

# **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:

<b>Names</b>	<b>Appointed/Resigned</b>
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

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## 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

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## 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
Glen Cowling*	0
Neil Dawson	12
Jessie Pill	6
Wendy Steyer	9
Lyn Wilke	11
Antonino Guarnaccia	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  
ABN 91 850 861 839

755 Hunter Street, Newcastle West NSW 2302  
Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

## Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Oak Flats Bowling and Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

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

A handwritten signature in black ink that reads 'PKF'.

PKF

A handwritten signature in black ink, appearing to be 'KYM REILLY'.

KYM REILLY  
PARTNER

7 DECEMBER 2024  
SYDNEY, NSW

## 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)
<b>Loss before income tax</b>		<b>(2,002,275)</b>	<b>(558,755)</b>
Income tax expense	2.(j).	-	-
<b>Loss for the year</b>		<b>(2,002,275)</b>	<b>(558,755)</b>
<b>Other comprehensive income</b>			
Revaluation of land and buildings		4,857,360	
<b>Total comprehensive income/(loss) for the year</b>		<b>2,855,085</b>	<b>(558,755)</b>

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

	Note	2024 \$	2023 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
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
<b>TOTAL CURRENT ASSETS</b>		<b>2,059,662</b>	<b>1,201,838</b>
<b>NON-CURRENT ASSETS</b>			
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
<b>TOTAL NON-CURRENT ASSETS</b>		<b>31,339,061</b>	<b>25,855,060</b>
<b>TOTAL ASSETS</b>		<b>33,398,723</b>	<b>27,056,898</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
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
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,092,013</b>	<b>1,879,498</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	3,000,000	-
Lease liabilities	14	334,089	56,928
Employee benefits	11	17,074	20,010
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,351,163</b>	<b>76,938</b>
<b>TOTAL LIABILITIES</b>		<b>5,443,176</b>	<b>1,956,436</b>
<b>NET ASSETS</b>		<b>27,955,546</b>	<b>25,100,462</b>
<b>EQUITY</b>			
Reserves	13	11,697,837	6,840,478
Retained earnings		16,257,709	18,259,984
<b>TOTAL EQUITY</b>		<b>27,955,546</b>	<b>25,100,462</b>

The accompanying notes form part of these financial statements.

## Oak Flats Bowling and Recreation Club Limited

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### 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
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

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## Statement of Cash Flows

For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
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	<u>(621,565)</u>	<u>393,346</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
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	<u>(1,973,063)</u>	<u>(2,260,651)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
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	<u>3,540,794</u>	<u>(271,536)</u>
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	<u>6 1,794,125</u>	<u>847,958</u>

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.

# Oak Flats Bowling and Recreation Club Limited

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## 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.

# Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

## 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.

# Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

## 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

ABN: 86 001 017 894

## 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

ABN: 86 001 017 894

## 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>
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### 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>
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>
<b>Total poker machines</b>	<u>870,074</u>	<u>743,303</u>
<b>Total property, plant and equipment</b>	<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
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>							
Balance at the beginning of year	86,412	8,396,168	10,873,830	1,259,460	43,907	743,303	21,403,079
<b>Additions</b>							
Additions		-	160,204	1,344,285	34,479	494,485	2,033,453
<b>Disposals</b>							
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
<b>Balance at the end of the year</b>	<b>-</b>	<b>13,500,000</b>	<b>10,407,416</b>	<b>2,175,015</b>	<b>64,286</b>	<b>870,074</b>	<b>27,016,792</b>

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
	\$	\$
<b>Owned Property</b>		
Balance at beginning of year	2,410,000	2,070,000
Fair value adjustments	-	340,000
<b>Balance at end of year</b>	<b>2,410,000</b>	<b>2,410,000</b>

"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

ABN: 86 001 017 894

## 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	<u>3,000,000</u>	-

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

<b>Asset realisation reserve</b>		
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

ABN: 86 001 017 894

### Notes to the Financial Statements

For the Year Ended 30 June 2024

	2024	2023
	\$	\$
<b>14. Right of use asset and Leases</b>		
<b>Right of use asset</b>		
NON-CURRENT		
Right of use asset	814,608	814,608
Accumulated depreciation	(573,714)	(444,006)
	<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
	\$	\$	\$	\$
<b>2023</b>				
Lease liabilities	407,102	354,134	761,236	718,148

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

# Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

## 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	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<b>Property, plant and equipment</b>				
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:

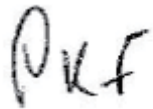
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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