



**2022-23**

# **ANNUAL REPORT**

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**OAK FLATS BOWLING & RECREATION CLUB AND  
ILLAWARRA YACHT CLUB**

**A DIGITAL COPY OF THE ANNUAL REPORT  
CAN BE FOUND VIA OUR WEBSITE.**

**[WWW.OFBRCIYC.COM.AU](http://WWW.OFBRCIYC.COM.AU)**

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# CLUB LEADERSHIP TEAM

2022-23



**Neil Dawson**  
Chairman



**Jessie Pill**  
Director



**Donald Brown**  
Director



**Wendy Steyer**  
Director



**Tony Guarnaccia**  
Director



**Lyn Wilke**  
Director



**Glen Cowling**  
Director



**Debbie Organ**  
Chief Executive Officer



**Kevin Murphy**  
Men's Bowling  
President



**Faye Newman**  
Ladies Bowling  
President

# NOTICE OF AGM & RESOLUTIONS

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THE SIXTY FIFTH ANNUAL GENERAL MEETING OF THE OAK FLATS BOWLING & RECREATION CLUB LIMITED WILL BE HELD AT THE OAK FLATS BOWLING CLUB ON SUNDAY 14TH JANUARY 2024 AT 9:30AM.

## **AGENDA**

1. Apologies.
2. To adopt and confirm the Minutes of the previous Annual General Meeting.
3. To receive the Director's Report to members.
4. To receive the Audit Risk & Finance Committee's Report to members.
5. To receive and consider the Income Statement, Balance Sheet, Financial Statement(s) and the Auditor's Report for the period of 2022-23.
6. To consider the Ordinary Resolutions set out below.
7. To receive the declaration of Ballot from the Returning Officer for the election of Directors.
8. To deal with any other approved business of which due notice has been given.

Members are requested to provide notice of any questions such as those relating to specific legislative or financial matters to the Club's Chief Executive Officer at least fourteen (14) days prior to the Annual General Meeting, in order that the answers thereto may be researched and, if required, a complete answer given.

## **ORDINARY RESOLUTIONS (Expenses, Honorariums and Benefits)**

To be passed, these resolutions require the approval of at least fifty per cent (50%) of the votes cast by the members at the meeting and entitled to vote on the resolutions.

1. That pursuant to the Registered Clubs Act 1976, the members hereby approve expenditure by the Club until the next Annual General Meeting in respect of the following benefits to members of the Board and the members further acknowledge that the benefits outlined in subparagraphs (a) to (f) below are not available to members generally but only those members who are elected Board members of the Club and shall be limited to forty thousand dollars (\$40,000).

- (a) A reasonable meal and refreshment to be associated with each Board meeting of the Club.
- (b) Provision of blazers and uniform for use of Directors when representing the Club.
- (c) The reasonable cost of Directors attending meetings, Registered Clubs, and other similar venues for the purpose of viewing and assessing their facilities and the method of operation, provided such attendances are approved by the Board as being necessary for the betterment of the Club.
- (d) The reasonable cost of Directors attending the ClubsNSW Annual General Meeting or similar meetings as may be determined by the Board from time to time.
- (e) The reasonable cost of Directors attending seminars, lectures, trade displays, associated Club functions and other similar events, as may be determined by the Board from time to time.
- (f) The reasonable cost of an electronic device (for example a laptop computer, iPad, tablet, or similar device) being made available to directors in respect of their duties as directors.

2. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve an honorarium be paid to the Chairperson of the Board for services as the Chair of the Board until the next Annual General Meeting with such Honorarium to be in the amount of twelve thousand dollars (\$12,000) and to be paid in monthly instalments for services for the previous month but only when those services are actually provided and further provided that if the Chairperson is absent for a period of 3 or more months without receiving any honorarium and another Director or other Directors fill the role of Chairperson in his/her absence then, provided that Director or those Directors carry out the role of Chair as set out in the Club's Board Charter, they shall be entitled to receive the monthly instalment of the honorarium otherwise payable to the Chairperson instead of receiving the monthly instalment of the honorarium otherwise payable to Directors of the Club.

3. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve an honorarium be paid to the Chairperson of the Audit Risk & Finance Committee of the Board (also known as The Treasurer) for services as the Chair of that committee until the next Annual General Meeting with such honorarium to be in the amount of ten thousand dollars (\$10,000) and to be paid in monthly instalments for services provided for the previous month but only when those services are actually provided.

4. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members approve an Honorarium be paid to each Director, excluding the Chairperson of the Board and the Chairperson of the Audit Risk & Finance Committee, for services as directors until the next Annual General Meeting with such honorarium to be:

(a) Two hundred & fifty dollars (\$250) per month; or

(b) Five hundred dollars (\$500) per month if the Director is elected to a subcommittee of the Board (such committees would include, but not be limited to, the Audit Risk & Finance Committee, Disciplinary Committee, Corporate Governance Committee and Remuneration Committee) and the Director attends a meeting of the subcommittee during the month. For the avoidance of doubt, a Director is entitled to a maximum of one only Honorarium in respect of duties performed on sub committees.

5. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve the following honorariums being paid to the following officers of the Men's and Women's Bowling sections for services until the next Annual General Meeting (with the honorariums to be paid in agreed instalments):

(a) Men's President- One thousand three hundred dollars (\$1,300) per annum

(b) Men's Welfare Officer- Two hundred dollars (\$200) per annum

(c) Occasional Men's Bowls Secretary and Occasional Men's Assistant Bowls Secretary - up to Seventeen hundred dollars (\$1,700) per annum each which will be paid by weekly instalments of \$100 but only when the services are required by the Board or the Chief Executive Officer and are actually provided and not paid in weeks when the services are not required and not provided. Under no circumstances shall the payment exceed \$1,700 per annum for either of the 2 positions.

(d) Men's Chairman of the Match Committee - Five hundred dollars (\$500) per annum

(e) Men's Members Representative- Five hundred dollars (\$500) per annum

(f) Men's Chairman of Selectors (only if there is no Bowls Co-Ordinator) - Five hundred dollars (\$500) per annum

(g) Women's President - One thousand four hundred dollars (\$1,400) per annum

(h) Women's Secretary - One thousand two hundred dollars (\$1,200) per annum

(i) Women's Treasurer - One thousand dollars (\$1,000) per annum

(j) Women's Vice President (2 positions) - Three hundred dollars (\$300) each per annum

(k) Women's Chair of Match Committee - Five hundred dollars (\$500) per annum

- (l) Women's Chair of Social Committee - Three hundred dollars (\$300) per annum
- (m) Women's Social Committee (2 positions) - Two Hundred dollars (\$200) each per annum
- (n) Women's Chair of Selectors - Three Hundred dollars (\$300) per annum
- (o) Women's Selector (2 positions) - One hundred and fifty dollars (\$150) each per annum
- (p) Women's Welfare Officer - Two hundred dollars (\$200) per annum

### **ELECTION NOTICE**

Life members and financial Bowling members of the Oak Flats Bowling and Recreation Club are eligible to stand for election to the Board of Directors of the Oak Flats Bowling and Recreation Club Ltd provided they meet the eligibility conditions detailed in the Clubs Constitution.

Nominations for the position of Director close on 24th December 2023.

There are three positions vacant – 3 Year Terms. Information in relation to the Election of Directors can be found on the Club's Web Page and on the Club's Notice board or by contacting the Club.

*Dated at Oak Flats 18th December 2023.*

*By direction of the Board of Directors*

**Debbie Organ**  
**Chief Executive Officer**

# PREVIOUS AGM MINUTES

## 64th AGM Oak Flats Bowling & Recreation Club

<b>Held At:</b>	Oak Flats Bowling Club Function Room
<b>Date:</b>	5th February 2023
<b>Start Time:</b>	9:30am
<b>In Attendance:</b>	Neil Dawson (Chairman), Jessica Pill, Wendy Steyer, Don Brown, Tony Guarnaccia, Lyn Wilke, Glen Cowling
<b>Chairman:</b>	Neil Dawson
<b>CEO:</b>	Debbie Organ
<b>Solicitor:</b>	Bruce Gotterson
<b>Auditor:</b>	Kim Reilly

1. Neil Dawson welcomed the special guests and members to the meeting.
2. The chairman requested all in the room stand for a minute silence for those members, guests and others who have passed.
3. Acknowledgement of Country by the Chairman.
4. Apologies:
  - Trevor Smith
  - Leanne Smith

### 5. Confirmation of previous minutes:

The chairman asked members to adopt and confirm the minutes of the previous Annual General Meeting.

*Moved:* Stirling Scard

*Seconded:* Paul Graham

*Carried*

### 6. Motion: To receive the Directors Report to members

*Moved:* Phil Buckley

*Seconded:* Margaret Renko

*Motion Carried*

### 7. Motion: To receive the Audit, Risk & Finance Committee Report

*Moved:* Bert Casadio

*Seconded:* Mary Clements

*Motion Carried*

### 8. Motion: To receive the annual financial statements of the Oak Flats Bowling Club for the period ending 30 June 2022.

*Moved:* Bert Casadio

*Seconded:* Gary Flint

*Motion Carried*

9. Motion: To receive the declaration of ballot from returning official for the election of Directors. There were 2 vacancies and 2 nominations.

- Neil Dawson
- Don Brown

who was elected unopposed for a term of three (3) years.

*Moved:* Werner Steyer

*Seconded:* Kevin Murphy

*Motion Carried*

## 10. **ORDINARY RESOLUTIONS (Expenses, Honorariums and Benefits)**

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(b) Provision of blazers and uniform for use of Directors when representing the Club.

(c) The reasonable cost of Directors attending meetings, Registered Clubs and other similar venues for the purpose of viewing and assessing their facilities and the method of operation, provided such attendances are approved by the Board as being necessary for the betterment of the Club.

(d) The reasonable cost of Directors attending the ClubsNSW Annual General Meeting or similar meetings as may be determined by the Board from time to time.

(e) The reasonable cost of Directors attending seminars, lectures, trade displays, associated Club functions and other similar events, as may be determined by the Board from time to time.

(f) The reasonable cost of an electronic device (for example a laptop computer, iPad, tablet or similar device) being made available to directors in respect of their duties as directors.

*Moved:* John Noble

*Seconded:* Jerry Mann

*Carried*

2. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve an Honorarium be paid to the Chairperson of the Board for services as The Chair of the Board until the next Annual General Meeting with such Honorarium to be in the amount of twelve thousand dollars (\$12,000) and to be paid in monthly instalments for services for the previous month but only when those services are actually provided and further provided that If the Chairperson is absent for a period of 3 or more months without receiving any honorarium and another Director or other Directors fill the role of Chairperson in his/her absence then, provided that Director or those Directors carry out the role of Chair as set out in the Club's Board Charter, they shall be entitled to receive the monthly instalment of the honorarium otherwise payable to the Chairperson instead of receiving the monthly instalment of the honorarium otherwise payable to Directors of the Club.

*Moved:* John Noble

*Seconded:* Jerry Mann

*Carried*

3. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve an Honorarium be paid to the Chairperson of the Audit Risk & Finance Committee of the Board (also known as The Treasurer) for services as The Chair of that committee until the next Annual General Meeting with such Honorarium to be in the amount of ten thousand dollars (\$10,000) and to be paid in monthly instalments for services provided for the previous month but only when those services are actually provided.

*Moved:* Sterling Scard  
*Seconded:* David Smith  
*Carried*

4. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members approve an Honorarium be paid to each Director, excluding the Chairperson of the Board and the Chairperson of the Audit Risk & Finance Committee, for services as directors until the next Annual General Meeting with such Honorarium to be:

- a) Two hundred & fifty dollars (\$250) per month; or
- b) Five hundred dollars (\$500) per month if the Director is elected to a subcommittee of the Board (such committees would include, but not be limited to, the Audit Risk & Finance Committee, Disciplinary Committee, Corporate Governance Committee and Remuneration Committee) and the Director attends a meeting of the subcommittee during the month. For the avoidance of doubt, a director is entitled to a maximum of one only Honorarium in respect of duties performed on sub committees.

*Moved:* Jerry Mann  
*Seconded:* Rob Usher  
*Carried*

5. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve the following honorariums being paid to the following officers of the Men's and Women's Bowling sections for services until the next Annual General Meeting (with the honorariums to be paid in agreed instalments):

- a) Men's President - One thousand three hundred dollars (\$1,300) per annum
- b) Men's Welfare Officer - Two hundred dollars (\$200) per annum
- c) Occasional Men's Bowls Secretary and Occasional Men's Assistant Bowls Secretary - up to Seventeen hundred dollars (\$1,700) per annum each which will be paid by weekly instalments of \$100 but only when the services are required by the Board or the Chief Executive Officer and are actually provided and not paid in weeks when the services are not required and not provided. Under no circumstances shall the payment exceed \$1,700 per annum for either of the 2 positions.
- d) Men's Chairman of the Match Committee - Five hundred dollars (\$500) per annum
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- f) Men's Chairman of Selectors (only if there is no Bowls Co-Ordinator) - Five hundred dollars (\$500) per annum.
- g) Women's President - One thousand four hundred dollars (\$1,400) per annum
- h) Women's Secretary - One thousand two hundred dollars (\$1,200) per annum
- i) Women's Treasurer - One thousand dollars (\$1,000) per annum
- j) Women's Vice President (2 positions) - Three hundred dollars (\$300) each per annum
- k) Women's Chair of Match Committee - Five hundred dollars (\$500) per annum
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- n) Women's Chair of Selectors - Three Hundred dollars (\$300) per annum
- o) Women's Selector (2 positions) - One hundred and fifty dollars (\$150) each per annum
- p) Women's Welfare Officer - Two hundred dollars (\$200) per annum

*Moved:* Bert Casadio  
*Seconded:* Gary Flint  
*Carried*

John Noble asked why there was no motion for approval on Incentives and in particular Sailing Incentives. CEO advised that she had requested they be removed as we are currently reviewing what has been paid by the club previously, but clear that in previous years, honorariums to Sailing Members (including repairs) exceeded the \$50,000 maximum approved by members, and as such current CEO could not assign her name to this motion. Report on current year payments and future arrangements will be provided at next AGM.

**Meeting Closed: 10:40am**

Followed by CEO presentation: The good, the bad and the ugly for those members who wished to stay.

# CEO REPORT

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**"Every challenge, every adversity, contains within it the seeds of opportunity and growth "**  
-Roy Bennett

I noted in last year's CEO report, that when we looked in the rear vision mirror, we reflected on what was a scary, tumultuous, and straining time for us all over the past few years. The word 'unprecedented' is the only word that comes to mind, as we encountered drought, fires, floods, pandemic, overseas war and economic woes.

From 2020-2021, after the first lockdown, the financials showed an abnormal spike in income, experienced around the country for all venues, when gaming increased to unprecedented levels, as well as some \$700,000 in government grants being paid to the club.

The financial year 2021-2022 was more challenging for both the Club and the industry at large with another closure of the clubs from 26th June 2021, continuing until 18th October 2021. In all, your clubs were closed for 109 days during the year (compared to only 8 days in the 2021 financial year).

Upon reopening, trade continued to be restricted by:

- Members and guests being slow to return for fear of new covid variants. The spike in revenue experienced after the first lockdown was not repeated.
- Social distancing requirements
- Mask, vaccination and contact requirements
- Limited capacities
- Chronic staff shortages due to illness and isolation protocols, required us to reduce services at short notice.

Total revenue dropped from \$13.8m in 2021 to \$8.4m in 2022, and we reported cash profit before depreciation & amortisation of \$638,017 and a net loss (after depreciation and amortisation) of \$743,035. As at 30 June 2023, revenue increased to stand at \$13.72 million, and we recorded a cash profit before depreciation and amortisation of \$813,752 and a net loss (after depreciation and amortisation) of \$536,890. It is important to note that this positive cash flow is a significant achievement considering the substantial investment made in both clubs (in terms of repairs and maintenance, refurbishment and new assets), and a backdrop of challenging economic conditions, increased costs and rising wage costs.

## The Journey

It was after the pandemic that I walked into the clubs as the CEO, and the enormity of the work to ensure both clubs survived was clear to see. What first struck me, was the physical state of both clubs. In both cases, most areas of the club were unacceptable.

Along with a new management team, and the board, we set about looking at critical areas that would ensure our ongoing success into the future. The club industry lifecycle is in decline and the number of clubs in NSW has reduced over the years, and we suspect will continue to, so we need to be continually reviewing our operating environment to ensure we compete and stay relevant. To succeed and not become a club statistic, we need to focus on good governance, good culture and the ability to change and adapt to our environment, and in particular, ensuring we look to reducing our reliance on gaming. We need to ensure our facilities are in line or better than our competitors.

We have invested considerable time and money in reviewing the premises and operations of both venues. We firstly addressed, and continue to address, WH&S concerns and have done considerable repairs and maintenance to both venues, as well as our investment properties to ensure they are safe and of acceptable standard. We have replaced a substantial amount of equipment in disrepair including refrigeration, cooking, audio, visual and communications equipment. Substantial repairs have been done to both venues to repair leaks, rust, and other concerns as well as start to improve the look and feel of the club, with painting inside and out, and new carpets at the bowling club substantially improving the ambience. The gaming rooms at both venues were refurbished, both outdoor gaming rooms were rebuilt, new bases were installed in all gaming areas and the gaming installation itself, which was below industry standard, is being updated with new machines. Subsequent to balance date, the club installed 8 new machines at each club, the largest gaming machine investment by the club in many years.

Of note, substantial work has been done in terms of the electricals at both clubs, to ensure maximum safety. We have literally removed all cords in every gaming machine base, all electrical cords in the roof have been replaced and we replaced almost every light fitting. We have, at considerable time and cost, installed brand-new

and updated communications, racks, gaming servers and communications/IT server equipment, as existing systems were on the verge of total collapse. Also, subsequent to balance date, we have noted that the air conditioning unit at the bowling club is on the brink of being totally unusable, and new equipment is on order and expected to be installed in late January.

Other technology is not up to standard, yet a requirement of being allowed to open under the legislation, the club's CCTV servers and cameras are being replaced. The IYC server had previously crashed, which means if not replaced, the club would have to close. All cameras are expected to be replaced by the end of January 2024 at both clubs, with additional cameras added to meet the growing needs of the club.

We are reviewing our entire operations and looking for ways to improve services, offerings, and new entertainment, with a view to increasing not only revenue, but diverse revenue streams. Literally everything we do, and why, is under the microscope and under review.

On arriving at the club, the finance system raised concerns and has been discussed at the last AGM and member's information session. We have addressed this risk, (at considerable time, and expense) with the assistance of a leading accounting advisory firm, and are currently running an integrated, automated and user-friendly Xero system. This gives integrity to the financial reports and allows information to be readily available. The ancillary cost of this exercise, however, was that it raised questions that we are currently investigating, which have been time-consuming and stressful on the finance administration team. I thank them for their outstanding work over the year.

I previously advised that in reviewing all contracts, we identified a Crown Licence over the jetties and pontoons at the Illawarra Yacht Club, which is of concern. When the club amalgamated in 2013, it signed a license for use of the jetty, pontoons and ramp for a fee to the Crown, however, I suspect no one read the terms and conditions, which included the club would take over maintenance and repair for structures which were not only already old and in need of repair, but for assets, it did not own! I consider to be an unacceptable cost to the club, and we are looking at all options, in conjunction with the Crown and Local Members office. During the review of contracts, we also reviewed the club's Freedom Rewards Program, which on review was not appropriate. Substantial work went into developing a new rewards program, 'My Rewards', which we successfully launched on 1 July 2022.

Your new rewards program rewards all members for their patronage at both our venues, across all areas of the business, and has resulted in numerous successful member draw events. The rewards program has been a great success; appreciates and rewards all member spending, meets all legislative requirements, as well as reducing the previous gaming promotions expense by over \$800,000.

In setting up the new rewards program, we also identified that membership numbers previously reported in excess of 20,000 was inaccurate in that members had to be members of each club. On consolidation on 1 July 2022, we had 12,842 paid financial members. As of December 2023, this had increased to 16,100.

Of course, the major threat to the club industry generally is legislative changes. We are involved with the controversial issues of gaming and alcohol supply. We have a social license to operate, and the government and public should rightly demand that we act not only within the legislation but arguably, more important, ethically. Both the board and I are continually updating ourselves with changes in legislation, training and correcting any issues of concern. In this area, not only is the club liable for non-compliance, but the directors and I are personally liable.

We have been vigilant in monitoring AML/CTF compliance and have already trained staff in the new advanced gaming course, which flips on its head previous legislation known as Responsible Conduct of Gaming, by increasing the liability and responsibility of the club to monitor the well-being of our gaming members. We have invested in Responsible Service of Alcohol and Responsible Conduct of Gaming face-to-face training and refresher training for staff and will be arranging continual training throughout the year.

Financially, we are working on diversified and new income streams, to reduce our reliance on gaming revenue, against a backdrop of legislative change as a result of the ongoing bad press and litigation of the likes of Crown Resorts and Star Entertainment Group, and subsequent press regarding ASIC action against the current and past directors of Star Entertainment. Whilst we continue to monitor these events, it is fair to say that the result will be increased legislation, likely in the form of a cashless gaming card, which is currently being trialed in clubs around the state.

Given we are increasingly cashless in every other area of business, including our own, it's hard to argue against a cashless gaming card if it helps to stop washing illegally gained funds.

It is proposed that such a card will also allow users to set a maximum pre-commitment limit of what they can afford to spend on a daily basis, which I personally think is the right decision to assist those vulnerable individuals who may be prone to misjudging their spending (which can have detrimental consequences). The details of what is proposed will be clearer in the coming year and whilst we may see a reduction in our gaming revenue, should this be introduced, our social license requires us to act in the best interest of our patrons, and we have a duty of care for their wellbeing, already reflected in the new Advanced Responsible Gaming courses. Also, new machines delivered to both clubs after 1 July 2023, have the new \$500 maximum deposit software aimed to minimise both money laundering and gaming harm.

### **Community**

Our commitment to our local community continued. Our direct community contributions which include Club Grants, donations, community expenditure and in-kind support amounted to \$117,840. Our major donations centered around services that assisted families in need, domestic violence, homelessness, mental health and cancer survivor support.

We also completed our second annual Club Sleepout for the Homeless, with the aim of putting the spotlight on the increasing number of people sleeping rough, including the Illawarra.

### **Our Team**

The greatest asset any organisation has is its staff, and this is particularly true of the 111 staff who work across both Oak Flats Bowling Club and the Illawarra Yacht Club. The management team and staff are to be commended for their ability to adapt to the many changes within both clubs, particularly over the last 18 months, and for all their hard work in all areas, particularly during renovations. Well done to our Venue Managers, Rick and Molly; our Human Resources Manager Shelley, who led the team with the utmost professionalism and our Marketing guru, Rochelle, who only ever makes our clubs and events look amazing.

Special mention to the Finance team, Shannon, Laura and Sharon who have been resilient in some stressful times as we worked long hours to change and automate our financial reporting policies, procedures and system. An amazing job! Our Greenkeeping/maintenance team, led by Scott Fackender are the best in the business. Not only are our greens first class, but the entire team worked long hours and weekends to help with both substantial repairs and renovations, and always with a smile on their face. Nothing is ever too much trouble and I thank them immensely.

We have numerous long-term staff, and recently two of these staff decided to retire. On behalf of all at the club, I would like to particularly thank Dianne O'Neil who retired after 32 years at the club, and Kim Beddie who retired after 24 years. We thank you both for your many years of service and friendship with staff and members.

I would like to thank the Board, under Neil Dawson's leadership, for your outstanding contribution and commitment of expertise and time, particularly under some challenging circumstances. Thank you to Jessie Pill, who has stepped down from the board, for her contribution over many years.

On a sad note, our long-term lawyer, Bruce Gotterson passed away suddenly in November. Bruce was a constant support and genuinely loved the club industry. He will be sadly missed, and we send our condolences to his family.

I would also like to thank you the members for your continued patience, patronage, and support.

Thank you for choosing us as your club of choice. We also keep in our thoughts those members who have passed.

**Debbie Organ- Chief Executive Officer**

# AUDIT RISK, FINANCE & GOVERNANCE COMMITTEE REPORT

Please find attached the financial accounts for the period ending 30 June 2023.

What a year it has been.

Financial data integrity is critical to the success of any business, let alone clubs of our size. Financial data should possess the characteristics of being valid, accurate, consistent, timely and complete. Previous processes and systems were not considered adequate to meet the ongoing growth of the organisation, so we set about transforming our systems to Xero.

With the assistance of a major accounting firm, whilst challenges were encountered, the exercise means the club has an automated finance system, that will provide timely financials in the future. The accounting firm underestimated the size of the project, however, and delays were encountered but is now predominantly operational, although some transitional works are required to link our gaming Ebet system.

Whilst the cost of the Xero transformation was substantial (some \$215,000 including audit fees), and time-consuming for staff, we now producing financial data that meets our needs on a timely basis, with a finance team, fully trained, and cross-trained in each other's roles, rather than previously being with the responsibility of one person. All accounts in the future will also be reviewed by a small accounting firm who specialises in hospitality and has already given the team substantial training and advice in the Xero system.

Works are now required to review other practices within the club, with a full procurement review underway to ensure we are getting competitive pricing across all areas of the business and reviewing all suppliers and their costings, as our COGS are considered too high.

Whilst we worked through the new system, our annual financial results were delayed (and due to contingent issues noted below), however, going forward this has now been resolved and our next AGM will likely be held in September.

## PROFIT & LOSS STATEMENT

### Business Operations Revenue:

Area	OFBRC	IYC	2022-23	2021-22
Bar	\$1,252,825	\$836,436	\$2,089,261	\$1,092,190
Catering	\$1,083,351	\$1,852,912	\$2,936,264	\$1,562,128
Functions	\$25,461	\$41,041	\$66,502	-
Gaming	\$5,851,356	\$2,073,269	\$7,924,625	\$5,659,515
Other	\$394,729	\$244,783	\$639,514	-
Rental Income	-	\$63,944	\$63,944	\$63,788
Total	\$8,671,668	\$5,048,442	\$13,720,111	\$8,435,579

Revenue increased 62.6% (\$5.284 million) to stand at \$13.720 million in 2023 with increases over the previous year recorded as follows:

Bar: Increased \$997,072, an increase of 91.29%

Catering Income: Increased \$1.374m, an increase of 87.97 %

Function Revenue: Increased \$66,502 (100% increase as a new category to the club)

Gaming: Increased \$2.265m, an increase of 40%

Other Club Revenue: Increased \$581,555 an increase of 1,000%

The bar, catering and function revenue is a direct result of the work that has gone into not only improving facilities at the club, but also the new functions, entertainment, and events. Trivia at both clubs, the member's badge draw, the monthly swipe & win \$1000 prize draw, along with music and dinner shows have seen both clubs well supported.

The increase in gaming of \$2.65m is a result of the new and improved gaming rooms, which previously were way below industry standard. The outdoor gaming room at both clubs was substandard, with indoor gaming facilities also below standard. The increase is particularly good given both gaming rooms were closed for some time, with the outdoor gaming room at IYC closed for over 10 weeks, and 8 weeks at OFBC so, in this regard, the increase in gaming is a fantastic result. Other club revenue includes raffles, dinner shows, etc. This is currently being reviewed, as for example, the downstairs of IYC (breakfast and events), needs to be its own cost centre so we can accurately monitor its success.

The gain on revaluation of rental properties is indicative of the substantial increase in properties in the Illawarra, as well as the fact we have invested in cleaning up/painting/ repairing these previously neglected housing properties.

Other income of \$917,004 includes membership income, government grants/apprenticeship income, commissions (from ATM suppliers and CUB predominantly), donations and sponsorship money. Commissions have increased substantially with increased sales, and a tender for ATM services increasing our commissions substantially.

Other income, within this category, in 2022 included COVID grant money, hence is some \$200k higher than 2023, which is mostly the government dining vouchers.

Membership income suggests that memberships have decreased, however, that is not the case. Previously, members were required to be members of both clubs, however, on 1 July 2022 we announced our new member's reward system, whereby one membership provided access to both clubs, following substantial work on establishing our new loyalty program. Our membership increased from 12,842 when we launched the new rewards program to stand at 16,100 currently.

### **Cost of Sales:**

The cost of sales in 2023 was \$2.851 million representing 20.78% of revenue (\$1.230 million in 2022 representing 14.58% of revenue). This is of concern and was addressed on 1 August when we increased our pricing across both clubs, to compensate for the increase in our supplier costs. It maybe we need to review pricing again, however, before we do that, we need to review our costs v cost to produce each plate versus our wholesale pricing of all suppliers.

### **Operating Expenses:**

The most notable expenses or changes in expenses are as follows:

- Accounting and Audit fees: Increased substantially to \$215,593 (an increase of \$182,199) with the introduction of the club's new Xerox system. Whilst not an expense we wanted to incur; it was necessary to improve the financial integrity of the finance data. Further expenses were incurred in the 2024 financials but are now finalised.
- Advertising increased from \$28k to \$95k, which is the radio and other advertising as a result of our increased functions and events. We have formed a strong relationship with WaveFM 96.5.
- Security costs of \$243,000 is the result of a new security supplier, security being present at both clubs every day, in line with legislation and increasing attendance at both clubs.
- Repairs and maintenance have been critical. The issue of water pouring into the clubs, disgraceful and dangerous electricals, etc. would be included in the \$394,530 in 2023 and \$428,777 in 2022 expenses.

- Rental property expenses are the first of the repairs to the houses, which were in unacceptable condition. This continued into the 2024 financial year and was beyond overdue.
- We have concerns regarding the asset register and in turn, the depreciation that has been applied to assets. This is being reviewed.
- We engaged Gordon Brothers to audit all assets at both clubs and they provided a valuation as at the time of writing, added descriptions, serial numbers, etc. Gordon's Brothers asset register is based on the current valuation.
- Insurance costs increased \$98,686, consistent with other clubs and businesses. It is these increasing fixed costs that we need to consider in our pricing to members.
- Entertainment and promotions increased \$145,840 to stand at \$653,864 in 2023 (\$508,024 in 2022). This includes our increasing entertainment, but also our new member's rewards system which we started on 1 July 2022. 2021, entertainment and promotions were \$1,185,341 which we will review. My Rewards has been successful and rewards all members, for spend across all areas of our clubs.
- Employee costs increased dramatically with a substantially higher number of staff, however, there was a large number of termination payouts, to long-term staff members, who had been accruing substantial amounts of leave, long service leave and even RDO's. This is a legacy of the past we have no control over. We are working hard to not only reduce long-term staff leave entitlements, and to make sure this does not happen in the future. In this financial year, we were also hit with a 20% overall staff pay increase, including superannuation increase.
- Subscriptions and licenses of \$168,863 include the new EBET system, which provide the club with accurate gaming data, including GST, duty and club grants payable.
- Consultant fees include Workplace Lawyers, and the cost of maintaining and managing our loyalty program. We have made the decision to train staff internally to manage the loyalty system, and gaming at both clubs and are arranging the appropriate training for 3-4 staff.

### **Sailing Expenses:**

Expenses for sailors in previous years were raised at the last AGM.

(\$75,394 in 2021; \$90,860 in 2022 and \$67,861 in 2023). AGM Motion that the sailors would not be given more than \$50k per year including repairs.

The board approved \$50k in the 2022-2023 year, in prize money and incentives, on the basis they had not been given enough notice for this to change.

2023-2024 we are back within the limits approved by the AGM annual motion.

### **Net Loss:**

We have recorded a net loss of \$536,897 after depreciation expense of \$1,350 million, therefore a cash profit of \$813,752 (\$638,017 in 2022).

### **Balance Sheet:**

Current assets: cash has decreased substantially being used to improve the club, purchase assets and other commitments. Other assets are prepayments, and inventories have increased.

Total current assets are \$1,201,838.

Current Liabilities are \$1,879,498.

Working Capital: (\$677,660)

Current Ratio: 0.64

Total Equity: \$25,100,462

Increased expenses and substantial asset purchased, and renovations are obvious for all to see, yet still lag behind the investment of our competitors in an increasingly competitive market.

Whilst the reduced cash flow has been challenging, the upgrade of the clubs' facilities was long overdue. The Bank approved a long-term loan facility of \$3 million, indicating the confidence they have with the club and the way it is now operating, with the Board approving \$1 million. We are adequately meeting our obligations as they fall due.

**Cash Flow Statement:**

The cash flow statement shows cash from operating activities was \$393,351.

Cashflow from investing shows a strong investment by the club in property plant and equipment (long overdue)

Cashflow from financing activities showed we repaid lease liabilities, although this will increase again in 2024, (investment in assets/gaming machines)

**Risk:**

As a board we identify /manage risk and employ appropriate strategies, and substantial works have been undertaken to mitigate what were seen as unacceptable risks. A new draft risk register will be reviewed by the board in the coming period.

One of our main risks is the current review of gaming legislation and the almost inevitable introduction of cashless gaming in some form. Our clubs are working hard to reduce our reliance on gaming and introduce new income streams. In 2023 our reliance on gaming reduced to 57% of total revenue, as opposed to 67% in 2022, which is an excellent result and one which we will continue to focus.

The risk identified with the 2013 signing of the Crown Licence over the Jetty, Pontoons and Ramp has been a time-consuming exercise which had ramifications financially, as well as for our insurance risk. We are working to resolve with all parties. In the meantime, our auditor has rightly raised a contingent liability, in the notes to our accounts. This exercise is a reminder to all to fully read the terms and conditions of every document you sign, otherwise consequences can be very costly.

**Audit:**

We thank PKF for their audit services over the year, and in particular, Kym Reily who signed off on our delayed financials while her office was on leave.

**Thank You:**

To the board, I thank you for you for your dedication to the club, and for having the strength to make the hard decisions. Thank you for your outstanding service and leadership. We had some challenging governance issues, which we are addressing.

Consumer behaviour and preferences are evolving rapidly. People are becoming more conscious of health and safety measures, seeking contactless experiences, and favouring outdoor spaces. It is imperative that we adapt our offerings and amenities to meet these changing expectations, ensuring we provide a safe and enjoyable environment for our members and guests.

Moreover, competition within the industry remains fierce. Other licensed clubs, restaurants, and entertainment venues will also be striving to recover and attract customers. To maintain our market position, we must focus on enhancing our unique value proposition, delivering exceptional service, and implementing innovative marketing strategies to differentiate ourselves from the competition.

Despite these challenges, I firmly believe that with our team's collective wisdom, dedication, and creative thinking, we can overcome any obstacles that come our way. Let us embrace this difficult operating environment as an opportunity for growth, innovation, and collaboration. Together, we can navigate these uncharted waters and ensure the continued success and prosperity of our licensed club.

Thank you for your unwavering commitment and resilience in these trying times. Your leadership and support will be instrumental in steering us through the challenges ahead.

We note that at the time of writing, Jessie Pill was enjoying a well-deserved overseas holiday. With a forging professional career, Jessie has stood down from the Board. We thank her for her contribution and thank her for her time, efforts and professionalism.

**Debbie Organ- Chief Executive Officer**

# CHAIRMAN'S REPORT

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It is with great pleasure and unending pride that I submit my report to the members for the year ending 2022/2023 financial year.

This year we continued renovations to both clubs. At Oak Flats, we renovated both indoor and outdoor gaming areas replaced the gaming machine bases and all the wiring to them and replaced several of the older gaming machines. We also did the Brasserie area and replaced the carpet throughout the club. What a difference it made!

At the IYC, the renovations to the Function room and the downstairs bathrooms have been completed and in conjunction with Wave FM 96.5 we hosted a wedding on Valentine's Day.

In June, the Board, Management and staff did a sleepout to raise money to donate to the homeless in the area. Thank you to all who slept on the hard cold concrete for the night and to John for joining us.

Bowls, we entered four teams in the Open Pennants with all teams going well and two teams making the playoffs. It was good to see some of our newer bowlers doing well in the Club and District Championship events. Also, a big thanks has to go to Scott and the Greens staff for the work they do at both Clubs, it is great to hear visiting bowlers say we have the best greens in the District.

It was another successful year for the Sailors with competitions on most weekends and it is great to see so many boats on the water.

To the Management and staff thank you for your hard work during the year running the Clubs and hosting many functions which were well supported by the members.

The Board members had a busy year with the work that was carried out at the clubs and many changes to legislation, in particular to gaming.

I would like to thank the members for supporting the clubs during the year and look forward to next year.

**Neil Dawson- Chairman of the Board**

# BOWLS COORDINATOR REPORT

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## **Social Bowls:**

Tuesday has once again been our best day for social bowls, averaging about 44 players every week. The jackpot went off on the 12th December which was won by Jo Irwin, John O'Loughlin, Brian Godfrey and John Sullivan. Wednesday club selected has been moved back to a 1:00pm start, following a lack of numbers at 9:30am. The last two weeks we have had some good numbers and hopefully we can get some more to play. We've been averaging around four rinks on Friday nights, with numbers not the same as they were this time last year. Saturday has dropped off in December, but that's due to a lot of championships on. We had one Saturday where it was called off due to extreme heat.

## **Club Championships:**

We are halfway through our club championship calendar, with the most recent Championship, the club triples won by Tony Guarnaccia Steve Shackleton and Dave Smith in a thriller 23-22 over Jason Ward, Darren Morton and Alan McDonald.

## **Men's Pennants:**

We had three divisions entered in the recent 2023/24 Men's Pennant Season. The 2s came so close to making the finals, all season we sat inside the required top four to qualify, but a 4-1 loss to Albion Park in the final round saw us drop out and miss the playoffs by a narrow half a point.

Division 3 had a up and down season, and still had an outside chance of making the playoffs with two rounds to go, but their inconsistencies came back to haunt them and they also didn't advance.

It was a tough season for our Division 4 side, failing to win a game all season. They were up against it though, most of the division 4 side is graded 6 or 7, and since division 4 was combined with division 3, a lot of the weeks they were playing players graded as high as 1. To their credit our guys didn't throw the towel in and kept turning up every week.

## **Open Pennants:**

We have currently 60 players (plus two reserves) down for the upcoming open pennant season which starts on Saturday 3rd February. We have nominated four sides, and will be dropping from grade 2 to grade 3 (due to loss of players), Grade 5, Grade 6 and Grade 7. Hopefully we can get some more names before the end of the year.

## **Prawn & Chicken Day + Ham Appreciation Day:**

We had 84 bowlers (28 teams) come from near and far for our Prawn & Chicken Day on Saturday 16th December. Everyone enjoyed the day and many have already asked when the next one will be.

We also had 65 people come to the Ham Appreciation Day on Sunday 17th December. It was great to see everyone enjoying each other's company over lunch and a few drinks. A big thank you to Angelo and Marty for cooking the BBQ and Maureen Adams, Tess Godfrey, Tracey Duguid and Ann-Marie Wilkinson for helping serve the food.

## **Barefoot Bowls:**

We've had quite a busy month of Barefoot Bowls with many Christmas party bookings, and we still have some in the near future. The new glow in the dark bowls recently arrived at the club. At this stage we can only accept a maximum of 12 people per session due to only having 24 bowls. We have a returning group coming in January for the glow in the dark bowls, and at their last party, please see next page for their feedback.

"I would like to provide some feedback on Social Locals barefoot bowls event that was held on Saturday and to say a big thank you to all the staff who made the day a success.

As the organiser, it could have been a very stressful day, however, I am very grateful for the staff who helped me set up the tables and music to Jesse and Martin who coordinated the bowls, created a round robin tournament for us and kept us all on track, all the while being very patient with the group and having a laugh with us too. The whole set up was fantastic!"

Its very nice to receive feedback like that, and its great to see smiles on the faces of people doing barefoot bowls, because at the end of the day, the main thing for them is that they are enjoying themselves here.

I'd also like to take this opportunity to wish all the best to Bert Casadio and Bill Walton who are unwell at the present moment of writing this. Bert was in hospital previously after a fall at home, but has now been discharged and is recovering at home. Bill requires surgery on a twisted bowel, and hopefully a speedy recovery for Bill.

Overall, thanks to all the support of the members, management, bowls committee and board for supporting me in my transition to the role since Bill Farrell's departure.

Would like to wish everyone all the best for 2024.

Go the Wombats!

**Jesse Godfrey- Acting Bowls Coordinator**

# LADIES BOWLING CLUB REPORT

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I would like to start by congratulating all the Oak Flats lady bowlers who participated in Championships at club, district, regional and state level. Well done, be proud of your achievements.

My executive committee, thank you for your hard work every week and throughout the year. Our special event days wouldn't happen without you and our members who support the activities of our club. I would like to give special thanks to Annette, secretary extraordinaire and Wendy, her decorating expertise and organising is amazing.

Of course there would be no Oak Flats Ladies Bowlers without the members who turn up each week to have a game and socialise. Keep enjoying your bowls and your day. This year we are celebrating our 65th Birthday. Lots of memories will be shared and past members and occasions remembered. A big thank you to Karen and her staff who look after us every week. Donna who takes care of our sweet treats and Lyndell and her staff who cater for our special events. The Bar staff and every one we have contact with do an outstanding job looking after us.

There would be no bowls without Scott and his team of greenkeepers- thank you, the greens are always in top condition and the surrounds are a credit to your hard work.

Finally I would like to thank the CEO and the board of directors for their continued support and help throughout the year, it's very much appreciated. The club is looking amazing and we all look forward to seeing what the future holds.

**Faye Newman- Ladies Bowling Club President**

# MENS BOWLING CLUB REPORT

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Firstly, I would like to thank and congratulate the Men's Bowls Management Committee and the other elected members the selectors and match for their hard work and perseverance during the 2022-23, 2023-24 season.

To our Management Committee, which consists of the Bowls Co-ordinator Bill Farrell outgoing incoming interim bowls Secretary, Paul Graham along with also Acting Bowls Co-ordinator Jesse Godfrey who is not part of the Management Committee at this moment, Chairman of Selectors Bill Farrell outgoing and incoming Geoff Warrington who also is not part of the management Committee at this moment, Chairman of the Match Committee Paul Graham, and Members representative George Vijums and Tony Guarnaccia as a Board representative on the management committee, for their professional approach and prompt manner and assistance regarding the implementation of the Men's Bowls ongoing activities. From me personally, I thank you.

On a final note from the Management Committee, due to ongoing previous circumstances the Management committee are currently reviewing to seek further improvements and with a vision to align with Bowls Australia and Bowls NSW.

I thank the Bowls Co-ordinator, Match Committee and Members Representative regarding weekly Bowls and the Tournaments we have run for the 2022-23 and 2023-24 Season. As for the Tournaments I believe Bowler numbers have increased as the word has got around on how well they are run.

To our selector's thank you all, such a rewarding job, the most popular and well liked of all committee positions in a bowls club. But the Members have got to understand these positions are elected by the members. Pennants is a team game and under Bowls NSW there is a grading system that applies and sometimes players are selected to a lower or higher position based on this. The decision of the Selectors in our club in relation to team membership and composition shall be final and not subject for appeal.

For our 2022-23, 2023-24 Pennants, I would like to thank all the players who participated, this includes all reserves that nominated to play Pennants, and let's not forget our Pennant Managers Wendy Steyer, Anne-Marie Wilkinson, Alice Grkinic and Don Brown. This up-and-coming Open Pennant season starting in February 2024 will be run on Bowls Link.

This comes from the Bowls NSW State Match Committee (SMC), we have no choice.

We had Three Men's Pennant teams this year, unfortunately none making the Playoffs.

We had Four Open Pennant teams this year, fortunately two teams making the Playoffs, with congratulations to the No2's open pennants side making the semi finals and the No6's Open Pennant side making the Grand Final and I would like to say how well they played as a team and representing the Oak Flats Bowling Club, well done.

The Men's Bowling Club requested to Bowls NSW state Match Committee (SMC) via Zone 16, for 2 teams to be regressed. Grade 2 regress to grade 3, grade 4 regress to grade 5. We had only 2 days' notice from the Monday 13/11/23 to submit our application for regression and along with the submission we had to confirm and provide them with certain information which they required, due to many of our higher graded players leaving and transferring to other clubs and along with a List of names for the 2023 /2024 open Pennants Season. The State Match Committee (SMC) have based their decision for our regress, based on this information we give them. So unfortunately, players who were not on that list who are graded higher than 3's will not be eligible to play until the next Pennant season. The State Match Committee have fallen for this trap before and will not tolerate any regress abuse again.

To all who competed week in and week out to the best of their ability with players who put their name down and stayed in the Pennants sides for the whole pennant season, that to me is a great effort, thank you. A special mention to Ann-Marie Wilkinson, Maureen Adams, Martin Aspery, Angelo Petrovic, Tracy Duguid, Viki Skinner, Jude Cowling, Jenny, and Greg Bruce for feeding the Pennants Players thank you much appreciated. Having Volunteers to help, is one of the most important supports needed from our members in helping out in any required activities is needed in making our Bowls Club survive and grow.

To all our Club Championship winners' 2022-23 congratulations and so far for the 2023-24 season, and to all the members who competed in the Club championships also congratulations', as we would not have winners without members competing.

Special thanks must go to the Head Greenkeeper Scott and his team Greg, Paul (Rowdy) and the apprentice Dax as all would agree that our bowls Greens are very good, considering all the rain we have had, we have still been able to play our pennants, club championships, tournaments and social bowls for the 2022-23, 2023-24 season. So many people from other clubs have commented on how good the greens are. A credit to them for the hard work and continual effort they have put in.

I would like to thank the people who volunteer their time for the weekly raffles and the 100 club which are going well. Thank you very much and I hope you will continue the good work which is very much appreciated. A special thanks to Ann-Marie Wilkinson who is an Admin Chairperson of a subcommittee of the Men's Bowls Club, that we have created. Not only does Ann-Marie run the 100 club, but also takes the minutes at our Men's Bowls Management Committee and helps in the running of Pennants and Tournament's.

On Behalf of the Men's Bowls Club, I would like to thank the Club Ltd CEO Debbie Organ, and Board of Director's for supporting the Men's Bowling Club. The Club renovations over the past year has made our Club more presentable and hopefully this will attract old and new Bowlers and other patrons to our Club. There has been plenty of good comments and feedback coming from other club members and ex members when playing in our recent tournaments that we have been running.

A special thanks to our Welfare Officers John Noble outgoing and Brian Godfrey incoming. This is very unforgiving position especially in a Bowls Club. Unfortunately, we all get old.

To those who have lost loves ones during the year, I extend my condolences and to those who are not well, I wish you a speedy recovery.

Wishing everyone good health and happiness.  
May our Club continue to prosper, and all the best for the rest of 2023/24 season.

Thank you,

**Kevin Murphy- Men's Bowling Club President**