

FORSTER BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ABN 39 963 747 288
ACN 001 009 043



FULL FINANCIAL REPORT
For the Year Ended 30th June 2023

**To be presented to Members at the Annual General Meeting to be held in
the Clubhouse, Strand Street, Forster.**

ON SUNDAY 29th October 2023
at 12.00 pm

Phone: (02) 6554 6155

FORSTER BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 39 963 747 288
DIRECTORS' REPORT

Your Directors present their report on the Company for the year ended 30th June, 2023.

DIRECTORS

The names of Directors in office at anytime during or since the end of the year are:

D.H. Swindail, B.F. Bruton, A. Douglas, R. Northam, C.M. Turner (Appointed 30/10/22), M. Pole (Appointed 30/10/22), B.F. Taylor (Appointed 30/10/22) and A.W. Hughes (Retired 30/10/2022).

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of conducting a licensed Bowling Club and Tenpin Bowling Centre for members in the promotion of lawn and tenpin bowls and no significant change in the nature of those activities has occurred during the year.

SHORT TERM OBJECTIVES

The Company's short-term objectives include:

- To ensure the Club maintains profitability in all areas of operations;
- To use the profitability of the Club to promote the games of bowls both indoor and outdoor and other athletic sports and pastimes;
- To assist the community via donations and sponsorship and/or the use of the Club's facilities.

LONG TERM OBJECTIVES

The Company's long-term objectives include:

- To maintain long term profitability enabling the Club to continue updating clubhouse facilities and equipment;
- To continue to promote the games of bowls both indoor and outdoor and other athletic sports and pastimes;
- To provide lawns, grounds and/or facilities at Forster and elsewhere for sports and pastimes, the promotion of which the Club is formed;
- To provide and maintain clubhouse and associated structures in connection with the objects of the Club and to permit the same and all other property of the Club to be used by its members, guests and invitees either gratuitously or for payment;
- To maintain bar and restaurant facilities for the benefit of members and guests;
- To maintain and encourage the expansion of the membership to bowlers and non-bowlers.

ACHIEVING OBJECTIVES

To meet the above short and long-term objectives the Company has adopted the following strategies:

- The Company by constantly measuring and monitoring its financial performance against budgeted forecasts and against industry standards enables it to strive for continued profitability which assists in meeting both the short and long-term objectives;
- The Company strives to attract and retain quality staff as well as volunteers, all of whom are committed to working towards the betterment of the club. The Company believes that attracting and retaining quality staff and volunteers will assist the Company both the short and long term.

MEASUREMENT OF PERFORMANCE

The Company measures its performance by reviewing financial results compared to budget including monitoring gross profit margins, wages as a percentage of sales and the net profit of the Company. These reviews are performed monthly by the board of Directors and management.

DIRECTORS' REPORT CONTINUED

OPERATING RESULTS

The net profit/(loss) for the year was a profit of \$933992 (2022: profit \$1248088) after charging depreciation and amortisation on fixed assets and intangibles of \$931508 (2022: \$908000) and net impairment of property, plant and equipment of \$Nil (2022: \$Nil). Income tax is not applicable to the Company. (Refer Note 1(c)).

REVIEW OF OPERATIONS

	2023	2022
	\$	\$
Bar Trading & Bottleshop	607005	242507
Bistro, Coffee Shop & Machine	18824	24831
Poker Machine Trading	2160292	1830650
Catering	(10546)	(9231)
Keno Trading	96785	76550
Tab Trading	(9388)	(21260)
Other Income	59154	47424
Rentals & Alley's Units	56671	10089
General Clubhouse Expenses	(274246)	(289726)
Entertainment & Promotions	(318128)	(51667)
Greens & Grounds	(411052)	(303912)
Tenpin Bowling/Entertainment Centre	287634	322956
Motel	264847	144606
Administration, Finance & Sub Clubs	(1593861)	(775729)

The Directors are pleased to report a profit for the year of \$933932, which despite being a decline of \$314096 when compared to the 2022 profit of \$1248088, is still considered pleasing as the result for the 2022 year did include a profit on the sale of 25 Cross St of \$448846, which was sold as part of the long term strategic plan of the Club. As many members know the last 4 years have been very difficult and some of the most challenging trading conditions since the indoor smoking ban in 2008 for the registered club industry. The COVID-19 pandemic may have ended but the effects of the pandemic are still to be felt for many years to come, this year staff shortages and ever increasing inflation, affecting the costs of goods have made it difficult to maintain margins while trying not to pass these ever increasing costs onto members and guests. The COVID health rules may have ended and made life difficult at times and we thank the members for their patience during these difficult periods. The following comments on the years trading results are made taking into account these conditions.

Total revenue for the year increased by \$1927766 to \$10114401 when compared to revenue for the 2022 year of \$8186635. Major increases were recorded in bar revenue \$650149, poker machine revenue \$383781, motel income \$354946 and bistro revenue \$278379. This increase in revenue is the result of large and sustained visitation to the Forster area over the last twelve months as well as the various measures put in place by management to encourage visitation by members and their guests.

Cost of goods sold increased by \$387283 over 2022 year with the increase in revenue, bistro and tenpin sales during the year.

Employee benefits expense increased by \$548780 when compared to the 2022 year. All staff received a 4.6% to 5.2% increase from the 1st October 2022, this was the largest single wage increase in the last 10 years. The increased trade across all areas of the business has also lead to more hours of work for staff to meet the demand from members and their guests also adding to the increase outlined above. Wage costs will continue to increase into the 2024 year with the recent fair work commission decision to raise the minimum wage by 5.75% effective from the 1st July 2023.

DIRECTORS' REPORT CONTINUED

REVIEW OF OPERATIONS CONTINUED

Depreciation and finance costs increased over the 2022 year with interest increasing due to the rapid rise in interest rates and despite additional repayments made during the year. Depreciation increased by \$23508 over the 2022 year due to increased capital expenditure including the purchase of 19, 21 and 23 Townsend Street, poker machines and renovations to the bar, bistro and poker machine lounge in previous years.

Other expenses increased by \$785728 compared to 2022 with entertainment and promotions costs increasing by \$306261 over the prior year and discounts to members via the bistro making up \$248659 of this increase. Board and management will continue to review all operating expenses monthly to ensure only necessary expenditure is incurred.

As outlined in the Statement of Significant Accounting Policies at Note 1(i) the current year result incorporates the net profit of the sub clubs which amounted to loss of \$24417 (2022: profit \$3637).

MEMBERS GUARANTEE

In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 14265 members (2022: 9625 members).

AUDITORS INDEPENDENCE DECLARATION

A copy of the Auditors independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 6.

DIRECTORS' MEETINGS

The number of Directors' meetings (including special meetings and meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Directors Meetings	
	No. of	No.
	Meetings	Meetings
	Attended*	Held**
D.H. Swindail	10	10
B.F. Bruton	8	10
A. Douglas	10	10
R. Northam	10	10
C.M. Turner	4	6
M. Pole	5	6
B.F. Taylor	6	6
A.W. Hughes	4	4

* Reflects the number of meetings attended during the time the Director held office during the year

** Reflects the number of meetings held during the time the Director held office during the year.

During the year the following Directors were granted a leave of absence:
Nil.

DIRECTORS' REPORT CONTINUED

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Mr David Swindail	Retired Director – Building Maintenance Company Board Member – 7 Years 9 months President Ex Officio all Committees Former Treasurer
Mr Brian Bruton	Retired Bank Executive & Building Services Industry Board Member – 2 Years 8 months Vice President President Rotary Club of Great Lakes – 2 Years Former Committee Member Great Lakes Pearl Dragons – 2 Years Housing & Social and Policy Committees
Mr Arthur Douglas	Retired Wool Manager Board Member – 4 Years & 9 Months Former Men's Vice President – 4 years Finance, WHS & Policy Committees
Mr Rob Northam	Retired Business Proprietor – Hotels and Butchery Board Member – 2 Years & 6 Months Life Member – Forster Tuncurry Hawks RLFC Member for Life – Club Forster Building, Greens and Policy Committees
Mr Christopher Turner	Retired CEO & Finance Manager – Golf Clubs & NSW Rugby League Board Member – 9 Months Tuncurry-Forster Jockey Club Treasurer – 6 years Mid Coast Men of League Treasurer – 14 years Finance, Judiciary and Policy Committees
Mr Michael Pole	Retired Business Proprietor – Electrical and Hospitality Board Member – 9 Months Inaugural Wetherill Sports Club Licensee – 3 years Building, Greens and Policy Committees
Mr Bob Taylor	Retired Freight Operations Controller – NSW Railways Board Member – 9 Months Former Men's Vice President – 2 years Former Director Penrith Bowling Club – 3 years Justice of the Peace – 48 years Board Liaison FMBC & FWBC, Judiciary and Policy Committees

Signed at Forster this 15th day of September 2023 by Brian Bruton and Arthur Douglas on behalf of the Board and in accordance with a Resolution passed by the Directors.



BRIAN BRUTON
DIRECTOR



ARTHUR DOUGLAS
DIRECTOR



HARRISON, MAIN & McARTHUR

ACCOUNTANTS, TAX AGENTS AND AUDITORS

A.B.N. 70 470 802 504

ANDREW McARTHUR

B.Fin Admin, CA

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

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2023, there have been:

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

**HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER
REGISTERED COMPANY AUDITOR**

12-16 Wallis Street, Forster

15th September, 2023



HARRISON, MAIN & McARTHUR

ACCOUNTANTS, TAX AGENTS AND AUDITORS

A.B.N. 70 470 802 504

ANDREW McARTHUR

B.Fin Admin, CA

INDEPENDENT AUDITORS' REPORT

To The Members
Forster Bowling Club Limited

Opinion

We have audited the accompanying financial report of Forster Bowling Club Limited, which comprises the Statement of Financial Position as at 30th June 2023, 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 significant Accounting Policies and the Directors' Declaration as set out on pages 10 to 29.

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

- a) Giving a true and fair view of the Company's financial position as at 30th June, 2023 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting interpretations) and the Corporations Regulations 2001.

Basis for Our Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

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 30th June 2023 but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HARRISON, MAIN & McARTHUR
ANDREW McARTHUR - CA
PARTNER
REGISTERED COMPANY AUDITOR

12-16 Wallis Street, Forster

15th September, 2023

FORSTER BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 39 963 747 288
DIRECTORS' DECLARATION

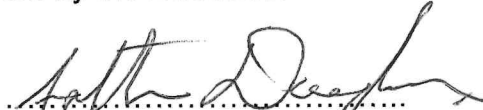
The Directors of Forster Bowling Club Limited, declare that:

1. The financial statements and notes, as set out on pages 11 to 29 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30th June, 2023 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Forster this 15th day of September 2023 by Brian Bruton and Arthur Douglas on behalf of the Board and in accordance with a Resolution passed by the Directors.



BRIAN BRUTON
DIRECTOR



ARTHUR DOUGLAS
DIRECTOR

FORSTER BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 39 963 747 288
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30th June, 2023

	Note	2023 \$	2022 \$
Revenue	2	10114401	8186635
Profit/(Loss) on Disposal of Fixed Assets	3	44523	469461
Changes in Inventories of Finished Goods	3	(1654855)	(1267572)
Employee Benefits Expense	3	(3174772)	(2625992)
Depreciation & Amortisation Expense	3	(931508)	(908000)
Finance Costs	3	(214164)	(142539)
Other Expenses	3	<u>(3249633)</u>	<u>(2463905)</u>
Profit/(Loss) Before Income Tax		933992	1248088
Income Tax Expense	1(c)	<u>-</u>	<u>-</u>
Profit/(Loss) for the Year		<u>933992</u>	<u>1248088</u>
Other Comprehensive Income After Income Tax:			
Net Gain On Revaluation of Non-Current Assets		<u>-</u>	<u>-</u>
Other Comprehensive Income for the Year, Net of Tax		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u>933992</u>	<u>1248088</u>
Total Comprehensive Income Attributable to: Members of the Entity		<u>933992</u>	<u>1248088</u>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the accounts set out on pages 15 to 29.

FORSTER BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 39 963 747 288
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th June, 2023

	Retained Earnings \$	Note	Asset Revaluation Reserve \$
Balance at 1st July, 2021	7172026		-
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	<u>1248088</u>		<u>-</u>
Balance at 30th June, 2022	<u>8420114</u>		<u>-</u>
Balance at 1st July, 2022	8420114		-
Retrospective Adjustment Upon Change in Accounting Policy	-		-
Transfers to and From Reserves	-		-
Transfers to and From Retained Profits	-		-
Total Other Comprehensive Income for the Year	-		-
Profit/(Loss) Attributable to the Company	<u>933992</u>		<u>-</u>
Balance at 30th June, 2023	<u>9354106</u>		<u>-</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts set out on pages 15 to 29.

FORSTER BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 39 963 747 288
STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE, 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	4	1425816	1641462
Trade & Other Receivables	5	113500	113853
Inventories	6	145817	99341
Other Assets	7	232369	179116
TOTAL CURRENT ASSETS		<u>1917502</u>	<u>2033772</u>
NON-CURRENT ASSETS			
Trade & Other Receivables	5	5000	5000
Property, Plant & Equipment	8	11663832	11115329
Intangible Assets	9	660810	660810
TOTAL NON-CURRENT ASSETS		<u>12329642</u>	<u>11781139</u>
TOTAL ASSETS		<u>14247144</u>	<u>13814911</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	10	598600	529405
Borrowings	11	902137	804956
Short Term Provisions	12	394329	310321
Other Liabilities	13	44519	39420
TOTAL CURRENT LIABILITIES		<u>1939585</u>	<u>1684102</u>
NON-CURRENT LIABILITIES			
Borrowings	11	2925227	3688923
Long Term Provisions	12	28226	21772
Other Liabilities	13	-	-
TOTAL NON-CURRENT LIABILITIES		<u>2953453</u>	<u>3710695</u>
TOTAL LIABILITIES		<u>4893038</u>	<u>5394797</u>
NET ASSETS		<u>9354106</u>	<u>8420114</u>
EQUITY			
Reserves			
Retained Profits		9354106	8420114
TOTAL EQUITY		<u>9354106</u>	<u>8420114</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the accounts set out on pages 15 to 29.

FORSTER BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 39 963 747 288
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE, 2023

	Note	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		11255498	8901341
Interest Received		7627	75
Payments to Suppliers and Employees		(9195726)	(7068956)
Finance Costs		(191680)	(142729)
		<hr/>	<hr/>
Net Cash Generated from Operating Activities		1875719	1689731
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		49842	570618
Payment for Intangible Assets		-	-
Payment for Property, Plant & Equipment		(1474692)	(1987249)
		<hr/>	<hr/>
Net Cash used in Investing Activities		(1424850)	(1416631)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		916420	1436984
Repayment of Borrowings		(1582935)	(851444)
Proceeds from Hire Purchase		-	-
Repayment Hire Purchase		-	-
Bond Received		-	-
		<hr/>	<hr/>
Net Cash used in Financing Activities		(666515)	585540
Net Increase/(Decrease) in Cash Held		(215646)	858640
Cash and Cash Equivalents at 1 st July 2022		<hr/>	<hr/>
		1641462	782822
Cash and Cash Equivalents at 30th June 2023	4(a)	<hr/>	<hr/>
		1425816	1641462

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the accounts set out on pages 15 to 29.

FORSTER BOWLING CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 39 963 747 288
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2023

The financial statements are for Forster Bowling Club Limited as an individual Company, incorporated and domiciled in Australia. Forster Bowling Club Limited is a Company limited by guarantee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on the accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets (if applicable), financial assets and financial liabilities (if applicable). The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 15th September 2023 by the Directors of the Company.

Accounting Policies

a) Inventories

Inventories are measured at the lower of cost and net realisable value.

b) Property, Plant & Equipment

Property, plant and equipment are carried at cost or at fair value, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the 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 fair value of the assets less cost to sell or the depreciable replacement cost of these assets.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour and borrowing costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings, and leasehold improvements but excluding freehold land, are depreciated on a straight line and/or diminishing value basis over their useful lives to the Company, commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and Equipment	5% - 50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

c) Income Tax

In accordance with Section 50.45 of the Income Tax Assessment Act, the Company has been notified by the Australian Taxation Office that its income is not subject to income tax.

d) Employee entitlements

I. Short Term Employee Benefits

Provision is made for the Company's obligation for short term employee benefits. Short term employee benefits are benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short term employee benefits are measured at the (undiscounted) amount expected to be paid when the obligation is settled.

The Company's obligation for short term employee benefits is recognised as part of provisions in the Statement of Financial Position.

II. Long Term Employee Benefits

The Company classifies employees' long service leave and certain annual leave entitlements as long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for long term employee benefits, which are measured at the present value of the expected future payments to be made to employees including future wage and salary levels and on costs. The movement in this provision is recognised on the profit or loss under employee benefits expense.

The Company's obligation for long term employee benefits is recognised as part of non-current provisions in the Statement of Financial Position unless the Company cannot defer settlement for 12 months then they are classified as current provision.

Contributions are made by the Company to employee superannuation funds and charged as an expense when incurred.

e) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Grant revenue is recognised in the Statement of Comprehensive Income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received and the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the Statement of Financial Position, with a corresponding amount of income recognised in the Statement of Comprehensive Income.

Revenue is recognised net of the amount of goods and services tax (GST)

f) Goods and Services Tax (GST)

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

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

**g) Intangibles
Software**

Computer software is recorded at cost of acquisition. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and five years. It is assessed annually for impairment.

Poker Machine Licences and Business Goodwill

Poker Machine licences and Goodwill on acquisition of a business are recorded at the cost of the acquisition. Poker Machine licences and Goodwill that have an indefinite life and are carried at cost less impairment losses. Poker Machine licences and Goodwill are assessed annually for impairment.

h) Leases/Rental Agreements

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but, not the legal ownership, are transferred to the Company are classified as finance leases.

Finance lease are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for finance leases which are considered low value are charged as expenses on a straight line basis over the lease term.

In accordance AASB: 116 Property Plant and Equipment, any rectification clauses in operating leases will be recognised and measured in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets, only if the probable outflow is not remote and can be reliably measured.

i) Sub Clubs

Subsidiary Clubs have been incorporated into the Club's figures. These Clubs are run under their own by-laws and officers. However, it is considered that whilst their funds are under the control of those officers they are Clubs within the main Club unless incorporated separately and accordingly their assets form part of the Company's overall assets.

j) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use or the depreciable replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the Company estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect to the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Impairment testing is performed annually for intangible assets with indefinite lives

k) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are expensed to profit or loss immediately.

Classification & Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amounts for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. The amount at which the financial asset or liability is measured at initial recognition;
- ii. Less principal repayments;
- iii. Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method;
- iv. Less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Loans & Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date these are included in non-current assets.

Held to Maturity Investments

Held to Maturity Investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to Maturity Investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, these are included in current assets.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the profit and loss.

I) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that this outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m) Comparative Figures

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

When the Company applies an accounting policy retrospectively, makes retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period must be disclosed.

n) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and with the Company.

Key Estimates – Impairment

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

o) New and Revised Standards that are Effective for these Financial Statements

The following Australian Accounting Standards are effective and have been applied in the preparation of these financial statements:

AASB 9: Financial Instruments (December 2014) and associated Amending Standards

AASB 16: Leases

AASB 15: Revenue from Contracts with Customers

AASB 1058: Income of Not-for-Profit Entities

NOTE 2 – REVENUE

	Note	2023 \$	2022 \$
Sale of Goods		4121777	3032014
Gaming Revenue		3622855	3200292
Other Trading Revenue		1802350	1741676
Interest Received		7609	75
Rental Revenue		131104	87904
Other Revenue		428706	124674
TOTAL REVENUE		10114401	8186635

NOTE 3 – PROFIT/(LOSS) FOR YEAR

a) Expenses

Changes in Inventories of Finished Goods

Cost of Sales – Finished Goods	1654855	1267572
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Depreciation and Amortisation

Buildings	229321	200042
Plant & Equipment	702187	707958
Intangibles	-	-
	931508	908000

Finance Costs

Interest Paid	214164	142539
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	Note	2023 \$	2022 \$
Employee Benefits			
Employee Entitlements		90672	42518
Salaries & Wages		2755413	2327167
Staff Amenities		78807	56104
Superannuation		229390	179986
Fringe Benefits		20490	20217
		<u>3174772</u>	<u>2625992</u>

Other Expenses

Bar & Bottleshop Trading Expenses		309196	372529
Poker Machines Trading Expenses		864769	742044
Bistro/Coffee Shop Trading Expenses		100738	67939
Restaurant Trading Expenses		35993	30243
Keno & TAB Trading Expenses		43365	33080
Alleys, Courtesy Bus & General Expenses		320979	253053
Entertainment & Promotions Expenses		463597	157336
Greens, Bowls Office & Shop Expenses		216617	165322
Entertainment Centre Trading Expenses		169157	133396
Motel Trading Expenses		331785	193300
Administration Expenses		393437	315663
		<u>3249633</u>	<u>2463905</u>

b) Significant Revenue and Expenses

Gain/(Loss) on Disposal of Non-Current Assets		44523	469461
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NOTE 4 – CASH & CASH EQUIVALENTS

Cash on Hand		187716	159929
Cash at Bank – Forster Bowling Club		1198808	1417824
Cash at Bank – Sub Club's		39292	63709
	4(a), 19	<u>1425816</u>	<u>1641462</u>

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to Items in the Statement of Financial Position as follows:

Cash and Cash Equivalents		1425816	1641462
Bank Overdrafts	11	<u>-</u>	<u>-</u>
		<u>1425816</u>	<u>1641462</u>

NOTE 5 – TRADE & OTHER RECEIVABLES

Current

Trade Receivables		11028	22217
Other Receivables		73153	73864
Accrued Income		29319	17772
	5(a)	<u>113500</u>	<u>113853</u>

Non-Current

Bonds & Security Deposits Paid TAB	5(a)	<u>5000</u>	<u>5000</u>
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(a) Financial assets classified as loans and receivables:

Trade & Other Receivables:			
- Current		113500	113853
- Non-Current		5000	5000
	19	<u>118500</u>	<u>118853</u>

NOTE 6 - INVENTORIES

	Note	2023 \$	2022 \$
Bar & Bottleshop Stock at Cost		125775	77929
Greens Stock at Cost		5643	5643
Bowls Shop Stock at Cost		8477	8702
Staff Shirts		-	-
Reward Centre		105	1700
Café/Coffee Shop Stock at Cost		5817	5367
		<u>145817</u>	<u>99341</u>

NOTE 7- OTHER ASSETS

Prepayments		<u>232369</u>	<u>179116</u>
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NOTE 8 – PROPERTY, PLANT & EQUIPMENT

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
Year Ended 30th June 2023				
Freehold Land & Bowling Greens	2431362	-	-	2431362
Buildings at Cost	9194990	4171227	-	5023763
Plant & Equipment Main Club & Motel at Cost	9087235	5517894	-	3569341
Plant & Equipment Tenpin at Cost	1333686	788675	-	545011
Work In Progress	94355	-	-	94355
	<u>22141628</u>	<u>10477796</u>	<u>-</u>	<u>11663832</u>

	Cost \$	Accum Dep'n \$	Accum Impair't Loss \$	Written Down Value \$
Year Ended 30th June 2022				
Freehold Land & Bowling Greens	2268362	-	-	2268362
Buildings at Cost	8392239	3947226	-	4445013
Plant & Equipment Main Club & Motel at Cost	8849939	5135013	-	3714926
Plant & Equipment Tenpin at Cost	1306951	725407	-	581544
Work In Progress	105484	-	-	105484
	<u>20922975</u>	<u>9807646</u>	<u>-</u>	<u>11115329</u>

Movement in Carrying Amount of Property, Plant & Equipment

	2023 Property, Plant & Equipment \$	2022 Property, Plant & Equipment \$
Opening Written Down Value	11115329	10137274
Add: Additions	1474692	1987249
Add/(Less): Disposals/Adjustments	5319	(101194)
Less: Depreciation	(931508)	(908000)
Add: Revaluation Increment	-	-
Less: Revaluation Decrement	-	-
	<u>11663832</u>	<u>11115329</u>
Closing Written Down Value		

CORE ASSETS OF THE CLUB

The following properties are considered to be core property of the Club:

- (i) The licensed premises of the Club – being the main clubhouse;
- (ii) The four greens;
- (iii) The Tenpin Centre;
- (iv) All existing car parking areas.

The following properties are non-core property of the Club:

- (i) 19, 21, 23 & 27 Townsend Street, Forster;
- (ii) Forster Palms Motel.

VALUATION

An independent valuation of Land & Buildings was undertaken during April 2016 & August 2022. These valuations were done by Phillip Warren M.A.V.A. (Plant & Equipment), Registered Valuer No 232, Ben Hill AAPI (Land & Buildings), Registered Valuer No 024135 of Global Valuation Services Pty Ltd, M. Reid AAPI, Registered Valuer No 68895 of Opteon & AD Magin AAPI Registered Valuer No 68018.

The basis of valuation and value ascertained is as follows:

Asset	Basis Of Valuation	Valuation \$
Land & Buildings – 2 Strand Street	Fair Value	3575000
Land & Buildings – 13 to 17 Townsend Street	Fair Value	2925000
Land & Buildings – 27 Townsend Street	Fair Value	1500000
Land & Buildings – 60 Macintosh Street	Fair Value	5000000
Plant & Equipment – 2 Strand Street	Fair Value	1228880
Plant & Equipment – 13 to 17 Townsend Street	Fair Value	411770

NOTE 9 – INTANGIBLE ASSETS

	Cost \$	Accum Amort'n/ Impair't \$	Written Down Value \$
30th June 2023			
Computer Software	22152	22152	-
Poker Machine Entitlements	369838	106232	263606
Goodwill Motel Business	397204	-	397204
	<u>789194</u>	<u>128384</u>	<u>660810</u>

	Cost \$	Accum Amort'n/ Impair't \$	Written Down Value \$
30th June 2022			
Computer Software	22152	22152	-
Poker Machine Entitlements	369838	106232	263606
Goodwill Motel Business	397204	-	397204
	<u>789194</u>	<u>128384</u>	<u>660810</u>

Movement in Carrying Amount of Intangible Assets

	Note	2023 \$	2022 \$
Opening Written Down Value		660810	660810
Less: Amortisation		-	-
Closing Written Down Value		<u>660810</u>	<u>660810</u>

NOTE 10 – TRADE & OTHER PAYABLES

	Note	2023 \$	2022 \$
Current			
Trade Payables		420517	314732
Income in Advance		4466	-
Accrued Expenses		141005	189703
Other Creditors		32612	24970
	10(a)	<u>598600</u>	<u>529405</u>

(a) Financial Liabilities at amortised cost classified as trade and other payables:

Trade & Other Payables			
- Current		598600	529405
- Non-Current		-	-
		<u>598600</u>	<u>529405</u>
Less Income In Advance		-	-
		<u>-</u>	<u>-</u>
Financial Liabilities as Trade & Other Payables	19	<u>598600</u>	<u>529405</u>

NOTE 11 – BORROWINGS

Current			
Bank Overdraft – CBA	11(b) & (c)	-	-
Better Business Loan	11(b) & (c)	460590	399168
Equipment Loans	11(b) & (c)	68448	85667
Insurance Loan	11(d)	207776	160479
Finance Leases	11(b) & 15	165323	159642
		<u>902137</u>	<u>804956</u>
Non-Current			
Better Business Loan	11(b) & (c)	2877537	3533361
Insurance Loan	11(d)	-	-
Equipment Loans	11(b) & (c)	47690	98634
Finance Leases	11(b) & 15	-	56928
		<u>2925227</u>	<u>3688923</u>
Total Borrowings	19	<u>3827363</u>	<u>4493879</u>

a) Total current and non-current secured liabilities:

All of the above current and non-current borrowings are secured liabilities except for the insurance loan.

b) The carrying amount of current and non-current assets pledged as security are:

	Note	2023 \$	2022 \$
Buildings and Plant & Equipment		11663832	11115329
Floating Charge:			
Cash & Cash Equivalents		1425816	1641462
Trade & Other Receivables		118500	118853
Inventories		145817	99341
Other Current Assets		232369	179116
Intangible Assets		660810	660810
		<u>14247144</u>	<u>13814911</u>

c) Securities Given

i. The bank debt is secured by:

- Registered Mortgage over the property at 2 Strand Street, Forster;
- Registered equitable mortgage over all assets and undertakings of the club including goodwill and uncalled capital and called but unpaid capital;
- Registered Mortgage over 13 to 17 & 27 Townsend Street, Forster;
- Registered Mortgage over 60 Macintosh Street, Forster;
- Registered Mortgage over 19 Townsend Street, Forster
- Registered Mortgage over 21 Townsend Street, Forster;
- Registered Mortgage over 23 Townsend Street, Forster;
- Registered Mortgage over Clubhouse & Entertainment Centre Solar Systems and Nissan Ute.

Covenants imposed by the bank are as follows:

- Annual audited financial statements provided 150 days of end of financial year;
- Gaming machines equal/greater than 80 and net gaming takings \$2750000;
- Wages not to exceed 30% total revenue, interest rate coverage 3.5 times, borrowings less than 6 times EBIT or 100% total revenue.

d) The insurance loan is for a term of 12 months and unsecured.

e) The Company currently has undrawn facilities as follows:

Facility	Facility Limit \$	Amount Drawn \$	Undrawn Facility \$
Bank Overdraft – CBA	230000	-	230000
Better Business Loan – CBA	1818921	1318921	500000
Better Business Loan – CBA	772154	472448	299706
Better Business Loan – CBA	1546757	1546757	-
Insurance Loan	207776	207776	-
Equipment Loans – Various	116138	116138	-
Finance Leases – Various	165323	165323	-

NOTE 12 – PROVISIONS

	Employee Prov'n \$	Joker Surprise \$	Friday Jackpot \$	Total \$
Opening Balance at 1 st July 2022	329403	1100	390	330893
Provisions raised during year	222193	1300	-	223493
Amounts used	(131520)	-	(108)	(131628)
Balance at 30 th June 2023	420076	2400	282	422758

Analysis of Total Provisions

	Note	2023 \$	2022 \$
Current			
Provision for Joker Surprise		2400	1100
Provision for Friday Jackpot		282	390
Provision for Employee Benefits		391850	307631
Provision for Tournament Sponsorship		(203)	1200
		<u>394329</u>	<u>310321</u>
Non-Current			
Provision for Employee Benefits		<u>28226</u>	<u>21772</u>

Provision for Long Service Leave

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(d) of the financial statements.

NOTE 13 – OTHER LIABILITIES

	Note	2023 \$	2022 \$
Current			
Subscriptions & Fees in Advance		44519	39240

NOTE 14 - CONTINGENT LIABILITIES & ASSETS

Contingent Liability

The Club has one contingent liability at the 30th June 2023 being the payment of poker machine jackpots upon the decommissioning of a machine. The payment of the jackpot being contingent upon the decommissioned machine not being replaced or the jackpot not being transferred to another machine. The potential liability is \$80980.

Contingent Asset – Promotional Fund

The club has two contingent assets at the 30th June 2023 being the maintenance of a promotional fund by Toohey's and Carlton United Breweries under the current trading agreements. Under the agreement between the Club, Toohey's and Carlton, an amount is set aside based on the litres purchased by the Club to be used on promotional activity agreed to by both parties. The maintenance of the fund is contingent upon a valid trading agreement between the Club, Toohey's and Carlton remaining in place.

NOTE 15 – CAPITAL, LEASING & OTHER COMMITMENTS

Low Value Finance Lease Commitments

Photocopier & Printer

The Company during January and July 2017 and April 2022 entered into updated rental agreements for a photocopier and printer. The contracts are for 60 months and 48 months and the combined rental per month is \$1230 and \$605.

Keno

The Company signed an agreement in July 2011 with Tabcorp for the supply of a keno touch terminal. The cost per month is \$496.

The Club's annual rental liabilities are as follows:

	Keno \$	Photo- Copier \$	Total \$
Not Later Than 12 months	5957	7260	13217
Later Than 12 months but Not Later Than 2 years	-	7260	7260
Later Than 2 years but Not Later Than 5 years	-	5445	5445

Finance Lease Commitments

Poker Machine Licence Rental

The Club entered into agreements in the current and prior years to lease poker machine game licences from various companies in the poker machine manufacturing industry for periods of between one and three years.

	Note	2023 \$	2022 \$
Payables – Minimum Lease Payments			
Not Later Than 12 months		165323	159642
Later Than 12 months but Not Later Than 2 years		-	56928
Later Than 2 years but Not Later Than 5 years		-	-
Later Than 5 Years		-	-
Minimum Lease Payments		165323	216570
Less: Future Finance Charges		-	-
		165323	216570

Capital Commitments

The Club has no material capital commitment at the 30th June 2023.

Club Grants Commitment

As part of the Community Welfare, Community Development, Social Services and Employment Assistance Scheme the Club has committed to donate funds to various organisations that fall under either, Category 1, Category 2 or Category 3 as required by the NSW Office of Liquor, Gaming and Racing. The amount calculated is 2.25% of the total metered profit for the year ended 31st August 2023 at Forster Bowling Club. At the 30th June 2023 the club had committed to donate approximately \$22300, with the majority of this commitment to be expended in the month of July & August 2023.

NOTE 16 - SUPERANNUATION COMMITMENT

The Company is committed to paying superannuation for all employees who fall within the ambit of the Superannuation Guarantee Legislation. Contributions are calculated as a percentage of employees' ordinary wages under the definition of ordinary time's earnings under the modern award.

NOTE 17 – KEY MANAGEMENT PERSONNEL COMPENSATION

At the 30th June, 2023 the Company had 12 current and 1 former key management personnel including Directors of the Company.

Compensation Paid to Key Management Personnel (Excluding Directors)

	Short Term Benefits \$	Post Employ Benefits \$	Long Term Benefits \$	TOTAL \$
2023				
Total Compensation	566931	54053	80196	700640
2022				
Total Compensation	544872	46521	58813	650206

Compensation Paid to Key Management Personnel (Directors)

	Short Term Benefits \$	Post Employ Benefits \$	Long Term Benefits \$	TOTAL \$
2023				
Total Compensation	25771	-	-	25571
2022				
Total Compensation	21160	-	-	21160

NOTE 18 – RELATED PARTY TRANSACTIONS

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

Transactions with related parties:-

a) Close Family Member of Current Key Management Personnel

A son of one of the current key management personnel, Connor Clements is employed in the Entertainment Centre. All terms and conditions of employment are the same as for other Entertainment Centre employees. Total remuneration received was \$45629.

NOTE 19 – FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings from financial and non-financial institutions.

The Company does not have any derivative instruments at the 30th June, 2023.

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

	Note	2023 Carrying Value \$	2023 Net Fair Value \$	2022 Carrying Value \$	2022 Net Fair Value \$
Financial Assets					
Cash & Cash Equivalents	4	1425816	1425816	1641462	1641462
Loans & Receivables	5(a)	118500	118500	118853	118853
Total Financial Assets		<u>1544316</u>	<u>1544316</u>	<u>1760315</u>	<u>1760315</u>
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade & Other Payables	10(a)	598600	598600	529405	529405
Borrowings	11	3827364	3827364	4493879	4493879
Total Financial Liabilities		<u>4425964</u>	<u>4425964</u>	<u>5023284</u>	<u>5023284</u>

Net Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the table at the beginning of Note 19 and can be compared to their carrying value as presented in the Statement of Financial Position. Fair value is determined in accordance with the accounting policy at Note 1(k) in the Financial Statements and Notes.

The fair values disclosed in the table at the beginning of Note 19 have been determined on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.
- (ii) Borrowings fair values are determined using discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will not differ materially to their carrying value.

Financial Instruments Measured at Fair Value

There are no financial instruments that need to be recognised at fair value in the Statement of Financial Position using the fair value hierarchy as outlined In AASB 7.

NOTE 20 – EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Events After Balance Date

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

Future Developments

The Club beginning construction to combine the indoor and outdoor poker machine areas including the expansion of the Clubhouse into the carpark at the eastern end of the Club. The expansion will increase the number of poker machines in the outdoor area to 25 machines and add another 15 machines to the indoor area. A development application and construction certificate have been approved and issued by Mid Coast Council and it is hoped construction will commence before Christmas.

Apart from any matters outlined above, it is proposed to continue Company operations in a similar manner to the past financial year, with focus being on reduction of the Club's expenditure and the undertaking of improvements, wherever possible and within the constraints of available funds.

NOTE 21 – ENTITY DETAILS

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

Forster Bowling Club Ltd
Strand Street
Forster NSW 2428

NOTE 22 - MEMBERS GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company Limited by Guarantee. In accordance with the Constitution of the Company every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At the date of this report there are 14265 members (2022: 9625 members).