicole Mullen was appointed Company Secretary on 10 July 2022 and has held the position since that time. Ms Mullen is the Chief Executive Officer of the business.

Description of Company

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

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.

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 after tax amounted to \$1,117,172 (2022: \$703,410).

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 | 7 | 7 |
| Warren Fischer | 8 | 8 |
| Janeve Wallace | 9 | 9 |
| Robert Cameron | 13 | 11 |
| Wayne Deer | 13 | 13 |
| Garry Stewart | 9 | 9 |
| Jeffrey Brown | 13 | 12 |
| Leonie Davidson | 4 | 1 |
| Jamie Moorehead | 4 | - |
| Nigel Chard | 5 | 4 |
| Brenda Perrett | 1 | 1 |

State of Affairs

In the opinion of the Directors there were no 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 \$2 towards meeting any outstanding obligations of the company. At 30 June 2023, the total aggregate amount members of the company were liable to contribute if the company was wound up was \$15,652 (2022: \$12,916).

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

DIRECTORS' REPORT

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 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.



Wayne Deer
Director



Jeffrey Brown
Director

Dated this 29th day of August 2023

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 2023 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 29th day of August 2023

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 2023**

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------------------------|------|-------------|-------------|
| Revenue | 2 | 8,461,998 | 6,470,505 |
| Other income | 2 | 56,544 | 190,025 |
| Cost of sales | | (1,532,113) | (1,158,691) |
| Employee benefits expense | | (2,458,369) | (1,928,567) |
| Depreciation and amortisation expense | | (811,948) | (817,642) |
| Finance costs | | (18,259) | (37,454) |
| Other expenses | 3 | (2,585,835) | (1,940,075) |
| Profit/(loss) before income tax | | 1,112,018 | 778,101 |
| Income tax expense | | 5,154 | (74,691) |
| Profit/(loss) for the year | | 1,117,172 | 703,410 |
| Other Comprehensive income/ (loss) for the year | | - | - |
| Comprehensive income/ (loss) for the year | | 1,117,172 | 703,410 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

| | Retained Earnings \$ | Asset Revaluation Reserve \$ | Total \$ |
|----------------------------------------------------------------|----------------------------|---------------------------------------|-------------|
| Balance at 30 June 2021 | 13,931,072 | - | 13,931,072 |
| 2022 Profit/(loss) for the year | 703,410 | - | 703,410 |
| Other Comprehensive income/ (loss) for the year | - | - | - |
| Adjustment for recognition of deferred tax asset and liability | 23,496 | - | 23,496 |
| Balance at 30 June 2022 | 14,657,978 | - | 14,657,978 |
| 2023 Profit/(loss) for the year | 1,117,172 | - | 1,117,172 |
| Other Comprehensive income/ (loss) for the year | - | - | - |
| Balance at 30 June 2023 | 15,775,150 | - | 15,775,150 |

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 2023

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 1,459,386 | 2,315,956 |
| Trade and other receivables | 7 | 70,550 | 87,673 |
| Inventories | 8 | 62,601 | 85,191 |
| Financial assets | 9 | 868,504 | 368,492 |
| Other | 11 | 127,959 | 98,444 |
| TOTAL CURRENT ASSETS | | 2,589,000 | 2,955,756 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 13,681,739 | 13,637,655 |
| Deferred tax asset | 5 | 12,726 | 26,051 |
| Intangibles | 12 | 603,689 | 603,689 |
| TOTAL NON-CURRENT ASSETS | | 14,298,154 | 14,267,395 |
| TOTAL ASSETS | | 16,887,154 | 17,223,151 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 425,992 | 400,698 |
| Financial liabilities | 14 | 124,106 | 365,948 |
| Current tax liabilities | 5 | - | 38,393 |
| Employee benefits | 15 | 183,929 | 287,004 |
| Other | 16 | 338,573 | 579,596 |
| TOTAL CURRENT LIABILITIES | | 1,072,600 | 1,671,639 |
| NON-CURRENT LIABILITIES | | | |
| Financial liabilities | 14 | - | 831,772 |
| Deferred tax liabilities | 5 | 20,111 | 38,853 |
| Employee benefits | 15 | 19,293 | 22,909 |
| TOTAL NON-CURRENT LIABILITIES | | 39,404 | 893,534 |
| TOTAL LIABILITIES | | 1,112,004 | 2,565,173 |
| NET ASSETS | | 15,775,150 | 14,657,978 |
| EQUITY | | | |
| Retained earnings | | 15,775,150 | 14,657,978 |
| TOTAL EQUITY | | 15,775,150 | 14,657,978 |

The accompanying notes form part of these financial statements.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|------------------------------------------------------------|-----------|---------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers & sponsors | | 9,088,181 | 7,765,330 |
| Payments to suppliers and employees | | (6,964,426) | (5,208,003) |
| Interest received | | 14,077 | 2,690 |
| Finance costs | | (18,259) | (37,454) |
| Income taxes paid | | (38,656) | - |
| Net GST remitted to ATO | | (540,373) | (314,578) |
| Net cash provided by (used in) operating activities | 20 | <u>1,540,544</u> | <u>2,207,985</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of plant & equipment | | 69,938 | 42,630 |
| Purchase of property, plant and equipment | | (893,426) | (901,767) |
| (Investment)/redemption term deposits | | (500,012) | (19) |
| Net cash provided by (used in) investing activities | | <u>(1,323,500)</u> | <u>(859,156)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| (Repayment of) / Proceeds from borrowings | | (1,073,614) | (243,907) |
| Net cash provided by (used in) financing activities | | <u>(1,073,614)</u> | <u>(243,907)</u> |
| Net increase/ (decrease) in cash held | | (856,570) | 1,104,922 |
| Cash at beginning of financial year | 6 | 2,315,956 | 1,211,034 |
| Cash at end of financial year | 6 | <u>1,459,386</u> | <u>2,315,956</u> |

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 2023

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

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 – Simplified Disclosures as set out in Australian Accounting Standards.

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 29th August 2023 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 2023.

Accounting Policies

a. *Principal Activity*

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

b. *Income Tax*

Income tax expense comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

OLD BAR BEACH BOWLING CLUB LIMITED
ABN 98 001 068 104
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION CON'T

c. *Inventories*

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

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.

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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.

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 \$2.00 per member. At 30 June 2023 there were 7826 (2022: 6,458) 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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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

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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.

(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).

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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.

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.

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- l. 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.

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

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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).

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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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 | 2023 | 2022 |
|-----------------------------------------------------|-------------|-------------|-------------|
| | | \$ | \$ |
| NOTE 2: REVENUE & OTHER INCOME | | | |
| Operating activities | | | |
| - sale of goods & services | | 3,556,880 | 2,818,069 |
| - poker machine receipts | | 3,274,416 | 2,486,455 |
| - interest received | a. | 28,118 | 2,932 |
| - government subsidies received | | 34,360 | 34,360 |
| - other revenue | | 97,083 | 66,468 |
| - Motel | | 1,009,726 | 681,159 |
| - services revenue-member subscriptions | | 45,301 | 37,392 |
| - services revenue-green fees | | 43,335 | 32,322 |
| - services revenue-raffles | | 103,169 | 82,523 |
| - insurance recoveries | | 76,931 | 69,731 |
| - commissions | | 192,679 | 159,094 |
| Total Revenue | | 8,461,998 | 6,470,505 |
| Non-operating activities | | | |
| - Catering Rent | | 24,000 | - |
| - COVID 19 Stimulus | | - | 147,395 |
| - gain on disposal of property, plant and equipment | | 32,544 | 42,630 |
| Other income | | 56,544 | 190,025 |
| Total | | 8,518,542 | 6,660,530 |
| a. Finance Income | | | |
| Interest Received – other entities | | 28,118 | 2,932 |

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| | 2023 | 2022 |
|------------------------------------------------------------------------------------|-------------|-------------|
| | \$ | \$ |
| NOTE 3: OTHER EXPENSES | | |
| Included in other expenses are the following items requiring specific disclosure:- | | |
| Increase/(decrease) in employee provisions | (106,690) | 49,670 |
| Loss on sale of plant & equipment | - | 53,045 |
| Poker machine annual duty | 372,225 | 258,405 |
| Contract cleaning | 131,820 | 120,406 |
| Donations | 66,938 | 53,271 |
| Electricity | 161,722 | 154,920 |
| Insurance – general and workers compensation | 180,130 | 154,507 |
| Members amenities | 197,651 | 157,140 |
| Promotions | 229,567 | 138,081 |
| Repairs and maintenance | 351,480 | 224,112 |
| Audit Fees | 27,000 | 25,000 |

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

| | | |
|-----------------------------------------------|---------|---------|
| *includes termination payment to previous CEO | 592,856 | 488,171 |
|-----------------------------------------------|---------|---------|

Other related parties

A staff member related to a member of the Board received remuneration of \$24,076 during the year.

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| | 2023 \$ | 2022 \$ |
|---------------------------------------------------------------------------|----------------|---------------|
| NOTE 5: INCOME TAX | | |
| Recognised in the Statement of Comprehensive Income: | | |
| a. Income tax expense | | |
| Profit/(loss) before tax | 1,112,018 | 778,101 |
| Income tax using corporate tax rate 25% (2022: 25%) | 278,005 | 194,525 |
| Decrease in income tax expense due to: | | |
| — Income attributable to members | 283,159 | (119,834) |
| Total income tax expense / (benefit) in Statement of Comprehensive Income | <u>(5,154)</u> | <u>74,691</u> |
| b. Current tax liabilities | | |
| Current tax liabilities are attributable to the following: | | |
| Current tax expense | (5,154) | 74,691 |
| Deferred tax expense | 5,154 | (36,298) |
| | <u>-</u> | <u>38,393</u> |
| c. Deferred tax liabilities | | |
| Deferred tax liabilities are attributable to the following: | | |
| Accruals | 3,668 | 158 |
| Prepayments | 201 | 201 |
| Property, plant & equipment | 16,242 | 38,494 |
| | <u>20,111</u> | <u>38,853</u> |
| d. Deferred tax assets | | |
| Deferred tax assets are attributable to the following: | | |
| Employee benefits | 3,071 | 21,950 |
| Provision linked jackpot | 667 | 4,081 |
| Superannuation payable | - | 20 |
| Carry forward tax losses | 8,988 | - |
| | <u>12,726</u> | <u>26,051</u> |

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| | 2023 | 2022 |
|------------------------------------------|------------------|------------------|
| | \$ | \$ |
| NOTE 6: CASH AND CASH EQUIVALENTS | | |
| Cash on hand and at bank | 777,966 | 1,152,826 |
| Cash at bank – other | 109,461 | 104,101 |
| Cash at bank – Invest. Acc. At call | 571,959 | 1,059,029 |
| | <u>1,459,386</u> | <u>2,315,956</u> |

Interest is receivable on the above accounts. At 30 June 2023 this was between 0% and 2.6% (2022: 0% and 0.26%) pa.

NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT

| | | |
|----------------|---------------|---------------|
| Trade debtors | 26,281 | 25,633 |
| Sundry debtors | 44,269 | 62,040 |
| | <u>70,550</u> | <u>87,673</u> |

No provision for impairment is deemed necessary (2022: Nil) and there is no material exposure to any single receivable. All receivables are expected to be collected within 30 days.

NOTE 8: INVENTORIES

CURRENT

| | | |
|--------------------------|---------------|---------------|
| Finished goods – at cost | <u>62,601</u> | <u>85,191</u> |
|--------------------------|---------------|---------------|

NOTE 9: FINANCIAL ASSETS

Amortised cost Investments

| | | |
|------------------------------------------------------|----------------|----------------|
| Interest bearing bank term deposits < 3 months terms | 500,000 | - |
| Interest bearing bank term deposits > 3 months terms | 368,504 | 368,492 |
| | <u>868,504</u> | <u>368,492</u> |

The effective interest rate at 30 June 2023 was 3.91% (2022: 0.275%)

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| NOTE 10: PROPERTY PLANT & EQUIPMENT | 2023 | 2022 |
|------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| <i>LAND AND BUILDINGS</i> | | |
| Building work in progress – at cost | 75,033 | 24,531 |
| 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 | 15,098,633 | 15,098,633 |
| Provision for depreciation | (4,594,025) | (4,220,429) |
| | <u>10,504,608</u> | <u>10,878,204</u> |
| Total Land and Buildings | <u>11,506,492</u> | <u>11,829,586</u> |
| <i>PLANT AND EQUIPMENT</i> | | |
| Catering plant and equipment | 436,111 | 418,088 |
| Less Provision for depreciation | (275,731) | (240,280) |
| | <u>160,380</u> | <u>177,808</u> |
| Bar plant and equipment | 524,020 | 395,740 |
| Less Provision for depreciation | (331,423) | (302,347) |
| | <u>192,597</u> | <u>93,393</u> |
| Motor vehicles | 98,035 | 142,853 |
| Less Provision for depreciation | (95,985) | (101,592) |
| | <u>2,050</u> | <u>41,261</u> |
| Office equipment | 150,023 | 136,076 |
| Less Provision for depreciation | (117,659) | (103,726) |
| | <u>32,364</u> | <u>32,350</u> |
| Mini golf course | 165,653 | 158,436 |
| Less Provision for depreciation | (26,160) | (11,254) |
| | <u>139,493</u> | <u>147,182</u> |

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| NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONT.) | 2023 \$ | 2022 \$ |
|-------------------------------------------------------|--------------------------|--------------------------|
| Greens & outdoor equipment | 1,034,983 | 803,796 |
| Less Provision for depreciation | (600,762) | (559,997) |
| | <u>434,221</u> | <u>243,799</u> |
| Furniture & fittings | 669,013 | 616,160 |
| Less Provision for depreciation | (580,942) | (553,116) |
| | <u>88,071</u> | <u>63,044</u> |
| Other plant & equipment | 513,227 | 505,296 |
| Less Provision for depreciation | (384,485) | (334,765) |
| | <u>128,742</u> | <u>170,531</u> |
| Poker machines | 3,003,282 | 2,998,259 |
| Less Provision for depreciation | (2,181,794) | (2,361,945) |
| | <u>821,488</u> | <u>636,314</u> |
| Motel plant and equipment | 266,017 | 264,097 |
| Less Provision for depreciation | (90,176) | (61,710) |
| | <u>175,841</u> | <u>202,387</u> |
| Total plant & equipment | <u>2,175,247</u> | <u>1,808,069</u> |
| Total Property, Plant & Equipment | <u>13,681,739</u> | <u>13,637,655</u> |

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NOTE 10: 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 2022 | Adds | Disposals/ Transfers | Depreciation | 30 June 2023 |
|------------------------------|-------------|-----------|-------------------------|--------------|--------------|
| | \$ | \$ | \$ | \$ | \$ |
| Building – WIP see (b) below | 24,531 | 507,010 | (456,508) | - | 75,033 |
| 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 | 10,878,204 | - | - | (373,596) | 10,504,608 |
| Catering | 177,808 | 6,872 | 13,253 | (37,553) | 160,380 |
| Bar | 93,393 | 128,280 | - | (29,076) | 192,597 |
| Motor vehicles | 41,261 | - | (32,314) | (6,897) | 2,050 |
| Office equipment | 32,350 | 13,947 | - | (13,933) | 32,364 |
| Mini golf course | 147,182 | 7,217 | - | (14,906) | 139,493 |
| Greens & outdoor equipment | 243,799 | 231,187 | - | (40,765) | 434,221 |
| Furniture & fittings | 63,044 | 52,853 | - | (27,826) | 88,071 |
| Other plant | 170,531 | 28,082 | (16,930) | (52,941) | 128,742 |
| Poker machines | 636,314 | 230,412 | 140,751 | (185,989) | 821,488 |
| Motel plant & equipment | 202,387 | 1,920 | - | (28,466) | 175,841 |
| TOTAL excluding WIP | 13,613,124 | 700,770 | 104,760 | (811,948) | 13,606,706 |
| TOTAL including WIP | 13,637,655 | 1,207,780 | (351,748) | (811,948) | 13,681,739 |

| | 2023 \$ | 2022 \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| b. Carrying Amount of Plant and Equipment in the Course of Construction | 75,033 | 24,531 |
| Work in progress relates to council application, demolition costs, design fees, and construction costs to date for work on roof at Club West, payments re Black Summer Grant projects and the deposit on the green replacement at Club West. | | |

Core Property

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

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|------------------------------|-------------|-------------|
| | \$ | \$ |
| NOTE 11: OTHER ASSETS | | |
| CURRENT | | |
| Prepayments | 127,959 | 98,444 |

NOTE 12: INTANGIBLES

| | | |
|------------------------------------|---------|---------|
| Poker machine entitlements at cost | 603,689 | 603,689 |
|------------------------------------|---------|---------|

| | |
|---------------------------------------|-------------------------------------------|
| Movement in written down value | Poker Machine Entitlements |
| | \$ |
| Opening balance at 1 July 2022 | 603,689 |
| Amortisation charge | - |
| Closing balance at 30 June 2023 | 603,689 |

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 2023 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 2023.

| | 2023 | 2022 |
|------------------------------------------|-------------|-------------|
| | \$ | \$ |
| NOTE 13: TRADE AND OTHER PAYABLES | | |
| CURRENT | | |
| Trade creditors | 215,526 | 133,229 |
| Other creditors & accruals | 143,948 | 133,193 |
| GST payable | 38,839 | 105,361 |
| PAYG Withholdings payable | 23,947 | 25,940 |
| Monies held in trust | 3,732 | 2,975 |
| | 425,992 | 400,698 |

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 14: FINANCIAL LIABILITIES

| | 2023 | 2022 |
|-------------------------------|------------------|------------------|
| | \$ | \$ |
| CURRENT | | |
| NAB loan | - | 300,000 |
| Poker machine finance | 124,106 | 65,948 |
| TOTAL CURRENT | <u>124,106</u> | <u>365,948</u> |
| <i>NON-CURRENT</i> | | |
| NAB Loan | - | 800,000 |
| Poker machine finance | - | 31,772 |
| TOTAL NON-CURRENT | <u>-</u> | <u>831,772</u> |
| <i>Finance facilities</i> | | |
| Asset finance facility | 100,000 | 100,000 |
| Utilised | - | (34,176) |
| Unused | <u>100,000</u> | <u>65,824</u> |
| Loan facility | d. 1,200,000 | 2,500,000 |
| Utilised | - | (1,100,000) |
| Unused | <u>1,200,000</u> | <u>1,400,000</u> |
| Credit card facility | 14,000 | 14,000 |
| Utilised | (1,428) | - |
| Unused | <u>12,572</u> | <u>14,000</u> |

- a. The National Australia Bank has a registered security interest over "all present and after acquired property."
- b. NAB have provided an asset finance facility to the Company with a \$100,000 limit. At 30 June 2023 this had not been used.
- 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 was repaid during the year. NAB continue to provide a lending facility with a limit of \$1,200,000 which has not been drawn at 30 June 2023.

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15: EMPLOYEE BENEFITS

| | 2023 | 2022 |
|---------------------|----------------|----------------|
| | \$ | \$ |
| <i>Current</i> | | |
| Accrued holiday pay | 156,085 | 233,327 |
| Accrued RDO's | 15,426 | 31,984 |
| Long Service Leave | 12,418 | 21,693 |
| | <u>183,929</u> | <u>287,004</u> |
| <i>Non-current</i> | | |
| Long Service Leave | <u>19,293</u> | <u>22,909</u> |

NOTE 16: OTHER LIABILITIES

| | | |
|--------------------------|----------------|----------------|
| Subscriptions in advance | 80,853 | 65,641 |
| Income in advance | 1,586 | 7,740 |
| Grants in advance | 256,134 | 506,215 |
| | <u>338,573</u> | <u>579,596</u> |

NOTE 17: CAPITAL AND LEASING COMMITMENTS

a. *Finance Lease Commitments*

| | | |
|----------------------------------|----------------|---------------|
| Payable — minimum lease payments | | |
| — not later than 12 months | 124,106 | 66,945 |
| — between 12 months and 5 yrs | - | 31,772 |
| — greater than 5 yrs | - | - |
| Minimum lease payments | <u>124,106</u> | <u>98,717</u> |
| Less future finance charges | - | (997) |
| | <u>124,106</u> | <u>97,720</u> |

Capital Commitments

The Company have committed to upgrades to the kitchen & storeroom, toilets and showers, outdoor playground equipment, entry shade and walkways and roof, solar and air conditioning upgrades as well as the purchase of a modular community operations unit at Old Bar. The Company will receive funding from a Stronger Communities Grant of \$689,892 and must contribute \$689,892 towards this project from cashflow. Works are currently underway.

Under the Black Summer Bushfire Recovery Grant Program, the Company have committed to the installation of a generator for \$201,159. Of this cost \$127,000 will be funded from a government grant with the Company contributing \$74,159 towards the cost from its cashflow.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Capital Commitments con't

The Company are also investigating the replacement of the roof and other structural requirements to ensure the structural integrity of the facility. Cost of these works are yet to be determined.

**NOTE 18: CONTINGENT LIABILITIES
AND CONTINGENT ASSETS**

2023
\$ **2022**
\$

Contingent Liabilities

Bank guarantee facility to the TAB.

5,000 5,000

No other contingent liabilities existed at 30 June 2023

The Company have entered into Type 4C 12 month agreements with Aristocrat for purchase of poker machines. At the end of the 12 month period the company is required to purchase another licence for the machines or return the games to Aristocrat. At the date of the report the Company intends to purchase new licences. Cost is not known at this time.

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2023 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 2023.

NOTE 20: CASHFLOW INFORMATION

2023
\$ **2022**
\$

**Reconciliation of Cash Flow from Operations with
Profit after Income Tax**

| | | |
|--------------------------------------------------------------|------------------|------------------|
| Profit after income tax | 1,117,172 | 703,410 |
| Non-cash flows in profit | | |
| Depreciation & amortisation | 811,948 | 817,642 |
| Net (gain)/loss on disposal of property, plant and equipment | (32,544) | 10,415 |
| Increase/(decrease) income tax payable | (43,810) | 74,691 |
| Changes in assets and liabilities | | |
| - (Increase)/decrease in trade receivables | 17,123 | (30,425) |
| - (Increase)/decrease in prepayments | (29,515) | (7,693) |
| - (Increase)/decrease in inventories | 22,590 | 16,377 |
| - Increase/(decrease) in trade payables and accruals | 25,294 | 63,796 |
| - Increase/(decrease) in income in advance | (241,023) | 510,102 |
| - Increase/(decrease) in employee benefits | (106,691) | 49,670 |
| Cash flow from operations | <u>1,540,544</u> | <u>2,207,985</u> |

OLD BAR BEACH BOWLING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 21: 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 22: COMPANY DETAILS

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

1 Belford Street
Old Bar NSW 2430

NOTE 23: 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:

| | | 2023 \$ | 2022 \$ |
|----------------------------------------|-------------|------------------|------------------|
| | Note | | |
| <i>Financial Assets comprise:</i> | | | |
| Cash and cash equivalents | 6 | 1,459,386 | 2,315,956 |
| Receivables | 7 | 70,550 | 87,673 |
| Amortised cost investments | 9 | 868,504 | 368,492 |
| | | <u>2,398,440</u> | <u>2,772,121</u> |
| <i>Financial Liabilities comprise:</i> | | | |
| Borrowings at amortised cost | 14 | 124,106 | 1,197,720 |
| Trade and other payables | 13 | 425,992 | 400,698 |
| | | <u>550,098</u> | <u>1,598,418</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
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DIRECTORS' DECLARATION

The directors of the company declare that:

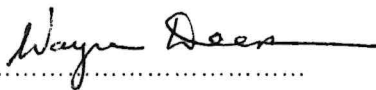
1. The financial statements, comprising the:

- Statement of Financial Position as at 30 June 2023,
- 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 Statements

are in accordance with the Corporations Act 2001, comply with Australian Accounting Standards – Simplified Disclosures and give a true and fair view of the financial position of the company, as at 30 June 2023 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: Wayne Deer


.....

Director: Jeffrey Brown

Dated this 29th day of August 2023

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 2023, 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 2023 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 2023, 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.

Liability limited by a scheme approved under Professional Standards Legislation

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.

Liability limited by a scheme approved under Professional Standards Legislation

**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 30th August 2023