

49TH ANNUAL REPORT 2021

AND FINANCIAL STATEMENTS FOR THE
YEAR ENDING 31 MAY 2021



Bowlers' Club of New South Wales Limited
ABN 70.001 015 701



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NOTICE OF THE ANNUAL GENERAL MEETING

(For the year ended 31 May 2021)

NOTICE is hereby given that the Forty-ninth Annual General Meeting of the members of the Bowlers' Club of New South Wales Limited will be held at the Registered Office, 95-99 York Street, Sydney on Thursday 23 September 2021, commencing at 6.00p.m.

PLEASE NOTE: As there may be restrictions on holding the AGM at the Registered Office, due to COVID-19 directions, this meeting may need to be rescheduled. Should this be the case eligible financial members will be notified by email of any changes, which will also be found in the Notices to members on the Club's web-site.

AGENDA

1. Apologies
2. To receive and confirm the minutes of the Forty-eighth Annual General Meeting held on Thursday 24 September 2020.
3. To receive and consider the Directors Reports to members and the Annual Report of the Board of Directors for the year ended 31 May 2021.
4. To receive and consider the financial report, including Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and the Auditor's report for the year ended 31 May 2021.
5. To declare the result of the election of Directors to hold office in accordance with Article 26.3 (4)
6. To consider and if thought fit pass the following Ordinary Resolutions:

FIRST ORDINARY RESOLUTION

That pursuant to Section 10 (6)(b) of the Registered Clubs Act 1976, the members hereby approve the following honorarium for Directors of the Club for their services as Directors of the Club until the Annual General Meeting in the year 2022:

- a.) The President of the Club to be paid an honorarium of \$15,000 inclusive of Superannuation Guarantee;
- b.) The Deputy Chairperson of the Club to be paid an honorarium of \$10,000 inclusive of Superannuation Guarantee;
- c.) Each of the four ordinary Directors of the Club to be paid an honorarium of \$7,500 inclusive of Superannuation Guarantee;

7. To consider and if thought fit pass the following Ordinary Resolution:

SECOND ORDINARY RESOLUTION

That pursuant to Section 10 (6)(a) and Section 10 (6) (d) of the Registered Clubs Act 1976, the members hereby approve the following benefits for Directors until the Annual General Meeting in 2022:

- a.) The provision of reasonable refreshments and light supper for Directors at Board Meetings;
- b.) The provision of two dinners per annum for the Board of Directors and invited guests of the Board of Directors;



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- c) The reasonable cost of Directors and their partners attending the Annual General Meeting of ClubsNSW (Registered Clubs Association) and Club Managers Association of Australia and any Industry or other Association conference, provided such attendances are approved by the Board as being necessary for the betterment of the Club;
- d) The reasonable cost of Directors and their partners attending any community, social or charity function as the representatives of the Club and authorised by the Board to do so;
- e) The reasonable costs of Directors and their partners attending Regional ClubsNSW (Registered Clubs Association) meetings, trade displays, seminars and other similar events as approved by the Board as being necessary for the betterment of the Club;
- f) The reasonable costs of Directors attending other registered clubs for the purposes of viewing or assessing their facilities and their methods of operations provided such attendances are approved by the Board as being necessary for the betterment of the Club;
- g) The reasonable travel costs of Directors attending Board and other meetings of Directors and any incidental accommodation expenses;

Provided that all such costs and expenses are also approved by a current resolution of the Board, and the total cost to the Club of the items referred to does not exceed \$65,000.

8. To consider and if thought fit pass the following Ordinary Resolution:

THIRD ORDINARY RESOLUTION

That the members hereby approve the expenditure by the Club of a sum not exceeding \$70,000 for the cost of Directors attending seminars and trade shows outside of Australia provided that such attendance of any Director has been first approved by a current resolution of the Board as being of substantial benefit to the interests of the Club and the cost of such attendance is in the opinion of the Board reasonable.

9. To consider and if thought fit pass the following Special Resolution:

PROCEDURAL MATTERS FOR SPECIAL RESOLUTION

1. To be passed, the Special Resolution must receive votes in favour from three quarters (75%) of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.
2. Only Life members and financial Ordinary members are entitled to vote on the Special Resolution.
3. Under the Registered Clubs Act members who are employees of the Club are not entitled to vote and proxy voting is prohibited.
4. The Board of the Club recommends the Special Resolution to members.



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SPECIAL RESOLUTION

[The Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Bowlers' Club of New South Wales Limited be amended by:

- (a) **inserting** the following new definitions into existing Rule 3 in alphabetical order;

"Board Appointed Director" means a person appointed to the Board pursuant to Rule 27.1(b), the Registered Clubs Act and Registered Clubs Regulations but does not include a person who is appointed to the Board to fill a casual vacancy in accordance with Rule 34 of this Constitution.

"Code" means the Registered Clubs Accountability Code found in Schedule 2 of the Registered Clubs Regulations (NSW) 2015.

"Financial member" means a member of the Club who has paid all joining fees, subscriptions, levies and other payments to the Club by the relevant due dates.

"Non Financial member" means a member who has not paid all joining fees, subscriptions, levies and other payments to the Club by the relevant due dates."

- (b) **deleting** existing Rule 3.2 and **inserting** the following new Rule 3.2:

"Deleted."

- (c) **inserting** a semi colon and the word "and" at the end of existing Rule 10.3(b) and **inserting** the following new Rule 10.3(c):

"(c) Social members."

- (d) **inserting** the following new Rule 11.5:

"The Secretary may refuse an applicant for membership admission to the Club or remove an applicant for membership from the Club's premises at any time without notice and without having to provide any reason."

- (e) **inserting** into existing Rule 13.5 after the words "then on duty may" the words "refuse a person admission to the Club and/or".



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- (f) **inserting** into existing Rule 14.4 the following new sub-rules (c) and (d) and renumbering the remaining sub-rules of Rule 14.4 accordingly:

- " (c) the email address of the applicant;
(d) the telephone number of the applicant;"

- (g) **deleting** from existing Rule 14.9 the words "will promptly" the **inserting** the word "may".

- (h) **deleting** existing Rule 15.5 and **inserting** the following new rule 15.5:

"Any person who has not paid his or her joining fee, subscription, levy or other payment within one (1) month after the due date shall be a Non Financial member and shall cease to be entitled to the privileges of membership of the Club."

- (i) **deleting** the existing first sentence of Rule 16.1 and **inserting** the following new first sentence of Rule 16.1:

"Notwithstanding any Rule contained in this Constitution, a Non Financial member shall not be entitled to:"

- (j) **inserting** the following new heading and Rule 17, and renumbering the following Rules of the Constitution accordingly:

"17. TRANSFER BETWEEN CLASSES OF MEMBERSHIP

17.1 The Board has the power on the application of any member to transfer that member to another category of membership (other than Life membership) if that member has the qualifications for that other category of membership.

17.2 The Board shall have the power to transfer an Ordinary member who ceases to hold the necessary qualifications for their existing category of membership to another category of membership of the Club for which the Full member has the necessary qualifications.

17.3 Any application for transfer of membership pursuant to Rule 17.1 together with any additional subscription shall be deposited at the office and the Secretary shall cause the name and address of the applicant to be exhibited on the Club Notice Board for a continuous period of not less than seven (7) days before the transfer of the applicant to another class of membership of the Club.

17.4 Unless otherwise determined by the Board, a member will not be entitled to any refund of membership fees or any part thereof if they are transferred to another category of membership for any reason.



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17.5 The Club shall not be required to notify a person if they have been transferred to another class of membership of the Club pursuant to Rule 17.1. If a member fails to be transferred, the Secretary shall cause any additional subscription paid by that member to be returned to such member."

- (k) **inserting** at the start of the existing Rules 17.1(a)(ii) and 17.1(a)(v) the words "for the purposes of the Registered Clubs Act only,".
- (l) **deleting** the sub-heading and existing Rule 18 and inserting the following new sub-heading and Rule 19:

"19 NOTIFICATION TO CLUB REGARDING CHANGE IN MEMBER'S DETAILS

19.1 Every member must advise the Chief Executive Officer of any change to their personal details (including their address, email address and telephone number) within seven (7) days of the change to their personal details."

- (m) **deleting** existing Rules 19.2(e) to (g) inclusive and **inserting** the following new Rules 20.2(d) and (e) and renumbering the following sub-rules of existing Rule 19.2 accordingly:
 - "(d) If the chairperson of the meeting determines (in their absolute discretion) that the member charged is not acting in an appropriate manner, the chairperson may issue the member charged with a warning regarding the member's conduct and advise the member that if the member fails to comply with the warning, the member may be asked to leave the meeting and the Board will continue to consider and deal with the charge in the absence of the member.
 - (e) If the member charged does not comply with the warning given in accordance with paragraph (d) of this Rule, the chairperson (in their absolute discretion) may exclude the member charged from the meeting and continue to consider and deal with the charge in his or her absence."
- (n) **inserting** the following new Rules 20.2(g) to (j) inclusive and renumbering the following sub-rules of Rule 20.2 accordingly:
 - (g) After the Board has considered the evidence put before it, the Board may;
 - (i) immediately come to a decision as to the member's guilt in relation to the charge; or
 - (ii) advise the member that the Board requires additional time to consider the evidence put before it in order to determine whether or not the member is guilty of the charge.



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- (h) After the Board has come to a decision as to the member's guilt in relation to the charge it must:
 - (i) in the case of a decision under Rule 20.2(g)(i), immediately inform the member of the Board's decision; or
 - (ii) in the case of a decision under Rule 20.2(g)(ii), inform the member of the Board's decision in writing within seven (7) days of the date of the decision of the Board.
- (i) If the member charged has been found guilty, the member must be given a further opportunity to address the Board in relation to an appropriate penalty for the charge of which the member has been found guilty. The Board shall, in its absolute discretion, determine whether or not the member will address the issue of penalty:
 - (i) at the meeting or afterwards; and
 - (ii) by way of verbal or written submissions or a combination thereof.
- (j) After the Board has made a decision on the issue of penalty, the Board must advise the member of its decision."
- (o) **deleting** from existing Rule 19.3 after the words "heard and determined" the words "or for five (5) weeks whichever is the sooner".
- (p) **inserting** into existing Rule 22.1(f) after the words "the Secretary" the words "or an employee exercising this power".
- (q) **deleting** existing Rules 26.1 and 26.2 and **inserting** the following new Rules 27.1 and 27.2:
 - "27.1 The Board may consist of up to:
 - (a) six (6) elected directors comprising a President, a Deputy Chairperson and four (4) ordinary directors; and
 - (b) up to two (2) Board Appointed Directors.
 - 27.2 The Board may appoint up to two (2) Board Appointed Directors to the Board in accordance with Rule 27.1(b). The following provisions shall apply in respect of Board Appointed Directors:
 - (a) The provisions of the Registered Clubs Act and Registered Clubs Regulations shall apply in respect of Board Appointed Directors.
 - (b) A Board Appointed Director will only have to satisfy the requirements of Rule 28.2 and the eligibility requirements of the Registered Clubs Act and Registered Clubs Regulations to be appointed to the Board and does not have to satisfy any other eligibility requirements in this Constitution to be a director of the Club.
 - (c) The Board cannot appoint a Board Appointed Director if such an appointment would cause the number of directors on the Board to exceed eight (8) directors."



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- (r) **deleting** existing Rules 27.1 and 27.2, and inserting the following new Rules 28.1 and 28.2:

"28.1 A person shall not be eligible to be nominated, or elected as a director of the Club (other than a Board Appointed Director) or appointed to fill a casual vacancy or appointed to the Board (other than a vacancy in the office of a Board Appointed Director) unless:

- (a) that person is an Ordinary member or Life member at the time of nomination for election or appointment to the Board;
- (b) the person has been a full member of the Club for a continuous period of three (3) years immediately prior to the date of nomination for election or the date of appointment; and
- (c) has completed a governance course arranged by the Club for all members who wish to be nominated for election or appointment to the Board.
- (d) The member is not a director of any other registered club.
- (e) Any person who is elected or appointed to the Board, must, unless exempted, complete such mandatory training requirements for directors as required by the Regulations made under the Registered Clubs Act.

28.2 A member who:

- (a) is an employee of the Club; or
- (b) is currently under suspension pursuant to Rules 20 or 21;
- (c) is not a Financial member;
- (d) is disqualified from managing any company under the Act;
- (e) is of unsound mind or whose person or estate is liable to be dealt with any way under the law relating to mental health;
- (f) is prohibited from being a director by reason of any order or declaration made under the Act, Liquor Act, Registered Clubs Act or any other applicable legislation;
- (g) has been convicted of an indictable offence (irrespective of whether or not a conviction was actually recorded) but it does not include a spent conviction (as defined in the Criminal Records Act 1991);
- (h) has been found guilty of a disciplinary charge and suspended from membership of the Club for any period of time (but not including any provisional suspension pending a disciplinary hearing)

shall not be eligible to stand for or be elected or appointed to the Board."

- (s) **inserting** the following new Rule 29.3(q):

"issue requests and directions to members which may be reasonably required for the proper conduct and management of the Club."



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- (t) **inserting** the following new Rule 30.10:

"In addition to Rule 30.8, a resolution may be passed by the Board if the proposed resolution is emailed to all directors and all directors agree to the proposed resolution by sending a reply email to that effect. The resolution shall be passed when the last director sends their email agreeing to the resolution."

- (u) **deleting** the existing Rules 30 to 32 inclusive and **inserting** the following new sub-headings and Rules 30 to 32 inclusive:

"31. MATERIAL PERSONAL INTERESTS OF DIRECTORS

31.1 Any director who has a material personal interest in a matter that relates to the affairs of the Club must, as soon as practicable after the relevant facts have come to the director's knowledge:

- (a) declare the nature of the interest at a meeting of the Board; and
- (b) comply with Rule 31.2.

31.2 Notwithstanding anything contained in the Act, a director who has a material personal interest in a matter that is being considered at a meeting of the Board, or of the Directors of the Club:

- (a) must not vote on the matter; and
- (b) must not be present while the matter is being considered at the meeting.

32. REGISTERED CLUBS ACCOUNTABILITY CODE

32.1 The Club must comply with the requirements of the Registered Clubs Accountability Code (as amended from time to time) and the provisions of this Rule 32. If there is any inconsistency between the Registered Clubs Accountability Code and this Rule 32, the provisions of the Registered Clubs Accountability Code shall prevail to the extent of that inconsistency.

32.2 For the purposes of this Rule 32, the terms "close relative", "controlling interest", "manager", "pecuniary interest" and "top executive" have the meanings assigned to them by the Registered Clubs Act and Registered Clubs Regulations.

CONTRACTS WITH TOP EXECUTIVES

32.3 The Club must ensure that each top executive has entered into a written employment contract with the Club dealing with:

- (a) the top executive's terms of employment; and
- (b) the roles and responsibilities of the top executive;
- (c) the remuneration (including fees for service) of the top executive;
- (d) the termination of the top executive's employment.

32.4 Contracts of employment with top executives:

- (a) will not have any effect until they approved by the Board; and
- (b) must be reviewed by an independent and qualified adviser before they can be approved by the Board.



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CONTRACTS WITH DIRECTORS OR TOP EXECUTIVES

32.5 Subject to any restrictions contained in the Registered Clubs Act and Rule 32.7, the Club must not enter into a commercial arrangement or a contract with a director or top executive or with a company or other body in which a director or top executive has a pecuniary interest, unless the proposed commercial arrangement or contract is first approved by the Board.

32.6 A “pecuniary interest” in a company for the purposes of Rule 32.5 does not include any interest exempted by the Registered Clubs Act.

CONTRACTS WITH SECRETARY AND MANAGERS

32.7 Unless otherwise permitted by the Registered Clubs Act, the Club must not enter into a commercial arrangement or contract with:

- (a) the Secretary or a manager; or
- (b) any close relative of the Secretary or a manager;
- (c) any company or other body in which the Secretary or a manager or a close relative of the Secretary or a manager has a controlling interest.

LOANS TO DIRECTORS AND EMPLOYEES

32.8 The Club must not:

- (a) lend money to a director of the Club; and
- (b) unless otherwise permitted by the Registered Clubs Act and Regulations, the Club must not lend money to an employee of the Club unless the amount of the proposed loan is ten thousand dollars (\$10,000) or less and the proposed loan has first been approved by the Board.

RESTRICTIONS ON THE EMPLOYMENT OF CLOSE RELATIVES OF DIRECTORS AND TOP EXECUTIVES

32.9 A person who is a close relative of a director or top executive must not be employed by the Club unless their employment is approved by the Board.

32.10 If a person who is being considered for employment by the Club is a close relative of a director of the Club, the director must not take part in any decision relating to the person’s employment.

DISCLOSURES BY DIRECTORS AND EMPLOYEES OF THE CLUB

32.11 A director, top executive or employee of the Club must disclose any of the following matters to the Club to the extent that they relate to the director, top executive or employee:

- (a) any material personal interest that the director has in a matter relating to the affairs of the Club; and
- (b) any personal or financial interest of the director or top executive in a contract relating to the procurement of goods or services or any major capital works of the Club;
- (c) any financial interest of the director or top executive in a hotel situated within forty (40) kilometres of the Club’s premises;



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- (d) any gift (which includes money, hospitality and discounts) valued at one thousand dollars (\$1,000) or more, or any remuneration (including any fees for service) of an amount of one thousand dollars (\$1,000) or more, received by the director, top executive or employee from an affiliated body of the Club or from a person or body that has entered into a contract with the Club.

32.12 The Club must keep a register in an approved form containing details of the disclosures made to the Club in accordance with this Rule 32.

TRAINING DISCLOSURES

32.13 The Club must make available to members:

- (a) details of any training which has been completed by directors, the Secretary and managers of the Club in accordance with the Registered Clubs Regulation; and
- (b) the reasons for any exemptions of directors, the Secretary or managers from undertaking the training prescribed by the Registered Clubs Regulation.

32.14 The Club must indicate, by displaying a notice on the Club's premises and on the Club's website (if any), how the members of the Club can access the information.

PROVISION OF INFORMATION TO MEMBERS

32.15 The Club must:

- (a) make the information required by the Registered Clubs Regulations available to the members of the Club within four (4) months after the end of each reporting period to which the information relates: and
- (b) indicate, by displaying a notice on the Club's premises and on the Club's website (if any), how the members of the Club can access the information."

(v) **deleting** from existing Rule 34.2 the words "six (6)" and inserting the words "four (4)".

(w) **inserting** into existing Rule 35.19 after the words "Subject to" the words "Rule 35.20,".

(x) **inserting** the following new Rules 35.19 and 35.20 and renumbering the remaining sub-rules of Rule 35 accordingly:

"35.19 The chairperson:

- (a) is responsible for the conduct of the general meeting; and
- (b) shall determine the procedures to be adopted and followed at the meeting;
- (c) may refuse a member admission to a general meeting or require a member to leave a general meeting if in his or her opinion, the member is not complying with reasonable directions and/or is acting in an offensive and disruptive manner at the meeting.



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35.20 The Board may authorise persons other than members to attend and speak at a general meeting but those persons shall not be entitled to vote at general meetings."

- (y) **deleting** from existing Rule 35.33 after the words "twenty (20) members present" the words "in person".
- (z) **inserting** the following new Rules 35.42 to 35.45 inclusive:
 - "35.42 The Board may cancel or postpone any general meeting prior to the date on which it is to be held, except where such cancellation or postponement would be contrary to the Act. The Board may give such notice of the cancellation or postponement as it thinks fit but any failure to give notice of the cancellation or postponement does not invalidate the cancellation or postponement or any resolution passed at a postponed meeting. This Article will not operate in relation to a meeting called pursuant to a request or requisition of members.
 - 35.43 The Board may withdraw any resolution which has been proposed by the Board and which is to be considered at a general meeting, except where the withdrawal of such a resolution would be contrary to the Act.
 - 35.44 The Club may hold a general meeting (including Annual General Meeting) at two (2) or more venues using any technology that gives the members as a whole a reasonable opportunity to participate at the meeting.
 - 35.45 If permitted by the Act, the Club may hold virtual only general meetings or Annual General Meetings. The provisions of the Act shall apply to such meetings and to the extent of any inconsistencies between the Act and the Constitution, the provisions of the Act shall prevail."
- (aa) **deleting** existing Rule 38.6 and **inserting** the following new Rule 38.6:
 - "38.6 The Club will also record and report information in accordance with the Code as it may be amended from time to time."
- (bb) **deleting** the existing Rule 43 and **inserting** the following new Rule 43:
 - "43.1 A notice may be given by the Club to any member either:
 - (a) personally; or
 - (b) by sending it by post to the address of the member recorded for that member in the Register of Members kept pursuant to this Constitution;
 - (c) by sending it to the electronic address (if any) nominated by the member;
 - (d) by notifying the member in accordance with Rule 43.2 (in the case of notices of general meetings (including Annual General Meetings) only).



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43.2 If the member nominates:

- (a) an electronic means (the nominated notification means) by which the member may be notified that notices of meeting are available; and
- (b) an electronic means (the nominated access means) the member may use to access notices of meeting;

the Club may give the member notice of the meeting by notifying the member (using the nominated notification means);

- (c) that the notice of meeting is available; and
- (d) how the member may use the nominated access means to access the notice of meeting.

43.3 Where a notice is sent to a member in accordance with Rule 43.1, the notice shall be deemed to have been received by the members on the day following that on which the notice was sent.

43.4 Where a notice of general meeting (including Annual General Meeting) is sent to a member in accordance with Rule 43.2, the notice is taken to be given on the day following that on which the member is notified that the notice of meeting is available.

(cc) By making such other consequential amendments necessary to give effect to this Special Resolution including ensuring that the accuracy of all Rule numbers and cross referencing of Rules and paragraphs in the Constitution.

NOTES TO MEMBERS ON SPECIAL RESOLUTION

1. The Special Resolution proposes a series of amendments to the Club's Constitution to bring it into line with the Corporations Act, Gaming Machines Act, Liquor Act and the Registered Clubs Act.
2. **Paragraphs (a) and (b)** apply definitions of:
 - i. the Registered Clubs Accountability Code, which is found in Schedule 2 of the Registered Clubs Regulations (NSW) 2015;
 - ii. a Board Appointed Director which aligns with the Registered Clubs Act and the Registered Clubs Regulations; and
 - iii. what constitutes a 'Financial member' and an 'Non Financial member' of the Club.
3. **Paragraph (c)** clarifies that Social membership is a class of Full membership of the Club in accordance with the Registered Clubs Act. For clarity, this amendment does not provide any further rights or make any substantive amendment to the Club's membership structure, it merely recognises the Club's existing category of Social membership under the Constitution.
4. **Paragraph (d)** clarifies that an application for membership can be cancelled at any time by the Secretary or the senior employee then on duty. This Rule allows the Club to reject any undesirable applicants (who are not members of the Club) from being admitted to membership or to the premises of



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the Club.

5. **Paragraph (e)** clarifies that a Temporary member (i.e a guest of the Club) may be refused entry to the Club's premises at any time.
6. **Paragraphs (f) and (l)** amend the existing requirements for membership applications to include the applicant's email address in order for the Club to contact members electronically. They also clarify that members are required to update the Chief Executive Officer of any change to their contact details.
7. **Paragraph (g)** amends the application for membership Rules in that the Club is no longer required to notify a person if they have been elected to membership of the Club.
8. **Paragraphs (h) and (i)** clarify that any person who has not paid his or her joining fee, subscription, levy or other payment within one (1) month after the due date shall be a Non Financial member of the Club, and that Non Financial members are not entitled to the membership privileges of the Club.
9. **Paragraph (j)** inserts a new Rule that allows the Board to transfer a member from one category of membership to another if that member has the necessary qualifications for the new membership category. This is a standard provision found in many registered club Constitutions.
10. **Paragraph (k)** clarifies that the Club will keep certain information in the Club's Register of Members in accordance with the requirements of the Registered Clubs Act.
11. **Paragraphs (m), (n) and (o)** updates the existing disciplinary proceedings of the Club to align with best practice, providing the Club with the option to provide the result of any disciplinary proceedings via letter. The principles of natural justice and the Club's existing disciplinary procedure have been retained.
12. **Paragraph (p)** provides that if an employee suspects a person is in possession of a prohibited plant or a prohibited drug, that person may be removed from the premises.
13. **Paragraph (q)** enshrines in the Constitution the Board's legislative power to appoint up to two (2) directors to the Board (who are not elected by members or appointed by the Board to fill casual vacancies).
 - i. The Registered Clubs Act and Registered Clubs Regulations enable boards of registered clubs to appoint up to two (2) directors (who are not elected by members or appointed by the Board to fill casual vacancies) to the Board.
 - ii. This means that the Board may appoint up to two (2) directors to the Board.
 - iii. For the avoidance of doubt:
 - (i) the directors appointed to the Board are in addition to the six (6) directors elected by members or appointed by the Board to fill casual vacancies so the Board could consist of 8 directors; and
 - (ii) the Board is not required to appoint persons to the Board, but it may do so if it wishes;
 - (iii) any person appointed by the Board to be a director only has to satisfy the requirements of the Registered Clubs Act and Registered Clubs Regulations to be appointed and does not have to satisfy any requirement in this Constitution such as belonging to a particular category of membership or being a member for a specific period of time before standing for or being elected or appointed to the Board;
 - (iv) if a person is appointed to the Board, the Club must, within twenty-one (21) days of the



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appointment, display a notice on the Club's noticeboard and website stating:

- (1) the reasons for the person's appointment, and
 - (2) the person's relevant skills and qualifications, and
 - (3) any payments to be made to the person in connection with his or her appointment.
- iv. This amendment allows the Board to identify persons with particular skills, expertise and experience which may be beneficial to the Club and allow the Board to appoint those persons to the Board.
 - v. For example, the Club may undertake a major construction project in the future and none of the directors at the time may have expertise in construction. This amendment allows the Board to identify and appoint a person or persons with expertise in construction who will be able to assist the Club in completing the construction project.
14. **Paragraph (r)** inserts new provisions relating to the eligibility of members to remain on the Board, to align with best corporate practice. For example, if a director becomes bankrupt, that director will automatically vacate their office.
 15. **Paragraph (s)** inserts a Board power to issue requests and directions to members which may be reasonably required for the proper conduct and management of the Club.
 16. **Paragraph (t)** clarifies that a Board resolution can be passed by way of email. This is permitted by the Corporations Act.
 17. **Paragraph (u)** amends existing provisions relating to corporate governance and accountability to bring the Constitution into line with the Corporations Act, the Registered Clubs Act and the Registered Clubs Accountability Code.
 18. **Paragraphs (v)** provides that the Board may act notwithstanding any vacancy on the Board, but if and so long as their number is reduced below four (4) the continuing directors may act for the purpose of increasing the number of directors on the Board to four (4) or to summoning a general meeting of the Club. This Rule has been amended by reducing the minimum number of directors required to act from six (6) to four (4) directors.
 19. **Paragraphs (w) and (x)** provide that the Board may allow a person (for example, a solicitor) to attend and speak at the Club's Annual General Meeting. However, the person will not have any voting rights. Paragraph (w) also clarifies that the Chairperson of a general meeting is responsible for the proper conduct of the meeting and the members in attendance.
 20. **Paragraph (y)** amends the definition of 'quorum' in relation to general meetings, as the Constitution and the Corporations Act allows the Club to hold general meetings using technology. Accordingly, the reference to twenty persons present in person is now redundant, as a member may be virtually present at a general meeting being held by use of technology.
 21. **Paragraph (z)** amends existing provisions relating to proposed Resolutions, and the holding and postponing general meetings to bring the Constitution into line with the Corporations Act.
 22. **Paragraph (aa)** updates a reference to the Registered Clubs Accountability Code and the reporting requirements of that Code.
 23. **Paragraph (bb)** updates the Rules regarding giving notice to members to provide for the giving of



NOTICE OF THE ANNUAL GENERAL MEETING

notices by electronic means, where permitted to do so by the Corporations Act.

24. **Paragraph (cc)** Members may notice that the order of Rule numbering in the proposed Special Resolution may not correspond with Rules in the amended Constitution.
- i. This is due to the addition of new Rules (Rules that do not exist in the current Constitution).
 - ii. Where the proposed Special Resolution refers to an “existing Rule” that is a reference to an existing Rule number.
 - iii. Where the Special Resolution simply refers to the addition of a “new Rule” that is a reference to the new Rule number attributable to that Rule should the Special Resolution be adopted.
 - iv. In order to address any anomaly in Rule numbering and cross referencing, the final part of the Special Resolution permits amendment to address such issues.
25. This Explanatory Notes to Members is not to be taken in any way as affecting the wording of the proposed amendments to the Constitution, but is provided to inform members of what is proposed and to draw attention to the reasons behind the proposed amendments.
10. To deal with any other general business of which at least twenty-one (21) days’ notice prior to the Annual General Meeting shall have been given in writing to the Chief Executive Officer.

Dated 4 August 2021

By Direction of the Board

ROCKY MASSARIA ACCM JP
Chief Executive Officer



NOMINATIONS FOR BOARD OF DIRECTORS

Nominations for the Board of Directors close with the Chief Executive Officer of the Company at 6.00pm on Thursday 2 September 2021.

The Ballot for Directors, if necessary, will be conducted at the Club premises and will be open from 11.30am till 6.00pm on Monday 20 and Tuesday 21 September 2021.

Nomination forms are available at the Club's office (see Article 27).

Dated: 6 August 2021

By the direction of the Board

A handwritten signature in black ink, appearing to read "Rocky Massaria".

Rocky Massaria ACCM JP
Chief Executive Officer



PRESIDENT'S REPORT

Dear Members

As I write this report the Club has been closed for six weeks since 26/6/2021 and will be for at least another four weeks due to the pandemic. We went through this for ten weeks last year so while not new it still poses significant challenges for us and our staff.

Whilst we were open for the full financial year ended 31/5/2021, our trading revenues have been slow to return, due to ongoing Government restrictions which have particularly impacted Clubs in the CBD. (refer to CEO's report).

Despite the impact of the pandemic, we still recorded a pre- tax profit of \$475,000 for the year albeit well down from pre pandemic levels.

Cash Flow

Our cash flow statement for the year shows we generated \$2m in cash from our operating activities and Government assistance. From this we spent \$500,000 on capex including, gaming machine replacement and Plant and Furniture renewal in line with our policy to continually upgrade our Club.

We have no debt and significant cash reserves which remain intact due to our strong cash flows.

STRATEGIC PLANNING

Our annual strategic planning meeting has been deferred due to the pandemic however, the strategic goals for the coming year remain to continue to grow organically, drive business growth and scale and achieve economies to contain our ever-increasing costs.

Closures and an ongoing restriction environment make this difficult.

Governance-Directors Training

The Board has an Audit and Risk Committee subject to a separate Charter which meets monthly and reports to the Board on Governance issues and financial results. The Committee also meets with the Auditor to discuss and review the scope of the audit and the Audit Plan to ensure the plan covers all material areas of risk.

We also have a Board governance Charter in place which defines the roles, duties and responsibilities of the Board and also, it's relationship with the CEO and Management. The Charter binds the Board to a Club code of conduct which embraces the principles of ethical behavior, transparency, and accountability.

We have a Risk Management Framework policy in place which has as its core aim to identify, assess and mitigate potential risk issues within the Club including our risk culture driven by "tone at the top".



PRESIDENT'S REPORT

Other policies and procedures have been developed to assist in the evaluation of the Board's and Management performance to ensure the Board operates effectively and the Club operates efficiently through its executive.

With regard to Directors training and the provisions of the Registered Clubs Act and its regulations, I am pleased to say that all existing Board members comply with the requirements having completed the required governance courses or have qualifying recognised prior learning.

Your Board has a diverse range of skills and is working cohesively with Management to set the strategic plan and monitor the execution of that plan. Through the Clubs Directors Institute, AICD and others we continue to update our knowledge through regular training.

The Year Ahead

No one has a crystal ball, but we have budgeted on a conservative basis for the downturn in our revenues to continue for some time possibly until a significant number of the population are vaccinated, and people are confident to return to work in an office environment.

At the end of each reporting period Directors and Management must make a judgement on the ability of the Club to continue as a going concern for at least the next twelve months. We use cash flow projections and budget forecasts and other criteria to make this judgement.

The Board believes the Club is well placed to remain viable and solvent and have signed an unqualified Directors Declaration (solvency statement) on that basis.

Management will continue to focus on the key operational issues such as gaming strategies, membership benefits, community engagement and food and beverage.

Our food offering will be a key focus for us again this year. Building works to achieve a Clarence Street entrance to the Club through Primi restaurant will be in place by Christmas.

Our functions business was heavily impacted by Covid, but we are optimistic this will gradually return as restrictions are lifted.

The level 1 Zabou Bar and Grill will continue to operate and build on its success with a food offering so very popular with members.

Acknowledgements

My thanks to Rocky, our long serving sagacious CEO, and Nathan, Kobie, Sonia, Julie, and Shayne and all our dedicated management team and staff who do an exceptional job and continually strive to meet the needs of our members.



PRESIDENT'S REPORT

The reputation of our Club is inextricably linked to the people who work for us and the trust we place in them.

To our members who continue to support the Club thank you for your loyalty.

To our caterers Alex, Helen and family and staff in Zabou Bar and Grill thank you for your high level of service to our members and the quality of the food you present.

To Goran and his staff in Primi Italian restaurant thank you for your excellent offering and customer service.

Further thanks to my fellow Directors who have worked together in a professional and harmonious manner always with the best interests of the Club forefront in their minds.

The responsibility and personal liability taken on by Directors is considerable and increasingly under scrutiny by the various regulators in our industry. My role as the Chair is greatly assisted by their commitment.

Stay safe and hope to see you at the Club in the near future

David Conroy F.C.A.
President



CHIEF EXECUTIVE OFFICER'S REPORT

Dear Members,

I am pleased to present to you the 49th Annual Report and Financial Statements for the Bowlers Club of NSW for the year ending 31st May 2021.

Despite the fact that we had to operate under mandatory restrictions imposed by NSW Health, the Club managed to trade well, particularly during the latter part of the financial year. This has resulted in recording a pre-tax profit of \$475,339 and after income tax benefit and other comprehensive income, the total net income is \$1,144,383 for the year ending 31st May 2021.

In examining the financial results, members attention is drawn to specific areas of income, particularly the payments of \$831,200 received from JobKeeper, which contributed to the positive end result.

On the adverse side we experienced a significant downturn in Gaming, Functions and Catering, not only because of the restriction, but also due to the many CBD workers either working from home and people in general disinclined to travel into the city.

The Club still remains in a strong and enviable financial position as the Board has given thoughtful and been vigilant with members funds.

It was expected that we would be regulated and monitored to ensure that we complied with COVID-19 health restrictions and directives. This did impact not only on the club but the surrounding businesses and the community in general.

I am also aware that for many members adhering to health orders, while using club facilities, was at times a challenge to adjust. I thank you for your support in your complying with these directives, your cooperation ensured that we were not breached by the regulators.

Optimistically with Covid-19 restrictions gradually improving we will be able to again increase our promotions, entertainment and hold event.

As advised in my previous report we had lost our ground floor caterers, and we were able to recruit an experienced replacement in Goran Milovanovic. Prior to reopening the Restaurant in October 2020, major renovations were undertaken to change the ambience and revamp the surrounds. The PRIMI Restaurant has proven to be a major drawcard which complements the excellent menu.

This year presented us with a challenge in continuing to donate to many charitable and community organisations as we had in previous years under the ClubGRANTS scheme. With the decrease in revenue, we were not able to support many groups,



CHIEF EXECUTIVE OFFICER'S REPORT

or those who need it most. However, in conjunction with other CBD clubs, the committee was determined to recommend supporting those in most need.

During the year the club was successful in getting approval from the building strata to create an opening from the ground floor Restaurant through to Clarence Street.

City of Sydney Council has now approved the Development Application and at time of writing we are assessing tenders for the proposed work.

This reconstruction will give both the Club and the Restaurant greater exposure and access to our venue from Clarence Street.

In closing, I would like to thank, our Zabou caterers, Alex, Helen, and their staff on level 1, and to Goran and his team in the PRIMI ground floor Restaurant, for their service and excellent food which they continue to provide to patrons.

To David Conroy, Club President, and the Board of Directors, I acknowledge and thank you for your dedication and contribution to the Club's success, particularly during these difficult times. I also wish to express my gratitude for the valued input and continued support you have given to me throughout the year.

To Nathan Mills, Operations Manager, all the Management team and Staff I thank you for your patience and understanding through these uncertain times, for your continued loyalty and your commitment to ensure you provide a high level of service to our members and guests.

The Club prospers because of you, our dedicated members, I thank you sincerely and acknowledge your continued patronage throughout the year.

To my wife Louise, thank you again for the support you have given me, especially during this most difficult year.

Rocky Massaria ACCM JP
Chief Executive Officer



ClubGRANTS Scheme

The Bowlers' Club of NSW supports a wide range of local community groups, charities, schools and sporting organisations through the ClubsNSW ClubGRANTS Scheme. This Scheme is designed to ensure that registered clubs in NSW contribute to the provision of front-line services needed in their local communities.

This year the Club donated \$43,400 under the various categories of the ClubGRANTS Scheme. A total of \$43,400 was donated to the following organisations under Category 1 and 2 of the Scheme:

- Sir Roden & Lady Cutler Foundation Inc.
- Sydney City VIEW Club
- Australian Respiratory Council
- CareFlight Ltd
- UNSW Rugby Club
- Glebe Rugby League Club
- Connells Point Rovers Football Club
- Zonta
- Dance Kinetic
- Waverley Club
- The Warrior Woman Foundation
- The Station Ltd
- Stepping Out Housing Program Inc.
- B Miles Women's Foundation
- Heaps Decent
- Men's Choir

Rocky Massaria ACCM JP

Chief Executive Officer



DIRECTORS REPORT

(For the year ended 31 May 2021)

The directors present their report, together with the financial statements of the Bowlers' Club of New South Wales Limited (the company) for the year ended 31 May 2021.

Directors

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

NAMES OF DIRECTORS	POSITION/SPECIAL RESPONSIBILITIES	YEARS AS DIRECTORS
David Conroy F.C.A.	Principal — Conroy Audit & Advisory. Chartered Accountants, Registered Company Auditor, Registered Tax Agent, Fellow — Chartered Accountants Australia and New Zealand. Member of Audit and Risk Committee. Director of the Club since 29 September 1997. Elected as President of the Club on 24 April 2002.	24
Jonathan Smith B. Bus C.A.	Member — Chartered Accountants Australia and New Zealand. Fellow — Taxation Institute of Australia. Partner - Gilbert Smith Johnson, Chartered Accountants. Registered Company Auditor and Tax Agent. Chairman of Audit and Risk Committee. Elected 30 September 2005. Appointed Deputy Chairman 22 September 2010.	16
Raymond Clark	Owner, Managing Director — Raymond Clark Jewellery. Member of the National Council of Jewellery Valuers. Elected 25 September 2008. Member of Membership Committee.	13
Robert Pearson	Self Employed, Solicitor, Principal — Creagh & Creagh Solicitors. Chairman of Remuneration Committee. Elected 23 September 2009.	12
Peter Whiteman F.C.A.	Consultant, Former Managing Partner—Thomas Davis & Co. Chartered Accountants & Registered Tax Agent. Fellow - Chartered Accountants Australia and New Zealand. Member of Audit and Risk Committee. Appointed 22 September 2010.	11
Kerry Sidaway	Partner Eakin McCaffery Cox Lawyers. Member Audit & Risk Committee, Member Remuneration Committee. Appointed 20 September 2018.	3



DIRECTORS MEETING

The number of meetings of the company's Board of Directors (the Board) and of each board committee held during the year ended 31 May 2021, and the number of meetings attended by each director were:

DIRECTORS' MEETING

DIRECTOR	NUMBER OF MEETINGS ATTENDED	NUMBER OF MEETINGS HELD / ELIGIBLE TO ATTEND
David Conroy	14	14
Jonathan Smith	14	14
Raymond Clark	14	14
Robert Pearson	10	14
Peter Whiteman	14	14
Kerry Sidaway	14	14

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



DIRECTORS REPORT

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year was to provide the facilities of a licensed club to the members and their guests.

SHORT AND LONG TERM OBJECTIVES OF THE ENTITY

The club's objectives are to focus on:

1. Provide the best possible club facilities to members
2. Encourage new membership.
3. Remain financially viable to achieve the above objectives.
4. Establish and maintain membership relationships that foster the Club's Strategic Plan and
5. Be sustainable and strive for continuous improvement so as to offer the best possible facilities and social amenities to members.

STRATEGY FOR ACHIEVING THOSE OBJECTIVES

The strategy for the achieving the objectives has been to:

1. The Board strives to attract and retain quality management and staff who are committed to providing high standards of service levels to the members. The Board believes that attracting and retaining quality staff will assist with the success of the Club in both the short and long term.
2. Maintain rigorous control over the Club's finances to ensure the Club remains viable and encourage new membership.
3. The Board is committed to meet consistent standards of governance best practice and provide clear expectations of professional accountabilities and responsibilities to all members.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATOR

The Club's financial performance is measured against the annual budget, previous year's results and benchmark data from the club industry.

Financial performance measures include:

- Earnings before Interest, Taxation, Depreciation and Amortisation, and Impairment (EBITDAI)
- Wage percentages to Income
- Expense percentages to Income
- Gross Profit percentages
- Cash Flow

Non-financial performance measures include:

- Members' feedback
- Market research
- Patronage numbers



DIRECTORS REPORT

OPERATING RESULT

The net profit of the company for the year after providing for income tax was \$623,604 (2020: \$570,997).

	2021	2020
	\$	\$
Operating profit before depreciation and amortisation,	1,904,826	2,220,100
Less:		
Depreciation and amortisation expense	(1,429,487)	(1,581,772)
Profit before income tax	475,339	638,328
Income tax benefit/(expense)	148,265	(67,331)
Net profit for the year	623,604	570,997

CORPORATE INFORMATION

The club is a not for profit entity, registered as a company limited by guarantee. It does not issue shares to its members. Under its constitution it does not have the capacity to issue dividends to its members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the Constitution.

MEMBERS' LIMITED LIABILITY

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$1 (2020: \$1) 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 31 May 2021 the number of members was 8,607 (2020: 9,871).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 27.

Signed in accordance with a resolution of the directors.

David Conroy F.C.A.
Director

Dated at Sydney this 22nd day
of July 2021.

Jonathan Smith B.BUS.C.A.
Director



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DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF THE BOWLER'S CLUB OF NEW SOUTH WALES LIMITED

As lead auditor of Bowlers' Club of New South Wales Limited for the year ended 31 May 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "Clayton Eveleigh".

CLAYTON EVELEIGH
Director

BDO Audit Pty Ltd
Sydney, 22 July 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Bowlers' Club of New South Wales Limited.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bowlers' Club of New South Wales Limited (the Company), which comprises the statement of financial position as at 31 May 2021, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Bowlers' Club of New South Wales Limited, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 May 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Company in accordance with the 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.



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Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors Report, 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 on the other information obtained prior to the date of this auditor's report, 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 – Reduced 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



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issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

BDO Audit Pty Ltd

Clayton Eveleigh
Director

Sydney, 22 July 2021



DIRECTORS' DECLARATION

The directors of Bowlers' Club of New South Wales Limited declare that:

(a) In the Directors' opinion the financial statements and notes set out on pages 32 to 48, are in accordance with the Corporations Act 2001, including:

(i) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Corporations Regulations 2001.

(ii) Giving a true and fair view of the company's financial position as at 31 May 2021 and of its performance, for the financial year ended on that date; and

(b) 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 in accordance with a resolution of the directors made pursuant to section 295 (5)(a) of the Corporations Act 2001.

Dated at Sydney this 22nd day of July 2021.

D. CONROY F.C.A.

Director

J. SMITH B.BUS C.A.

Director



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 \$	2020 \$
Revenue and other income			
Sale of goods revenue		1,730,145	2,177,301
Rendering of services revenue		3,879,384	5,122,172
Other revenue		1,243,508	1,440,832
Other income		982,403	315,836
Total revenue and other income	1	7,835,440	9,056,141
Expenses			
Cost of sales		(673,977)	(767,722)
Donations and subsidies		(55,157)	(85,169)
Employee benefits expense		(2,215,684)	(2,531,007)
Entertainment, marketing and promotional costs		(331,469)	(436,010)
Gaming taxes		(554,953)	(687,386)
Property and occupancy expenses		(1,347,360)	(1,345,822)
Administrative expenses		(394,875)	(395,194)
York Events catering expenses		(166,171)	(443,313)
Other expenses from ordinary activities		(190,968)	(144,418)
Total Expenses		(5,930,614)	(6,836,041)
Earnings before depreciation and amortisation		1,904,826	2,220,100
Depreciation and amortisation		(1,429,487)	(1,581,772)
Profit before income tax		475,339	638,328
Income tax benefit/(expense)	2(a)	148,265	(67,331)
Profit after income tax expense		623,604	570,997
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Increase/(decrease) in fair value of investment		520,779	(127,183)
Other Comprehensive income for the year, net of tax		520,779	(127,183)
Total Comprehensive income for the year attributable to members		1,144,383	443,814

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 36 to 48.



STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2021

	Notes	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	13,548,390	11,991,423
Trade and other receivables	4	319,452	519,491
Inventories		89,156	56,509
Current tax assets		64,026	88,152
TOTAL CURRENT ASSETS		14,021,024	12,655,575
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,379,529	15,309,498
Investments - equity instruments	8	1,694,561	1,173,782
Deferred tax assets		81,063	19,901
TOTAL NON-CURRENT ASSETS		16,155,153	16,503,181
TOTAL ASSETS		30,176,177	29,158,756
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	607,124	700,471
Employee benefits provisions	7	406,066	395,781
TOTAL CURRENT LIABILITIES		1,013,190	1,096,252
NON-CURRENT LIABILITY			
Employee benefits provision	7	9,349	53,249
TOTAL NON-CURRENT LIABILITIES		9,349	53,249
TOTAL LIABILITIES		1,022,539	1,149,501
NET ASSETS		29,153,638	28,009,255
MEMBERS' FUNDS			
Retained profits		29,153,638	28,009,255
TOTAL MEMBERS' FUNDS		29,153,638	28,009,255

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 36 to 48.



STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 MAY 2021

	Capital Reserves \$	Retained Profits \$	Total Members' Funds \$
Balance at 31 May 2019	2,688,499	24,876,942	27,565,441
Net profit after income tax expense for the year	-	570,997	570,997
Other comprehensive income for the year, net of tax	-	(127,183)	(127,183)
Total comprehensive income for the year	-	443,814	443,814
Transfer from capital reserve to retained profit	(2,688,499)	2,688,499	-
Balance at 31 May 2020	-	28,009,255	28,009,255
Net profit after income tax expense for the year	-	623,604	623,604
Other comprehensive income for the year, net of tax	-	520,779	520,779
Total comprehensive income for the year	-	1,144,383	1,144,383
Transfer from capital reserve to retained profit	-	-	-
Balance at 31 May 2021	-	29,153,638	29,153,638

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 36 to 48.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,630,985	9,162,397
Payments to suppliers and employees		(6,765,422)	(7,813,384)
Government stimulus packages		881,200	254,000
Dividend and Interest received		173,319	291,284
Income tax received/(paid)		111,239	(109,387)
Net cash inflow from operating activities		2,031,321	1,784,910
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		-	(499,537)
Proceeds on disposal of non-current assets		27,720	141,359
Payment for property, plant & equipment		(502,074)	(909,000)
Net cash used in investing activities		(474,354)	(1,267,178)
Net increase in cash and cash equivalents		1,556,967	517,732
Cash and cash equivalents at the beginning of the financial year		11,991,423	11,473,691
Cash and cash equivalents at the end of the financial year 3		13,548,390	11,991,423

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 36 to 48



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

Basis of Preparation

Bowlers' Club of New South Wales Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements.

The financial statements were approved for issue by the Directors on 22 July 2021.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001 and Australia Accounting Standards — Reduced Disclosure Requirements issued by the Australian Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year; and
- Have been prepared on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

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

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Allowance for expected credit losses	Note 4
Estimation of useful lives of assets	Note 5
Impairment of assets	Note 5
Employee benefits provision	Note 7



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

	2021 \$	2020 \$
1 REVENUE AND OTHER INCOME		
Sale of goods		
Bar sales	1,730,145	2,177,301
Total sale of goods	1,730,145	2,177,301
Rendering of services revenue		
Poker machine takings	3,318,696	4,124,360
Commissions	59,232	83,544
Membership subscriptions	45,917	23,487
York events	455,539	890,781
Total rendering of services	3,879,384	5,122,172
Other revenue		
Interest received	101,043	229,490
Car park	968,200	969,364
Other revenue	174,265	241,979
Total other revenue	1,243,508	1,440,833
Other income		
Dividends received	72,276	61,795
Profit on disposal of non-current investments	25,174	41
Government stimulus packages	881,200	254,000
Insurance recoveries	3,753	-
Total other income	982,403	315,836
Total revenue and other income	7,835,440	9,056,141



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1 REVENUE AND OTHER INCOME (CONTINUED)

Recognition and measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Transfer of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sales of goods

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

Rendering of services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

Interest revenue

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

Rental revenue

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Dividend revenue

Dividend revenue is recognised when the dividend is actually received.

Government grant income

Government grants are recognised as income when it is reasonably certain that the company complies with the conditions attached to them and when the right to receive payment is established.

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

2 INCOME TAX

(a) Income Tax Expense

The Income Tax Assessment Act provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and other income made specifically assessable. The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been calculated as follows:

	2021 \$	2020 \$
Current income tax applicable at the rate of 26% (2020: 27.5%)	148,265	(67,331)
Income tax benefit/(expense)	148,265	(67,331)

Recognition and measurement

The income tax expense as stated in the statement of profit or loss and other comprehensive income is the amount calculated to be payable based on a formula determined by the Australian Taxation Office. Clubs are only assessed for income tax on the proportion of income derived from non-members, investments and other income specifically assessable under the Income Tax Assessment Act.

(b) Deferred Tax Assets

Deferred tax assets relating to temporary timing differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available to absorb those timing differences.

3 CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash on Hand	260,000	260,000
Cash at Bank	1,664,926	936,676
Cash on Deposit	11,623,464	10,794,747
	13,548,390	11,991,423

Recognition and measurement

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

4	TRADE AND OTHER RECEIVABLES	2021 \$	2020 \$
	Current		
	Trade debtors and other receivables	209,618	201,872
	Other debtors	5,000	5,000
	Prepayments	69,099	189,986
	Accrued revenue	35,735	122,633
		319,452	519,491

Recognition and measurement

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for expected credit losses.

Current trade and other receivables are non-interest-bearing loans and generally on 30-day terms. Current and non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Key estimate and judgement: Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

5 PROPERTY PLANT AND EQUIPMENT

	2021 \$	2020 \$
Freehold land and buildings		
At cost - Club Premises	5,223,654	5,223,654
At cost - Club Improvements	14,109,828	13,899,652
At cost - Car Park	3,196,412	3,196,412
Less: accumulated depreciation	(11,045,982)	(10,558,827)
	11,483,912	11,760,891
Poker machines		
At cost	5,641,515	5,541,531
Less accumulated depreciation	(4,162,368)	(3,699,434)
	1,479,147	1,842,097
Plant and equipment		
At cost	6,769,937	6,637,039
Less accumulated depreciation	(5,353,467)	(4,930,529)
	1,416,470	1,706,510
Total property plant and equipment	14,379,529	15,309,498



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

5	PROPERTY PLANT AND EQUIPMENT (CONTINUED)	2021 \$	2020 \$
	Movements in carrying amounts		
	Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year are set out below:		
	Freehold buildings		
	Carrying amount at the beginning of the year	11,760,891	12,219,956
	Additions during the year	197,337	-
	Depreciation expense	(474,316)	(459,065)
	Carrying amount at the end of the year	11,483,912	11,760,891
	Plant, equipment, furniture and fittings		
	Carrying amount at the beginning of the year	1,706,510	1,907,433
	Additions	148,997	281,976
	Disposals	-	(27,374)
	Depreciation expense	(439,037)	(455,525)
	Carrying amount at the end of the year	1,416,470	1,706,510
	Poker machines		
	Carrying amount at the beginning of the year	1,842,097	1,996,199
	Additions	155,740	627,024
	Disposals	(2,556)	(113,944)
	Depreciation expense	(516,134)	(667,182)
	Carrying amount at the end of the year	1,479,147	1,842,097
	Total carrying amount at the end of the year	14,379,529	15,309,498



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation basis

The freehold land and buildings were independently valued at 15 June 2021 by Diamond Property Consultancy Pty Ltd. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in the following values being attributed to the club's land and buildings:

Club premises and improvements	32,300,000
Car Park	11,000,000
Total	<u>43,000,000</u>

As land and buildings are recognised at historical cost, the valuation was performed for the purposes of assessing impairment and therefore valuation adjustments are not brought to account.

Recognition and Measurement

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

Property, plant and equipment are measured on the cost basis. The carrying amount of property, 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 which will be received from the assets employment and subsequent disposal. The expected cash flows have not been discounted to their present values in determining recoverable amounts.

Capital works in progress is transferred to property, plant and equipment and depreciated when completed and ready for use.

The asset's residual values and useful life are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Key Estimate and Judgement: Estimation of Useful Lives of Assets

The depreciable amount of plant and equipment is depreciated on a straight-line basis over their useful life to the Club commencing from the time the asset is held ready for use.

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

CLASS	METHOD	RATE
Plant and Equipment	Straight Line	15%-40%
Poker Machines	Straight Line	27%-40%
Building Improvements & Other Assets	Straight Line	2.5%-4%

Key Estimate and Judgement: Impairment

At each reporting date, the Club reviews its tangible 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 cost to sell and value in use is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of Profit or Loss and Other Comprehensive Income.

Core and Non-Core Property

Section 41E of the Registered Clubs Act 1976 requires the Club to disclose its core and non-core property, as defined, in the Annual Report.

The Club's core property comprises the defined trading premises situated at 95-99 York Street Sydney.

The Club has no non-core property.

6 TRADE AND OTHER PAYABLES

Current

	2021 \$	2020 \$
Trade creditors	281,113	270,465
Other payables and accruals	326,011	430,006
	607,124	700,471



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

6 TRADE AND OTHER PAYABLES (CONTINUED)

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

7 EMPLOYEE BENEFITS

Aggregate liability for employee benefits including oncosts:

	2021 \$	2020 \$
Current	406,066	395,781
Non-current	9,349	53,249
	415,415	449,030

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.50% (10% from 1 July 2021) of each employee's base salary to a superannuation fund. Superannuation paid for the year was \$166,965 (2020: \$180,855).

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Recognition and Measurement

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Key Estimate and Judgement: Long Service Leave Provision

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

7 EMPLOYEE BENEFITS (CONTINUED)

The present values of employee benefits not expected to settle within the next 12 months of reporting date has been calculated using the following rates:

Assumed rate of increase in wages and salary rates	0.70%	1.90%
Discount rate	0.98%	3.72%

8 INVESTMENTS - EQUITY INSTRUMENTS

Investments held at fair value

Reconciliation:

Opening fair value

Additions

Revaluation increments/(decrements)

	2021 \$	2020 \$
Investments held at fair value	1,694,561	1,173,782
	1,694,561	1,173,782
Reconciliation:		
Opening fair value	1,173,782	801,427
Additions	-	499,538
Revaluation increments/(decrements)	520,779	(127,183)
	1,694,561	1,173,782

Recognition and Measurement

Financial assets are recognised at fair value through other comprehensive income, which includes equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Financial assets are initially recognised at cost. These assets are subsequently measured at fair value with any incremental gains or losses being recognised through other comprehensive income. This classification is determined based on the business model within which such assets are held.

9 KEY MANAGEMENT PERSONNEL DETAILS

(a) Directors

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were directors for the entire period

Non-Executive Directors

CONROY, David

SMITH, Jonathan



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

9 KEY MANAGEMENT PERSONNEL DETAILS (CONTINUED)

CLARK, Raymond
PEARSON, Robert
SIDAWAY, Kerry
WHITEMAN, Peter

Executive
MASSARIA, Rocky

Unless otherwise stated, transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

There were no transactions with any of the directors during the year.

	2021	2020
	\$	\$
(b) Key Management Personnel Compensation		
Benefits and payments made to Key Management Personnel	411,661	424,700
	411,661	424,700

Key Management Personnel

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

10 EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since the end of the financial year that have 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.

11 COMPANY DETAILS

The company is incorporated and domiciled in Australia as a company. In accordance with the Constitution of the Club, every member undertakes to contribute an amount limited to \$1 per member. At 31 May 2021, there were 8,607 members.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

COMPANY DETAILS (CONTINUED)

- 11** The registered office and principal place of business for the company is
Bowlers' Club of New South Wales Limited
95-99 York Street
SYDNEY NSW 2000.

12 SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES

(a) Goods and Services Tax

Revenues, 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(b) Inventory

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



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