



2023-24

ANNUAL REPORT

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

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CLUB LEADERSHIP TEAM

(As at date of AGM)

Neil Dawson	Chairman
Donald Brown	Director
Wendy Steyer	Director
Lyn Wilke	Director
Kevin Murphy	Director (elected 8.12.24 unopposed)
John Dorahy	Director (appointed)
Kerry Chikarovski AM	Director (appointed)
Debbie Organ	CEO/Secretary
Rick Mason	OFBRC Venue Manager
Molly Dean	IYC Venue Manager
Margaret Berk	Ladie's Bowls President
David Ramsbottom	Bowls Co-ordinator/interim bowls secretary
Shelley Beale	HR Manager
Natasha Muir	Functions & Marketing Manager
Shannon Sullivan	Finance Office Manager

NOTICE OF AGM & RESOLUTIONS

THE SIXTY SIXTH ANNUAL GENERAL MEETING OF THE OAK FLATS BOWLING & RECREATION CLUB LIMITED WILL BE HELD AT THE Oak Flats Bowling & Recreation Club ON SUNDAY 8TH DECEMBER 2024 AT 9:30AM.
On

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 2023-24.
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

John Noble proposed at the 2023 AGM that this be increased to \$400 due to officers needing to travel and the increasing cost of petrol.

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 17th November 2024.

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

*Dated at 4th November 2024 at Oak Flats Bowling and Recreation Club
By direction of the Board of Directors*

Debbie Organ
Chief Executive Officer

PREVIOUS AGM MINUTES

65th AGM Oak Flats Bowling & Recreation Club

Held At:	Oak Flats Bowling & Recreation Club Function Room
Date:	14th January 2024
Start Time:	9:30am
In Attendance:	Neil Dawson (Chairman), Jessica Pill, Wendy Steyer, Don Brown, Lyn Wilke, Members: As per attendance records
Chairman:	Neil Dawson
CEO:	Debbie Organ
Solicitor:	Ray Travers
Auditor:	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, including Life Member Bob Smith and the club's accountant, Bruce Gotterson
3. Acknowledgement of Country by the Chairman.

4. Apologies:

- Kevin Draper
- Neil Dewey

5. Confirmation of previous minutes:

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

Moved: Maureen Adams

Seconded: George Vijums

Motion Carried

6. Matters Arising: NIL

7. Motion: To receive the Directors Report to members

Moved: Mary Clements

Seconded: Dorothy Smart

Motion Carried

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

Moved: Alice Grkinic

Seconded: Phil Buckley

Motion Carried

9. Motion: To receive the annual financial statements of the Oak Flats Bowling & Recreation Club for the period ending 30 June 2023.

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

Wendy Steyer

Lynette Wilke (Lyn)

Who **were** elected unopposed for a term of three (3) years.

Moved: Colleen Shumack

Seconded: Bill Walton

Motion Carried

11. 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: George Vijums

Motion 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: Phil Buckley

Motion 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: Tess Godfrey

Seconded: Les Underwood

Motion 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: Jess Godfrey

Seconded: Les Underwood

Motion 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

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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

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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

Moved: Dave Smith

Seconded: Neil Martin

Motion Carried

John Noble asked that for Men's Welfare Officer out of pockets be reviewed.

6. Returning Officers noted:

- Phil Buckley
- Alice Grkinic
- Mary Clemmett

7. John Noble asked a question regarding increase in wages. CEO advised that not only had we experienced two general wage increases. Also, excessive leave was accrued under previous management/boards, some in excess of a year payable, in addition to general leave entitlements being in excess of industry average. Current management/board were working to force staff to take leave (at a cost substantially higher than when accrued), which means over the next year or so, wage costs will continue to increase as we pay leave entitlements, in addition to paying staff to cover the leave positions. CEO advised there was a breakdown in presentation, however, John left before CEO presentation.

8. Thank you, Jessie Pill, for your service to the club over previous years, and we wish you well.

Meeting Closed: 10:25am

CEO REPORT

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

Welcome to the 2024 annual report for the Oak Flats Bowling and Recreation Club Limited.

The Journey

Over the last two years, both the Oak Flats Bowling and Recreation Club and the Illawarra Yacht Club has faced significant challenges due to a lack of investment in critical areas, particularly in health and safety and asset maintenance. This neglect not only affected our operational efficiency but also posed risks to the well-being of our members and staff. Recognising the urgency of these issues, we initiated a comprehensive review of our facilities and practices, which revealed the pressing need for upgrades and enhancements to ensure a safe and enjoyable environment for all.

In the last 24 months, we have made substantial investments to rectify these shortcomings, implementing a robust health and safety framework and modernising our assets. This strategic focus, while very costly, was essential to set the foundation for a sustainable future. We are proud to report that these efforts have not only improved our operational standards but have also revitalized our club's appeal, positioning us to better serve our community at both clubs.

At a recent members information session, we showed our top 20 maintenance providers and asset purchases over the last 24 months, which alone showed an investment over two years of \$5 million.

We recognise, however, there is more work to be done, with limited financial capacity to do all we need to at once. As we move forward, our commitment to continuous improvement will remain a top priority, ensuring that we provide a safe, welcoming, and engaging environment for all our members and guests.

Financial Reporting

On arriving at the club as CEO, the financial integrity of our licensed club's data, and hence financial reporting, has raised significant concerns, (discussed at the last AGM and members information sessions), impacting our ability to make informed decisions and plan for the future.

Recognising the importance of accurate financial reporting, we embarked on a comprehensive financial improvement initiative over the last 24 months. This process included a thorough audit of our financial systems and practices, culminating in the implementation of a fully functional Xero finance system. This too came at a substantial cost to the club, in terms of accounting and system costs.

This new system has been designed to ensure that our financial data is now 100% accurate, providing us with the confidence needed to guide our strategic direction.

Throughout this transition, we encountered the necessity for numerous adjustments to our financials, reflecting the complexities of rectifying past discrepancies. While these adjustments have been challenging, they have been crucial in aligning our financial data with best practices and regulatory standards. As a result, we are now equipped with a transparent and reliable financial framework that not only strengthens our operational integrity but also enhances our credibility with stakeholders, including our current bank. This renewed focus on financial accuracy positions us for sustainable growth and lays a solid foundation for future investments in our club.

To ensure good governance and to ensure directors are meeting their financial reporting obligations, all monthly and statutory accounts are now prepared by an accounting firm who specialises in hospitality. The accountant in charge of our account, Alan Seeman, is attending every board meeting, either in person or via zoom, and reporting to the Board.

Once the Xero system was operational, it also came to our attention that the asset register that the club maintained was considered highly inaccurate and lacked important details, which therefore effects the depreciation the club has been recording. We then engaged asset valuers, Gordon Brothers to undertake a full audit and valuation of all the assets of both clubs and prepare a professional asset register. One hurdle was that this new register was based on the current market value of the assets, whereas the previous (albeit inaccurate register) was based on purchase price. In this financial year 2023-2024, the new register is being adhered and has been integrated into our Xero financial reporting 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. We are reviewing all suppliers and their costings, as our COGS, for example, are considered too high. We have a new executive chef with substantial experience in this field, and we welcome Martin Papac to the team.

Business Operations Revenue

I will leave the detailed finance review to our accountant, who sits on our finance committee, but the summary is as follows:

	2023-2024	2022-2023	2021-2022
Bar	\$2,245,108	\$2,089,261	\$1,092,190
Catering/Food	\$2,906,979	\$2,936,264	\$1,562,128
Functions and other	\$655,492	\$130,446	-
Gaming	\$8,060,726	\$7,924,625	\$5,659,515
Rental Income	\$66,887	\$63,944	\$63,788
Total	\$13,935,192	\$13,720,111	\$8,435,579

Revenue increased to stand at \$13.93 million in 2024 with increases over the previous year recorded as follows:

- Bar: Increased \$155,846
- Catering Income: Decreased \$29,285
- Function & Other Revenue: Increased \$525,044
- Gaming: Increased \$136,101

The bar, catering and function revenue, and in particular the increases over 2021-2022, 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 members draw, the monthly \$1000 prize draw, along with music and dinner shows has seen both clubs well supported.

The increase in gaming 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 in the last financial year is pleasing given that the industry as a whole is recording decreases in gaming in the same period.

Given the above and after expenses, we recorded a net loss of \$2m after depreciation of \$1.4m

The major reason for the loss is:

- Repairs and maintenance have been critical. The issue of water pouring into the clubs, disgraceful and dangerous electricals etc would be included in the \$438 k in 2024 and \$394k in 2023. We expect these costs to reduce in the coming year, but we recognise there is more work to do. We again note, we have done more in repairs and maintenance in the last 24 months than has been done in the last 10 years.
- Employee costs increased dramatically with a higher number of staff. A legacy of previous years was the excessive leave that was accrued, and we have been forcing staff to take leave, and paying at substantially higher rates than when accrued.

There was also a number of termination payouts, to long term staff members, who had been accruing substantial amounts of leave, long service leave and even RDO's. We are working hard to not only reduce long term staff leave entitlements, but to make sure this does not happen in the future. This added substantially to employee costs

In both years under review, we have passed on substantial, legislated wage increases, including superannuation, to all staff.

Wages increased from \$5.983m to stand at \$6.687m in 2024.

Subsequent to balance date, we have been slashing rosters to reduce overall wage costs (as well as managing and enforcing leave), however, we also have to factor in the new wage costs associated with the new Registered Gaming Officer legislation which came into effect from 1 July 2024. We estimate that this new legislation will cost the club an additional \$400,000 in wages per year.

- An additional \$200k in expenses this year, relate to adjustments for the 2023 accounts associated with gaming duty, service fees and workers compensation costs.

The substantial investment in both properties is reflected in the updated valuations, which resulted in a revaluation increase in land and buildings of \$4.857m, and saw Property, Plant and Equipment increase from \$21m in 2023 to \$27m in 2024.

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 we did not own! We consider this to be an unacceptable, ongoing cost to the club, and we have been looking at all options. Adding to this dilemma, is the exorbitant public liability insurance costs we were quoted because of the age and state of the structures. Removal of some of the structures appears imminent, but again the agreement signed by the club also notes that we agree to pay all removal costs. This is a lesson to all to understand and read the fine print in agreements.

Industry and training

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 licence 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 noncompliance, 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 responsible 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 wellbeing of our gaming players. We have invested in Responsible Service of Alcohol and Responsible Conduct of Gaming, and Advance Responsible 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. The new gaming legislation introduced on 1 July 2024 is probably just the beginning of increased legislation. 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 \$145,260. Our major donations centred around services that assisted families in need, domestic violence, homelessness, mental health, cancer survivor support and sporting groups.

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

Our Team

The greatest asset any organisation has is its staff, and this is particularly true of the 104 staff which 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 12 months, and for all their hard work in all areas, but particularly during our ongoing renovations.

An amazing effort by our venue managers, Rick and Molly; our HR Manager Shelley, who led the team with the utmost professionalism. During the year, and in particular with the Illawarra Yacht Club downstairs function area increasingly seen as the perfect venue for weddings and other events (and an example of our commitment to seek diversified income streams), we welcomed our new Events Manager, Natasha Muir to the team.

Special mention to the finance team, Shannon and her team. Over the last 24 months, the team have been resilient in some stressful times as we worked long hours to change and automate our financial reporting policies, procedures and system. In the last 12 months we literally checked every line item/entry to ensure 100% accuracy in the accounts. An amazing job by all.

I would like to thank the Board, under Neil Dawsons leadership, for your outstanding contribution and commitment of expertise and time, in what have been some particularly challenging circumstances. All directors during the year have had to complete their RSA, RCG and Advanced RCG face to face training. With new legislation, directors are facing increasing liability and time commitments, and they do not always receive the recognition they deserve for the time and risk they take to ensure the clubs continue to operate.

Subsequent to balance date, I am pleased to advise that Kerry Chikarovski and John Dorahy have accepted an Appointed Director positions on the Oak Flats Bowling and Recreation Club Limited Board. They bring strong skill sets which will be invaluable to the board and club, and we welcome them to the board.

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, including Kim Beddie, who had retired after 24 years with the club and sadly passed away recently after a courageous battle with cancer.

Debbie Organ

AUDIT RISK, FINANCE & GOVERNANCE COMMITTEE REPORT

Please find attached the financial accounts for the period ending 30 June 2024.

General Finance Matters

In the last financial year, the Club has made further progress in the implementation of the new accounting system Xero. The bookkeeping and external accounting team conducted thorough review of all the clubs accounts and developed a timely reconciliation process that gets processed regularly.

As an added benefit to the above, the club commenced implementing a real time financial reporting system known by Fathom. The accounting team generates detailed monthly financial reports for the directors' review. The aim of this project is to obtain real time and adequate data about the performance of each location and various operating revenue segments in each location.

Lastly with the accounting systems, the club also fully transitioned the Fixed Assets Depreciation Register from Excel reports to a cloud-based software known by Asset Guru. The New software now keeps track of all historical assets that are still on the register and any new assets. The purpose of this transition is to improve the transparency and accuracy of the depreciation reports while keeping the maintenance costs reasonably low. It is noted that there were significant number of errors in the old depreciation system varying from errors in the calculation of depreciation, not calculating depreciation on certain assets and accidentally having negative depreciation on valuation items. All these matters have been promptly dealt with.

Operations

From operations perspective, the management team commenced a full review of all suppliers and has been taking active action in reducing the direct cost of sale which is being tracked month on month. A newly appointed head chef is attending to a detailed review of the suppliers list and ingredients used across both clubs. The results of this exercise will be more visible from financial perspective in the 2025 financial year.

Naturally wages are a significant issue affecting the club and pretty much every single organisation in the hospitality industry. Based on the 2024 profit and loss statements, there is a significant increase due to various increases in awards and other related on costs (superannuation). The club also had significant leave liability accrued, which the management has been working to reduce, the cost of which is included in the wages cost. The club commenced a business process engineering review which aims to bring the wages cost under control for both clubs and in particular in the food and beverage sections. The management team is using the detailed financial information being generated and analysed on monthly basis to take action as required.

As from 1 July 2024, new gaming harm minimisation legislation was introduced, which required mandatory advanced responsible gaming training for staff and directors (therefore increasing training costs) but is also estimated to cost the clubs an additional \$400k in wages annually, as a result of the introduction of Responsible Gaming Officers required at both clubs. The board and management are continually reviewing operations and adjusting as necessary to meet the changing operating environment.

PROFIT & LOSS STATEMENT

Business Operations Revenue:

Area	OFBRC	IYC	2023-24	2022-2023
Bar	\$1,219,475.00	\$1,025,633.00	\$2,245,108.00	\$2,089,261.00
Catering	\$1,029,899.00	\$1,877,080.00	\$2,906,979.00	\$2,936,264.00
Functions	\$62,810.00	\$192,542.00	\$255,352.00	\$66,502.00
Gaming	\$5,826,754.00	\$2,233,972.00	\$8,060,726.00	\$7,924,625.00
Other	\$232,920.00	\$167,219.00	\$400,139.00	\$639,514.00
Rent	\$66,887.00	\$0.00	\$66,887.00	\$63,944.00
Total	\$8,438,745.00	\$5,496,446.00	\$13,935,191.00	\$13,720,110.00

Income

The combined revenue of both clubs increased by \$215,081, this is equivalent to an annual increase of 1.57%.

Bar: Increased \$155,847, an increase of 7.46%

Catering Revenue: Decreased \$29,285, decrease of 1.00%

Functions Revenue: Increased \$188,850, increase of 283.98%

Gaming Revenue: Increased \$136,101, increase of 1.72%

Other Club Revenue: Decrease of \$239,375, decrease of 37.43%

Rental Income: Increased \$2,943, increase of 4.6%

The Bar and Functions revenue stream increase was a direct result of various capital works conducted in the 2023 and 2024 financial years. The functions revenue at IYC is significantly improving and promising to provide a solid future revenue stream.

The other income amount of \$594,244, is a mixture of Gain of disposal on machinery, commissions received, membership income, Annual GST Compensation and other subsidies. It is noted the previous year was around \$917,004 which was significantly higher due to additional government grants and apprentice subsidies.

The other club revenue of \$400,139 consists of various miscellaneous income, raffles etc. Revaluation of Properties: The land and Buildings appreciated by \$4,857,360 which is split as an increase of \$861,950 for OFBRC and \$3,955,410 for IYC. It is worth noting that the land of IYC significantly improved in value, but also reflects the substantial work done at both clubs in the last 24 months.

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Cost of Sales

The cost of sale for the 2024 financial year was \$2.664 Million representing 19.12% (was 2.851 Mil representing 20.78%). This figure is still significantly high in comparison to industry standards and specifically in relation to the Catering Revenue. The management team has been reviewing suppliers and various other direct costs on monthly basis. The overall trend is showing a decline in these costs which indicates the measures taken are effective. There is further work that needs to be done on this.

Operating Expenses

Operating Expenses

- **Accounting and Audit Fees:** The accounting and Audit fees decreased substantially down to \$90,267 (was \$215,593 in 2023). The 2023 year was significantly higher as a result of the changeover in accounting systems. We note that in the first quarter of the 2024 Financial Year, there was further transition costs incurred, as such this expense is expected to moderate in the 2025 year.
- **Advertising:** The club's advertising expense decreased to \$70,698 (was 95,245).
- **Security Costs:** The Security costs increased to \$290,948 (was \$243,279). This increase relates to adding further capacity in line with legislation and attendance.
- **Repairs and Maintenance:** Increased to \$438,230 (was \$394,539). There was further renovation work done on various facilities of the club including significant internal painting works done, replacing all electricals, roofing works etc. This expense is expected to remain high as the management deals with ageing facilities that were ignored in the past.
- **Rental Property Expenses:** The rental property expenses decreased to \$19,219 (were \$22,556). There were some repairs and one-off costs incurred in the previous year, as again these properties were ignored in the past. These costs include agent fees, rates and insurances.
- **Depreciation:** The depreciation amounted to \$1,398,962 (up from 1,350,649). The club conducted a thorough review of the fixed asset register and effective from 1 July 2024, this was changed to a fully electronic cloud-based system.
- **Entertainment and promotions:** The entertainment and promotion expenses increased to 1,013,387. This increased as a result of the introduction of the new rewards program in 2023 and the introduction of shows, concerts, and other events at both clubs, as management work to reduce their reliance on gaming revenue.
- **Employee costs:** The employee costs increased to \$6,687,468 (were 5,983,500). This expense remains significantly high overall and the increase relates to further increase in wages and wages on costs such as superannuation, as well as the payout of substantial accrued leave (being paid out at a substantially higher rate than when accrued). The management team is performing detailed internal business process reviews, reducing accrued leave and aims to reduce this cost to match industry standards.
- **Subscriptions:** The subscription expenses are similar to the previous financial year. This account includes various software subscriptions, EBET system, Foxtel, and other ad hoc costs.
- **Consultant fees:** The consultant fees dropped to \$65,333 (was 105,657). The club no longer utilises the service of an external consultant for the loyalty program. This process is now managed by staff internally.

Sailing Expenses:

Sailing expenses were the focus of the current management team to ensure the cost was sustainable and also within previously agreed board and member approved motions.

Bowling Costs:

The bowling related expenses declared in the financial statements are significantly understated. The accounting/bookkeeping team has developed a new process to start tracking and recognising all the relevant bowling expenses. This will be reported from the 2025 financial year going forward.

Net Loss:

We have recorded a net loss of \$2,002,275 after depreciation expense of \$1,398 million, therefore a cash loss of \$603,313 (\$451,894 in 2023). \$200,000 relates to adjustments to previous year anomalies.

Balance Sheet:

Current assets: Current Asset increased significantly increased mainly as a result of obtaining a \$3 Million Loan which enhanced the cash on and cash Equivalents. All other current assets remain like the prior year.

Total Current Assets: \$2,059,662.

Current Liabilities: \$2,092,013

Working Capital: (\$32,451)

Current Ratio: 0.98

Total Equity: \$27,955,546

As noted in the financial statements, the club recognised an estimate loss before depreciation of \$603,313. The main reasons for this loss are the further increase in the staffing costs, ongoing high repairs and maintenance costs which include a large amount facilities improvement expenses such as painting, electrical repairs and roofing works. We also note that the club had to process a one off historical expense with the Poker Machine Duty Expenses which were not historically accrued in the balance sheet in the past financial years.

Cash Flow Statement:

The cash flow statement shows cash loss from operating activities of \$(621,565). This was a cash profit of \$393,346 in the prior financial year.

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

Cashflow from financing activities indicates that the club obtained a \$3M to support the further investment in Club Facilities. These funds were also used to support operational deficiency In addition, the club obtained additional lease liabilities for various fit-out and machinery purchases.

Risk:

The club recognises the existence of various risks affecting the club, most importantly the cashflow issue narrated above. The club is working on reducing all operational costs to ensure the cashflow from operational expenses is positive.

The short-term objective to ensure the club is cashflow positive from operational expenses to allow paying for the cash outflow for financing and investing activities.

As a board we identify /manage risk and employ appropriate strategies, and substantial work have been undertaken to mitigate what were seen as unacceptable risks. A new risk register is now being implemented by the board and a strategic planning weekend has been earmarked for early 2025, to plan for a future to ensure the club operates efficiently in an increasing legislative environment.

One of our main risks is the change in the 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. The club's reliance on gaming revenue remains around the 57% mark however the catering and bar revenue is expected to continue to increase with improved facilities, and the largest growth area of the clubs, being the events room at IYC, which is being recognised in the area for an excellent venue for weddings, birthdays and other events.

The risk identified with the 2013 signing of the Crown Licence over the Jetty, Pontoons and Ramp is expected to be resolved in the 2025 financial year. A contingent liability of \$150,000 was declared as the estimated repair cost

Alan Semaan
Senior Manager

ERY Melrose Accountants & Business Advisors

CHAIRMAN'S REPORT

It is with great pleasure and pride that I submit my report to the members for the 2023/2024 financial year.

This year we have completed most of the renovations we had planned for the short term. We have continued with maintenance and safety issues that have been identified by the Work Health and Safety Committee to ensure the safety of the Staff and the members.

The function room downstairs at the Yacht Club has been booked almost every weekend and some week days and is becoming more popular for weddings and parties. The functions at the Bowling Club have also increased. We have also had entertainment at both venues which is attracting a lot of people to the Clubs.

Bowls, we again entered four teams in the Open Pennants with all sides doing well and in contention with two teams making the playoffs. The men's Pennants we entered two teams in the competition which was played on a Wednesday and some of the games were finished in the dark. Congratulations to all the Bowlers that represented the Club in Pennants and other championship games and to all the supporters that turned up to cheer us on.

The Sailors have completed another successful year with a lot of windsurfers competing on Saturdays along with remote control boats on Saturdays and Wednesdays.

I would to thank the Management and all our Staff for their work and commitment during the year and supporting new ideas to improve the Clubs.

The Board of Directors had a busy year with several Legislation changes and a lot of courses that we had to complete to comply with the changes. I would like to welcome Kerry Chikarovski and John Dorahy to the Board as they bring a wealth of knowledge which will be beneficial to the club for years to come.

I again thank the members for supporting the Clubs through the year and look forward to further improvements next year

Neil Dawson
Chairman of the Board

BOWLS COORDINATOR REPORT

Social bowls:

Tuesday morning open pairs continues to be our best day averaging 35 - 40 players. Wednesday club selected kicks off at 1.00pm averaging 20 -25 players, usually comprising an even split of male & female bowlers. A variety of events are played from 3 bowl pairs to 2 bowl triples as well as 4 bowl pairs, events are determined on the day.

Friday 3 bowl pairs has just recommenced. Two game format over 10 ends, winners play winners, losers play losers etc the games are completed by 8pm. Great way to end the working week.

Saturday afternoon open pairs hasn't been as popular with numbers declining over the last year & it is most relevant during pennant season. Pennants occupies 20 weekends coupled with regional events, participation on a Saturday has defiantly suffered.

Region Events:

Club representation has been consistent through the year with our members taking part in most events. Success came about in the form of runners up in the Men's senior Fours & Men's Reserve Singles, congratulations to those participants
The club successfully hosted the playoffs for the Men's Reserve Singles over a two-day period. Two rather windy days however the comments were most favourable from all contestants on how well our greens played, the presentation of our club & the coordination of the event well done to all involved.

Men's Pennants:

We are currently toward the back end of the Men's pennant season. October 24 to December 24. Two sides were entered however results haven't gone our way. Whilst it is mathematically possible to make the playoffs it will take a concerted effort from the boys in the remaining weeks to do so.

Championship Events:

Championship completed thus far are Mixed Fours, Mixed pairs & triples. Spectators have witnessed some epic battles during the playoffs & finals with much more to come as we progress deeper into our championship year. The Major singles final will be completed prior to Xmas & the Major pairs will kick off in January. Scheduling of all championships events continues to present quite a challenge as there is not a lot of room in the bowls Calander for postponed or transferred games.

Umpiring:

We are lucky to have a number of members that have completed their umpire training & are willing & able to assist with officiating our championship events. We thank you very much & look forward to your assistance as we progress into 2025.

Greens & Green Staff:

Well done to the boys preparing our greens, many visiting bowlers have passed comment on how great our greens are to bowl on complement by how well the green surrounds & club presents. I have been able to visit many clubs during the past year & can confidently say our greens are right up there with the Illawarra's best. Keep up the great work boys it is much appreciated.

David Ramsbottom
Bowls Coordinator/Interim Bowls Secretary

LADIE'S BOWLING CLUB REPORT

I feel privileged to submit my report for the ladies bowling club for this year. I wish to congratulate all our bowlers who achieved high levels at district and state play off, runners up in the triples and singles runner up in the champion of champions. I wish to congratulate all winners and runners up in our club championships.

I wish to thank all our ladies for a very successful charity day and those who worked on Melbourne Cup Day to add to a total of \$4,891.

We also had a very enjoyable ladies bowling club birthday party and celebrated one of our ladies' 90th. I wish to thank the bar staff and the catering staff for their help throughout the year.

A special thanks to the CEO Debbie and the board members Neil Dawson, Kevin Murphy, and Rick for their support, and the ladies vice president for her support.

A special thanks to all our ladies who continue to turn up each week to make our club successful and look forward to a great year ahead.

Margaret Berk
Ladies Bowls President

MEN'S BOWLING CLUB REPORT

I would like to thank any members that have participated in the Men's Bowls Committee over the past 12 months & ongoing into 2025. Your tireless efforts have contributed greatly to the administration & day to day routine required in keeping our bowlers on the green. A big thankyou to our Pennant Selection team a thankless but necessary job your efforts don't go unnoticed.

We are able to compete in regional pennants because of our members making themselves available over many weeks, also an effort that doesn't go unnoticed-THANKYOU!

We know pennant competition is not for all- social bowls provides an outlet for many members. A game of bowls, catch up with your mates. Its common for these members to play bowls two, three times a week so again -THANKYOU!

To the members that volunteer their time to help run events, run raffles, clean up, help others, mark games, manage teams these are the unsung heroes of any organisation -THANKYOU!

Finally thankyou to Oak Flats Bowling Club Directors, Management & staff for all your support & assistance given to Men's Bowls over the past 12months & your continued support & assistance into 2025

Thank you.

David Ramsbottom
Bowls Coordinator/Interim Bowls Secretary

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Financial Statements

For the Year Ended 30 June 2024

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

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For the Year Ended 30 June 2024

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Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Directors' Report

For the Year Ended 30 June 2024

The directors present their report on Oak Flats Bowling and Recreation Club Limited for the financial year ended 30 June 2024.

Directors

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

Names	Appointed/Resigned
Don Brown	
Glen Cowling	
Neil Dawson	
Jessie Phill	Resigned- 31/1/24
Wendy Steyer	
Lyn Wilke	
Antonino Guarnaccia	Resigned- 31/8/24
Kevin Murphy	Appointed-31/8/24

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

Company secretary

Debbie Organ held the position of Club secretary since the start of the financial year to the date of this report.

Principal activities

The principal activity of Oak Flats Bowling and Recreation Club Limited during the financial year was that of a licensed sailing, bowling, and recreational club in accordance with its objective and for the benefit of its members.

No significant changes in the nature of the Club's activity occurred during the financial year.

Short term objectives

The Club's short-term objectives are to:

- Ensure the WH&S of staff, members and guests
- Ensure the ongoing financial viability of the Club, including upgrading club facilities and ensuring the diversity of revenue streams
- Upgrade the clubs processes and policies, including financial reporting systems

Long term objectives

The Club's long-term objectives are to:

- Continued application of the Principles of Good Corporate Governance.

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Directors' Report For the Year Ended 30 June 2024

Long term objectives (cont'd)

- Maintain relevance and long-term sustainability of the Club in the Community.

Strategy for achieving the objectives

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

- Education of Board and Management of the Principles of Good Corporate Governance and the active pursuit of implementing strategy derived from these principles.
- Investment and education of key personnel and the Board ensuring the Board is exercising their duties as a Director responsibly, ethically and in the best interests of the Club as a whole.
- Maintaining and nurturing a Club culture focused on our customers our staff and our community.

Members' guarantee

Oak Flats Bowling and Recreation Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members that are corporations and \$2 for all other members, subject to the provisions of the company's constitution.

At 30 June 2024 the collective liability of members was \$36,522.

Events after the reporting date

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

Future developments and results

Likely developments in the operations of the Club and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Club.

Information on directors

Neil Dawson	Director
Qualifications	Retired Small Business Owner (small goods)
Experience	Director of Club for 3 years and 7 months

Don Brown	Director
Qualifications	Retired Electrical Technician
Experience	Director of Club for 3 years and 7 months

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Directors' Report For the Year Ended 30 June 2024

Information on directors (cont'd)

Jessie Pill	Director/Chairperson Audit Risk & Finance Committee
Qualifications	Commercial Manager, Bluescope
Experience	Director of Club for 8 years and 2 months
Wendy Steyer	Director
Qualifications	Retired Library Technician
Experience	Director of Club for 5 years and 8 months
Lyn Wilke	Director
Qualifications	Retired Project Manager
Experience	Director of Club for 2 years and 7 months
Glen Cowling	Director- Currently with medical leave
Qualifications	ANZ General Manager Health Safety Environment Community (HSEC) Graduate Diploma Health Safety
Experience	Director of Club for 2 years and 8 months
Kevin Murphy	Director
Qualifications	Retired Small Business Owner
Experience	Founder and sole managing director of Premier Electrical Instrumentation Services Pty Ltd. Hired to manage contracts for multinational companies across Australia.

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Don Brown	12	12
Glen Cowling*	12	0
Neil Dawson	12	12
Jessie Pill	6	6
Wendy Steyer	12	9
Lyn Wilke	12	11
Antonino Guarnaccia	12	8

*Please note that Mr. Cowling has provided medical certificate for his absence.

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Directors' Report For the Year Ended 30 June 2024

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 5 of the financial report.

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



Director:



Director:

Dated

7-12-24



PKF(NS) Audit & Assurance Limited Partnership
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Corporations Act 2001

PKF

A handwritten signature in black ink, consisting of a series of connected, stylized letters that appear to be 'R' followed by a long horizontal stroke.

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	4.	13,935,192	13,720,111
Other income	4.	594,244	917,004
Gain on revaluation of investment properties			340,000
Cost of sales		(2,664,882)	(2,851,683)
Accounting and audit fees		(90,267)	(215,593)
Advertising expense		(70,698)	(95,245)
Donations		(119,582)	(117,840)
Equipment hire		(37,563)	(22,147)
Security		(290,948)	(243,279)
Repairs and maintenance		(438,230)	(394,539)
Rental Property Expenses		(19,219)	(22,556)
Rates and utilities		(360,987)	(325,052)
Depreciation and amortisation expense		(1,398,962)	(1,350,649)
Postage, printing and stationery		(33,278)	(57,596)
Poker machine duty		(1,442,937)	(1,422,977)
Insurance expenditure		(489,343)	(556,928)
Entertainment and promotions		(1,013,387)	(653,864)
Employee Costs		(6,687,468)	(5,983,500)
Cleaning expenditure		(314,599)	(301,948)
Finance costs	5.	(173,670)	(33,695)
Computer and software expenses		(50,563)	(54,623)
Subscriptions and licenses		(196,123)	(190,721)
Men's bowling club expenses		(39,632)	(25,844)
Women's bowling club expenses		(35,389)	(20,475)
Poker machine expenses		(232,439)	(178,313)
Green and bowling expenses		(12,411)	(6,600)
Legal Fees		(20,177)	(20,566)
Courtesy bus		(5,722)	(5,810)
Consulting fees		(65,333)	(105,657)
Other expenditure		(217,992)	(210,309)
Sailing club expenses		(9,910)	(67,861)
Loss before income tax		(2,002,275)	(558,755)
Income tax expense	2.(j).	-	-
Loss for the year		(2,002,275)	(558,755)
Other comprehensive income			
Revaluation of land and buildings		4,857,360	
Total comprehensive income/(loss) for the year		2,855,085	(558,755)

The accompanying notes form part of these financial statements.

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Statement of Financial Position

As At 30 June 2024

		2024	2023
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,794,125	847,957
Trade and other receivables		8,281	37,608
Inventories		141,991	148,706
Other assets		115,265	167,565
TOTAL CURRENT ASSETS		2,059,662	1,201,838
NON-CURRENT ASSETS			
Property, plant and equipment	8	27,016,792	21,403,079
Investment property	9	2,410,000	2,410,000
Right of use asset	14	240,894	370,606
Intangible assets	7	1,671,375	1,671,375
TOTAL NON-CURRENT ASSETS		31,339,061	25,855,060
TOTAL ASSETS		33,398,723	27,056,898
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,161,868	1,195,060
Lease liabilities	14	384,059	120,426
Employee benefits	11	452,066	473,641
Other liabilities		94,019	90,371
TOTAL CURRENT LIABILITIES		2,092,013	1,879,498
NON-CURRENT LIABILITIES			
Borrowings	12	3,000,000	-
Lease liabilities	14	334,089	56,928
Employee benefits	11	17,074	20,010
TOTAL NON-CURRENT LIABILITIES		3,351,163	76,938
TOTAL LIABILITIES		5,443,176	1,956,436
NET ASSETS		27,955,546	25,100,462
EQUITY			
Reserves	13	11,697,837	6,840,478
Retained earnings		16,257,709	18,259,984
TOTAL EQUITY		27,955,546	25,100,462

The accompanying notes form part of these financial statements.

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Statement of Changes in Equity For the Year Ended 30 June 2024

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2023	18,259,983	6,840,478	25,100,462
Loss for the year	(2,002,275)	-	(2,002,275)
Revaluation of land and buildings	-	4,857,360	4,857,360
Balance at 30 June 2024	16,257,708	11,697,838	27,955,546
<hr/>			
Balance at 1 July 2022	18,818,739	6,840,478	25,659,217
Loss for the year	(558,755)	-	(558,755)
Revaluation of land and buildings	-	-	-
Balance at 30 June 2023	18,259,984	6,840,478	25,100,462

The accompanying notes form part of these financial statements.

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	14,477,424	14,657,073
Payments to suppliers and employees	(14,925,450)	(14,230,694)
Interest received	131	662
Finance costs	(173,670)	(33,695)
Net cash provided by/(used in) operating activities	(621,565)	393,346
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	60,391	40,000
Purchase of property, plant and equipment	(2,033,454)	(2,300,651)
Net cash used in investing activities	(1,973,063)	(2,260,651)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	3,000,000	-
Repayment of lease liabilities	(770,275)	(271,536)
Proceeds from lease liabilities	1,311,051	-
Net cash provided by/(used in) financing activities	3,540,794	(271,536)
Net (decrease)/increase in cash and cash equivalents held	946,167	(2,138,840)
Cash and cash equivalents at beginning of year	847,958	2,986,798
Cash and cash equivalents at end of financial year	6 1,794,125	847,958

The accompanying notes form part of these financial statements.

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Notes to the Financial Statements For the Year Ended 30 June 2024

The financial report covers Oak Flats Bowling and Recreation Club Limited as an individual entity. Oak Flats Bowling and Recreation Club Limited is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Oak Flats Bowling and Recreation Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 20 November 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Summary of Material Accounting Policies

(a). Going Concern

Notwithstanding the Club's loss before income tax of \$2,002,275 (2023: loss of \$558,755) and net current liability position of \$32,351 (2023: net current liability of \$677,660), the financial report has been prepared on the going concern basis.

The basis has been adopted as the Club's directors are confident it will be able to meet its liabilities where they fall due to the following mitigating factors:

- Expenses in the previous two years are one off to fund neglected repairs and maintenance (which is now expected to reduce) as well as substantial accounting costs to attend to a historic system review and implement new accounting system;
- The club is undertaking significant changes to enable reduction of staff wages and cost of goods sold; and
- The club obtained a loan from CBA to support the remaining renovation completed on the building and to allow for the Jetty repair costs.

Financials for the three months subsequent to balance date, show the club is profitably before depreciation.

(b). Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Club are:

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time where the performance obligations have been met and transfer of control have been completed. Revenue is recognised net of any discounts given to members/patrons.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (cont'd)

(b) Revenue and other income (cont'd)

Rendering of services

Revenue from rendering of services comprises revenue from memberships, together with other services to members and other patrons of the club and is recognised when the services are provided.

Interest revenue

Interest is recognised using the effective interest method, which for floating rate financial assets are the rate inherent in the instrument.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term to reflect a constant periodic rate of return on the net investment.

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

Gaming Revenue

Gaming machine revenue is recognised on an accrual basis calculated as net of gaming machine collections and payouts, less any costs associated with future jackpot contributions. All revenue is stated net of the amount of goods and services tax (GST).

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Cash and cash equivalents

Cash and cash equivalents comprises of 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Significant Accounting Policies (cont'd)

(e) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Freehold land and buildings are shown at their fair value based on periodic (at least triennial) valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

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

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of profit or loss and other comprehensive income, which is based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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 assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Significant Accounting Policies (cont'd)

(e) Property, plant and equipment (cont'd)

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2%
Plant and Equipment	13 - 33%
Motor Vehicles	12 - 22.5%
Right-of-use assets	15 - 40%

Capital expenditure in relation to gaming machine conversions are additions to existing assets and the full amount expensed in the year costs are incurred.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Investment property

Investment property is held to generate long-term rental yields and future club grounds/buildings expansions. All tenant leases are on an arms length basis. Investment property is carried at fair value, determined by current market values. Changes to fair value are recorded separately as an income or expense item, directly in the statement of profit or loss and other comprehensive income.

(g) Intangible assets

Poker machine entitlements are initially recorded at cost. Poker machine entitlements have indefinite life and are tested annually for impairment and carried at cost less any accumulated amortisation and impairment losses.

(h) Financial instruments

Financial assets

Financial assets are initially measured at fair value, Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss, such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Notes to the Financial Statements For the Year Ended 30 June 2024

2. Summary of Significant Accounting Policies (cont'd)

(h) Financial instruments

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain, where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Club comprise trade payables, bank and other loans and finance leases liabilities.

(i). Impairment of non-financial assets

At the end of each reporting period the Club determines whether there is evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(j). Leases

Lease liabilities are measured at the present values of the payments to be made over the lease term at the commencement of the lease are discounted using the lessee's incremental borrowing rate. The incremental borrowing rate is the rate that the Club would have to pay to borrow funds necessary to obtain an asset of similar value to the Right-Of-Use asset (ROU) in a similar economic environment, with similar terms, security and conditions. Application of the incremental borrowing rate is adopted where the interest rate implicit in the lease cannot be readily determined from the contract, which is generally the case for leases in the Club.

Lease payments due within 12 months are recognised within current lease liabilities; payments due after 12 months are recognised within non-current lease liabilities. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance cost and is presented in the statement of profit and loss.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Significant Accounting Policies (cont'd)

(i). Leases (cont'd)

The short-term exemption will be applied to leases that are less than 12 months. These leases are recognised on a straight-line basis as an expense. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

(j). Income Tax

The Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The income tax exemption has been claimed based on self-assessment by the Club.

(k) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the statement of profit and loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

(l) Adoption of new and revised accounting standards

The Club has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3. Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of land and buildings

The Club carries its land and buildings at fair value with changes in the fair value recognised in the asset realisation reserve. Independent valuations are obtained at least triennially and at the end of each reporting period, the Directors update their assessment of the fair value, taking into consideration recent valuations and movements in the market.

The Illawarra Yacht Club and Oak Flats Clubhouse Land and Building were revalued at 30 June 2024 by independent valuers, with a net gain of \$4,857,360 recorded in the asset realisation reserve and recognised as other comprehensive income. The valuation was based on the highest and best alternate use. The critical assumption adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

Key estimates - investment property

The investment properties were independently valued at 30 June 2023 by independent valuers based on market value. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The Directors have reviewed the assumptions adopted in the 2023 independent valuation, and believe the carrying value of investment property correctly reflects the fair value at 30 June 2024.

Key estimates - impairment of intangibles

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period, with consideration for COVID-19 and its potential impact on future cash flows. Cash flow projections are based on 6 months expected trading revenue in the year to 30 June 2024 and allow for sufficient headroom.

The cash flows are discounted using a rate of 5% and an annual growth rate of 3%. Management believes that any reasonable possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount of intangible assets to exceed its recoverable amount. The assumptions used in the discounted cash flow model are tested against a sensitivity model (+/- 5%).

Key estimates - income tax exemption status

The Directors of the Club have self-assessed their ongoing exemption from income tax at 30 June 2024, as a Sporting Club in accordance with Section 5045 of the Income Tax Assessment Act 1997.

Oak Flats Bowling and Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2024

4. Revenue and Other Income

	2024	2023
	\$	\$
Sales revenue		
- Bar income	2,245,108	2,089,262
- Poker machine income	8,060,726	7,924,625
- Catering income	2,906,979	2,936,264
- Rental income	66,887	63,944
- Functions revenue	255,352	66,502
- Other club revenue	400,140	639,513
	<u>13,935,192</u>	<u>13,720,111</u>
Other income		
- Gain on disposal of property plant and equipment	51,880	40,000
- Commissions received	340,770	371,047
- Donation and sponsorship income	-	2,536
- Interest received	131	662
- Membership income	28,582	28,703
- GST compensation	34,460	34,460
- Other income	138,420	439,596
	<u>594,244</u>	<u>917,004</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated, and the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	13,868,305	13,656,167
- Over time	66,887	63,944
	<u>13,935,192</u>	<u>13,720,111</u>

5. Finance expenses

Interest expense	<u>173,670</u>	<u>33,695</u>
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Oak Flats Bowling and Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2024

6. Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash on hand	237,059	205,805
Cash at bank	1,557,065	642,152
	<u>1,794,124</u>	<u>847,957</u>

7. Intangible Assets

Poker machine entitlements		
Cost	<u>1,671,375</u>	<u>1,671,375</u>

8. Property, plant and equipment

Freehold land		
At fair value	<u>13,500,00</u>	<u>8,396,168</u>
Buildings		
At fair value	11,400,000	11,486,269
Accumulated depreciation	<u>(992,584)</u>	<u>(612,438)</u>
	<u>10,407,416</u>	<u>10,873,830</u>
	<u>23,907,416</u>	<u>19,269,998</u>
Capital works in progress		
At cost	<u>-</u>	<u>86,412</u>
Plant and equipment		
At cost	6,289,248	5,724,998
Accumulated depreciation	<u>(4,114,233)</u>	<u>(4,465,538)</u>
	<u>2,175,015</u>	<u>1,259,460</u>
Motor vehicles/Sailing vessels		
At cost	349,288	327,510
Accumulated depreciation	<u>(285,001)</u>	<u>(283,604)</u>
	<u>64,287</u>	<u>43,906</u>
Poker Machines		
At cost	7,182,453	6,778,295
Accumulated depreciation	<u>(6,312,379)</u>	<u>(6,034,992)</u>
Total poker machines	<u>870,074</u>	<u>743,303</u>
Total property, plant and equipment	<u>27,016,792</u>	<u>21,403,079</u>

Oak Flats Bowling and Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2024

8. Property, plant and equipment (cont'd)

(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:

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Motor Vehicles/ Sailing Vessels	Poker Machines	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023							
Balance at the beginning of year	86,412	8,396,168	10,873,830	1,259,460	43,907	743,303	21,403,079
Additions							
Additions	-	-	160,204	1,344,285	34,479	494,485	2,033,453
Disposals							
Disposals	(86,412)	-	-	(8,492)	(36)	86,433	(8,507)
Depreciation expense	-	-	(380,146)	(420,237)	(14,063)	(454,147)	(1,268,593)
Revaluation increase	-	5,103,832	(246,472)	-	-	-	4,857,360
Balance at the end of the year	-	13,500,000	10,407,416	2,175,015	64,286	870,074	27,016,792

Core Property is specified as the OFBRC club house; bowling greens; car park and property contained in the consolidated OFBRC land title under which these areas are held. Core Property is also specified for the Arroying club house – first floor area; lower ground floor areas of administration; cellar; sailors' storage and change rooms; walkways to these lower ground floor areas from main stairs to first floor; car park, boat storage facilities, Yacht shop and property contained in the consolidated Arroying club house land title under which these areas are held. These are classified as property, plant and equipment in the Statement of Financial Position.

Non-Core Property is specified as the residential houses owned by the Club from time to time and includes, but is not limited to numbers 9, 11 and 13 Devonshire Crescent. These are classified as investment property in the Statement of Financial Position. Non-Core Property is also specified at the Arroying Club house as the lower ground floor areas of the function rooms known as the mountain view room; wet bar area; and Lakeside rooms. These are classified as property, plant and equipment in the Statement of Financial Position.

9. Investment Property

	2024	2023
	\$	\$
Owned Property		
Balance at beginning of year	2,410,000	2,070,000
Fair value adjustments	-	340,000
Balance at end of year	2,410,000	2,410,000

"Investment property" shown above is investments in residential properties at Devonshire Crescent, Oak Flats. The fair value model is applied to all Investment Properties. Values are based on an active liquid market and determined annually by Directors or Independent Valuers.

Oak Flats Bowling and Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2024

10. Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	619,059	295,390
Other payables	332,418	634,560
GST payable	210,391	265,110
	<u>1,161,868</u>	<u>1,195,060</u>

11. Employee Benefits

CURRENT		
Long service leave provisions	133,914	156,940
Annual leave provisions	318,152	316,701
	<u>452,066</u>	<u>473,641</u>
NON-CURRENT		
Long service leave provisions	17,074	20,010
	<u>17,074</u>	<u>20,010</u>

12. Borrowings

NON-CURRENT		
Bank Loan	3,000,000	-

The club previously had a \$500,000 overdraft available for perusal. This was replaced with a \$3 Million loan from CBA to improve the club's liquidity and allow finalization of the remaining repairs. The loan is secured by an existing fixed and registered charge over the land and buildings of both clubs (CBA has held for some years).

13. Reserves

Asset realisation reserve		
Opening balance	6,840,478	6,840,478
Revaluation of land and buildings	4,857,360	-
	<u>11,697,838</u>	<u>6,840,478</u>

Oak Flats Bowling and Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2024

	2024 \$	2023 \$
14. Right of use asset and Leases		
Right of use asset		
NON-CURRENT		
Right of use asset	814,608	814,608
Accumulated depreciation	<u>(573,714)</u>	<u>(444,006)</u>
	<u>240,894</u>	<u>370,606</u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2023				
Lease liabilities	<u>407,102</u>	<u>354,134</u>	<u>761,236</u>	<u>718,148</u>

15. Financial Risk Management

The main risks Oak Flats Bowling and Recreation Club Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Club's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, bills and leases.

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

	2024 \$	2023 \$
Financial assets		
<i>Held at amortised cost</i>		
Cash and cash equivalents	1,794,124	847,958
Trade and other receivables	<u>8,281</u>	<u>37,609</u>
Total financial assets	<u>1,802,405</u>	<u>885,567</u>
Financial liabilities		
<i>Held at amortised cost</i>		
Trade and other payables	1,161,868	1,195,060
Borrowings	3,000,000	-
Lease liabilities	<u>718,148</u>	<u>177,354</u>
Total financial liabilities	<u>4,880,016</u>	<u>1,372,414</u>

Oak Flats Bowling and Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2024

16. Contingencies

Contingent Liabilities

The Club has a security deposit of \$5,000 held with the Commonwealth Bank of Australia with respect to the Totalisator Agency Board and \$10,000 held with respect to the jetty at Illawarra Yacht Club.

The Club has an obligation to repair/remove the Jetty in Illawarra Yacht Club. This repair is estimated around \$150,000.

17. Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Club is \$254,836 (2023: \$271,092).

18. Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements	33,900	39,700

19. Related Parties

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

There were no transactions with related parties during the financial year.

20. Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Club. At 30 June 2024 the number of members was 18,261 (2023: 12,979).

21. Events after the end of the Reporting Period

The financial report was authorised for issue on 20 November 2024 by the Board of Directors.

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

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Notes to the Financial Statements

For the Year Ended 30 June 2024

22. Fair Value Measurement

The Club measures the following assets and liabilities at fair value on a recurring basis:

- Land and buildings
- Investment property

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the club:

	Level 1	Level 2	Level 3	Total
30 June 2024	\$	\$	\$	\$
Recurring fair value measurements				
Property, plant and equipment				
Land and buildings	-	-	23,907,416	23,907,416
Investment property	-	-	2,410,000	2,410,000
	-	-	26,317,416	26,317,416

23. Statutory Information

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

Oak Flats Bowling and Recreation Club Limited
Cnr Kingston and David Streets
Oak Flats NSW 2529

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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: 

Director: 

Dated 7-12-24

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OAK FLATS BOWLING AND RECREATION CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Oak Flats Bowling and Recreation Club Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Oak Flats Bowling and Recreation 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 2024, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained 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.

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 – Simplified Disclosure Requirements 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 has 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

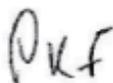
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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.
- 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, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

7 DECEMBER 2024
SYDNEY, NSW