



Annual Report and Financial Statements

For the year ending 31 May 2022

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Anniversary



York Events offers nine function rooms equipped with a fully integrated audio-visual system and auditorium that seats 300.

Our full day delegate package (minimum 10 people) starts at \$800 including morning tea and working lunch.

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Discount on room hire for Members*

*Conditions Apply





NOTICE OF THE ANNUAL GENERAL MEETING

(For the year ended 31 May 2022)

NOTICE is hereby given that the Fiftieth 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 22 September 2022, commencing at 6.00p.m.

AGENDA

1. Apologies.
2. To receive and confirm the minutes of the Forty-ninth Annual General Meeting held on Thursday 25th November 2021.
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 2022.
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 2022.
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 five 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;



NOTICE OF THE ANNUAL GENERAL MEETING

- 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 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: 8th August 2022

By Direction of the Board

ANGUS RIMMER

Chief Executive Officer



PRESIDENT'S REPORT

Dear Members

Welcome.

A year we would not wish to see again.

The COVID related shut down for fifteen weeks from 26th June 21 to 11th October 21 had a severe impact on our revenues which were down approximately \$2 million on the previous year and resulted in a full year loss of \$639,000.

Pleasingly we still remained cash flow positive some \$480,000 which enabled us to maintain our substantial cash reserves and present a very strong balance sheet to you at year end.

I would like to sincerely thank and acknowledge our Management and Staff for pulling together during this challenging year and see the Club come out the other side.

Cash Flow/Capital Expenditure

The positive cash flows mentioned above allowed us to continue our investment in Club improvements including, gaming machine replacement and plant and furniture renewal in line with our strategic policy to continually upgrade our Club.

The project to open the Club to Clarence Street through Primi Italian Restaurant costing some \$500,000 which was completed in November '21 has shown encouraging results and been well received according to member feedback.

We have no debt and significant cash reserves which augurs well for the future.

STRATEGIC PLANNING

Our Annual strategic planning meetings resumed this year after a COVID related hiatus. 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 environments 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



PRESIDENT'S REPORT

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."

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

With regard to Director's training and the provisions of the Registered Clubs Act and it's 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

The start to our financial year has shown some encouraging signs with increases in our revenues across the board.

No one has a crystal ball in these COVID times and budgeting is an inexact science. We have however, budgeted on a conservative basis for our revenues to gradually increase during the 22/23 year as foot traffic in the CBD recovers and people return to their office environments.

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, 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.

We also have plans to refurbish and upgrade the ground and first floors of the Club to further enhance the Member experience. (More of that in the CEOs Report).



PRESIDENT'S REPORT

Acknowledgements

Rocky was appointed as our Club Manager in 1997 (the same year I came on to the Board). He stood down in October '21 following the sad death of Louise, his wife. His contribution to the Club over that 25 years (and 11 years on the Board before) is simply incalculable. I am pleased to say he rejoined the Board in July '22 and I am looking forward to again working with him.

After a robust governance process, we appointed Angus Rimmer to replace Rocky. Angus is highly respected in the Club Industry, and we are looking forward to a long term relationship with him. My thanks to him for a seamless transition and the excellent contribution he has made to date.

Also, I would wish to acknowledge Nathan our Operations Manager, Kobie Angus' PA, Sonia our CFO, Polly her assistant and Julie our Functions Manager and all our dedicated management team and staff who do an exceptional job and continually strive to meet the needs of our members.

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. Congrats on winning the Perfect Plate Award for the second year running.

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 and loyalty.

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,

It is my pleasure to be able to present to you the 50th Annual Report and Financial Statements for the Bowlers' Club of NSW for the year ending 31st May 2022.

The last year has been one of change for the Club, also a year of confronting and immense challenge as the industry has continued to navigate through unforeseen events that have reshaped our lives.

As most would be aware, I commenced the role of CEO in January 2022, after the retirement of Mr Rocky Massaria who held the office for 25 years. I would like to congratulate Rocky on his retirement as CEO, and express gratitude for his efforts in successfully managing the Club over many years. I feel privileged in taking on the role of CEO and acknowledge that I have inherited a great opportunity to continue to lead and enhance the Club going forward.

Regardless of the challenges we have encountered over the last 2 years, I believe the Club is in a very strong position to move forward and adapt to the post-COVID environment into the future. The Club's enviable financial position enables stability and holds us in good stead as we continue to progress forward.

For the year ending the 31st May 2022 the Club posted an operating profit of \$574,172 and a loss of \$638,821 after depreciation and income tax.

It is important to note, that most of the losses for this annual period ending 31st May 2022, were accumulated during the lockdown period between July and October, along with a significant loss in the month of January. January suffered from the perfect storm of COVID rearing its ugly head over the Christmas holiday period, along with rain, trains strikes, and the usual school holiday downturn. Aside from these unusually affected months, we have seen some generally positive results considering the challenging operating environment, which bodes well for the outlook ahead.

Obviously like many other Clubs and hospitality businesses the last year was a tough one. The second lengthy lockdown was more challenging as the level of government support was reduced. Being a CBD Club, the shift to 'work from home' for many businesses had a noticeable impact on trade. Capacity limits and restrictions wreaked havoc on our functions and entertainment department last year, and I must thank Julie, our Functions Supervisor, for her efforts in managing the difficult task of having to reschedule and accommodate our clients at short notice.

Despite the downturn in the Club's trade, we have still managed to support local community and sporting organisations with significant donations under the ClubsGRANTS Scheme. We look forward to continuing to support these great organisations in the year ahead.



CHIEF EXECUTIVE OFFICER'S REPORT

In recent months, the Board & Management have been reviewing the Club's facility and operations, and potential future prospects. An outcome of this review is the plan for a complete renewal of the Club's ground floor along with some improvements to level one. It has been some time since the Club has invested in this space and it is imperative in the hospitality environment that we ensure our facility is regularly rejuvenated. The vision for this project is to improve the Club's facility by implementing a refurbishment that incorporates current design trends, with an offering that will provide a more competitive edge in respect to other venues in the CBD. We will continue with our aim to provide services that are affordable to our Members. Currently we are in the stage of tenders for the design component of the works and will keep Members updated as we progress. We envisage being able to complete works with minimal disruption to trade, with works likely to take place in early to mid 2023.

I would like to thank our caterers, Alex and Helen (Zabou), and Goran (Primi), along with their team members for providing the Club with an excellent choice of dining options. A special mention must go to Goran and his team at Primi Italian for recently taking out the ClubsNSW Perfect Plate competition in the regional medium club category for the second year in a row, along with coming third in the state overall for the dish, Osso Buco D'Agnello. This is an exceptional achievement.

I would like to thank David Conroy, Club President, and the Board of Directors for their support, dedication and professionalism in navigating the Club through challenging times. I also thank the Board for the opportunity and trust they have put in me to undertake the CEO role at Club York.

I would like to thank Nathan Mills (Operations) and the Management team of the club, along with all the staff, for the loyalty and commitment they have continued to show through another difficult year with a second lengthy lockdown.

Finally, of course I would like to thank all of the loyal Members of Club York for your ongoing patronage. It is your continued support that enable the Club to prosper, I look forward to seeing you in the Club throughout the year.

A handwritten signature in black ink, appearing to read "Angus Rimmer".

ANGUS RIMMER
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 \$64,100 under the various categories of the ClubGRANTS Scheme. A total of \$64,100 was donated to the following organisations under Category 1 and 2 of the Scheme:

- Australian Respiratory Council
- Autism Community Network
- B Miles Women's Foundation
- Barnardos Australia
- Careflight
- Counterpoint Community Services
- Charitable Fund
- Glebe Rugby Club
- Glebe Youth Services Inc
- Kings Cross Community Centre
- Ronald McDonald House Charities
- Sir David Martin Foundation
- Sir Roden & Lady Cutler Foundation
- Sydney Men's Choir
- Sydney View Club
- Ted Noffs Foundation
- The Deli Woman & Children's Centre
- The Humour Foundation
- The Station Ltd
- The Shepherd Centre
- Odyssey House NSW
- Little Wings Limited
- Waverly Rugby Club

A handwritten signature in black ink, appearing to read "Angus Rimmer".

ANGUS RIMMER
Chief Executive Officer



DIRECTORS REPORT

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 2022.

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.	25
Jonathan Smith B. Bus C.A.	Member — Chartered Accountants Australia and New Zealand. Fellow — Taxation Institute of Australia. Former Principal - Gilbert Smith Johnson, Chartered Accountants. Associate Director - ProYou Business Advisory Pty Limited, Chartered Accountants. Registered Company Auditor and Tax Agent. Chairman of Audit and Risk Committee. Elected 30 September 2005. Appointed Deputy Chairman 22 September 2010.	17
Raymond Clark	Owner, Managing Director — Raymond Clark Jewellery. Member of the National Council of Jewellery Valuers. Elected 25 September 2008. Member of Membership Committee.	14
Robert Pearson	Self Employed, Solicitor, Principal — Creagh & Creagh Solicitors. Chairman of Remuneration Committee. Elected 23 September 2009.	13
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.	12
Kerry Sidaway	Partner Eakin McCaffery Cox Lawyers. Member Audit & Risk Committee, Member Remuneration Committee. Appointed 20 September 2018.	4



DIRECTORS REPORT

DIRECTORS (CONTINUED)

Rocky Massaria	Former Chief Executive Officer at the Company for 25 years. Appointed as a Director on 26 July 2022.	-
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DIRECTOR MEETINGS

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 2022, and the number of meetings attended by each director were:

DIRECTORS' MEETINGS

DIRECTOR	NUMBER OF MEETINGS ATTENDED	NUMBER OF MEETINGS HELD / ELIGIBLE TO ATTEND
David Conroy	13	13
Jonathan Smith	12	13
Raymond Clark	13	13
Robert Pearson	13	13
Peter Whiteman	13	13
Kerry Sidaway	13	13
Rocky Massaria (appointed 26 July 2022)	-	-

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 were 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 INDICATORS

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 loss of the Company for the year after providing for income tax was \$(638,821) (2021 Net Profit: \$623,604).

	2022	2021
	\$	\$
Operating profit before depreciation and amortisation	574,172	1,904,826
Less:		
Depreciation and amortisation expense	(1,236,411)	(1,429,487)
(Loss)/profit before income tax	(662,239)	475,339
Income tax benefit	23,418	148,265
Net (loss)/profit for the year	(638,821)	623,604

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 (2021: \$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 2022 the number of Members was 8,178 (2021: 8,607).

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 13.

Signed in accordance with a resolution of the Directors.

Dated at Sydney this 28th day of July 2022.

David Conroy F.C.A.
Director

Jonathan Smith B.BUS.C.A.
Director



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

As lead auditor of Bowlers' Club of New South Wales Limited for the year ended 31 May 2022, 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, 28 July 2022

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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 NSW Limited (trading as Club York) (the Company), which comprises the statement of financial position as at 31 May 2022, 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 NSW Limited (trading as Club York), 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 2022 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 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: https://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, 28 July 2022



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 18 to 34, 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 2022 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 28th July 2022.

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 2022

	Note	2022 \$	2021 \$
Revenue and other income			
Sale of goods revenue		1,321,133	1,730,145
Rendering of services revenue		2,906,820	3,879,384
Other revenue		1,189,029	1,243,508
Other income		410,896	982,403
Total revenue and other income	1	5,827,878	7,835,440
Expenses			
Cost of sales		(528,556)	(673,977)
Donations and subsidies		(40,962)	(55,157)
Employee benefits expense		(1,849,471)	(2,215,684)
Entertainment, marketing and promotional costs		(328,155)	(331,469)
Gaming taxes		(347,166)	(554,953)
Property and occupancy expenses		(1,279,372)	(1,347,360)
Administrative expenses		(419,571)	(394,875)
York Events catering expenses		(226,246)	(166,171)
Other expenses from ordinary activities		(234,207)	(190,968)
Total Expenses		(5,253,706)	(5,930,614)
Earnings before depreciation and amortisation		574,172	1,904,826
Depreciation and amortisation		(1,236,411)	(1,429,487)
(Loss)/profit before income tax		(662,239)	475,339
Income tax benefit/(expense)	2(a)	23,418	148,265
(Loss)/profit after income tax expense		(638,821)	623,604
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
(Decrease)/increase in fair value of investments		(108,227)	520,779
Other Comprehensive income for the year, net of tax		(108,227)	520,779
Total Comprehensive (loss)/income for the year attributable to members		(747,048)	1,144,383

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 22 to 34.



STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	13,334,038	13,548,390
Trade and other receivables	4	306,285	319,452
Inventories		104,183	89,156
Current tax assets		-	64,026
TOTAL CURRENT ASSETS		13,744,506	14,021,024
NON-CURRENT ASSETS			
Property, plant and equipment	5	13,856,807	14,379,529
Investments - equity instruments	8	1,586,334	1,694,561
Deferred tax assets		104,479	81,063
TOTAL NON-CURRENT ASSETS		15,547,620	16,155,153
TOTAL ASSETS		29,292,126	30,176,177
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	626,026	607,124
Employee benefits provisions	7	244,062	406,066
TOTAL CURRENT LIABILITIES		870,088	1,013,190
NON-CURRENT LIABILITY			
Employee benefits provision	7	15,448	9,349
TOTAL NON-CURRENT LIABILITIES		15,448	9,349
TOTAL LIABILITIES		885,536	1,022,539
NET ASSETS		28,406,590	29,153,638
MEMBERS' FUNDS			
Retained profits		28,406,590	29,153,638
TOTAL MEMBERS' FUNDS		28,406,590	29,153,638

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 22 to 34.



STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 MAY 2022

	Retained Profits \$	Total Members' Funds \$
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
Balance at 31 May 2021	29,153,638	29,153,638
Net loss after income tax expense for the year	(638,821)	(638,821)
Other comprehensive loss for the year, net of tax	(108,227)	(108,227)
Total comprehensive loss for the year	(747,048)	(747,048)
Balance at 31 May 2022	28,406,590	28,406,590

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 22 to 34.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,921,203	7,630,985
Payments to suppliers and employees		(5,942,840)	(6,765,422)
Government stimulus packages		264,936	881,200
Dividend and Interest received		173,960	173,319
Income tax received		64,038	111,239
Net cash inflow from operating activities		481,297	2,031,321
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of non-current assets		31,550	27,720
Payment for property, plant & equipment		(727,199)	(502,074)
Net cash used in investing activities		(695,649)	(474,354)
Net (decrease)/increase in cash and cash equivalents		(214,352)	1,556,967
Cash and cash equivalents at the beginning of the financial year		13,548,390	11,991,423
Cash and cash equivalents at the end of the financial year 3		13,334,038	13,548,390

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 22 to 34.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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 28th July 2022.

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
Financial Assets fair value measurement	Note 8



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
	\$	\$
1 REVENUE AND OTHER INCOME		
Sale of goods		
Bar sales	1,321,133	1,730,145
Total sale of goods	1,321,133	1,730,145
Rendering of services revenue		
Poker machine takings	2,356,667	3,318,696
Commissions	38,755	59,232
Membership subscriptions	27,216	45,917
York events	484,182	455,539
Total rendering of services	2,906,820	3,879,384
Other revenue		
Interest received	46,040	101,043
Car park	973,041	968,200
Other revenue	169,948	174,265
Total other revenue	1,189,029	1,243,508
Other income		
Dividends received	127,920	72,276
Profit on disposal of non-current investments	18,040	25,174
Government stimulus packages	264,936	881,200
Insurance recoveries	-	3,753
Total other income	410,896	982,403
Total revenue and other income	5,827,878	7,835,440



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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:

	2022 \$	2021 \$
Current income tax applicable at the rate of 25% (2021: 26%)	23,418	148,265
Income tax benefit	23,418	148,265

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.

The Club has unrecognised deferred tax assets relating to unused tax losses for the year ended 31 May 2022 financial year amounting to \$239,938 (2021: nil)

3 CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash on Hand	260,000	260,000
Cash at Bank	1,955,092	1,664,926
Cash on Deposit	11,118,946	11,623,464
	13,334,038	13,548,390

Recognition and measurement

Cash and cash equivalents include 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 2022

4	TRADE AND OTHER RECEIVABLES	2022 \$	2021 \$
	Current		
	Trade debtors and other receivables	192,182	209,618
	Other debtors	5,000	5,000
	Prepayments	85,242	69,099
	Accrued revenue	23,861	35,735
		306,285	319,452

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 2022

5 PROPERTY PLANT AND EQUIPMENT

	2022 \$	2021 \$
Freehold land and buildings		
At cost - Club Premises	5,223,654	5,223,654
At cost - Club Improvements	14,564,544	14,109,828
At cost - Car Park	3,196,412	3,196,412
Less: accumulated depreciation	(11,542,002)	(11,045,982)
	11,442,608	11,483,912
Plant and equipment		
At cost	6,887,329	6,769,937
Less: accumulated depreciation	(5,665,360)	(5,353,467)
	1,221,969	1,416,470
Poker machines		
At cost	5,713,605	5,641,515
Less: accumulated depreciation	(4,521,375)	(4,162,368)
	1,192,230	1,479,147
Total property plant and equipment	13,856,807	14,379,529



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

5 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

	2022 \$	2021 \$
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	11,483,912	11,760,891
Additions during the year	454,717	197,337
Depreciation expense	(496,021)	(474,316)
Carrying amount at the end of the year	11,442,608	11,483,912
Plant, equipment, furniture and fittings		
Carrying amount at the beginning of the year	1,416,470	1,706,510
Additions	117,392	148,997
Depreciation expense	(311,893)	(439,037)
Carrying amount at the end of the year	1,221,969	1,416,470
Poker machines		
Carrying amount at the beginning of the year	1,479,147	1,842,097
Additions	155,090	155,740
Disposals	(13,510)	(2,556)
Depreciation expense	(428,497)	(516,134)
Carrying amount at the end of the year	1,192,230	1,479,147
Total carrying amount at the end of the year	13,856,807	14,379,529



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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>43,300,000</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 2022

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 or using reducing balance method over their useful life to the Club commencing from the time the asset is held ready for use. The selection of depreciation method is discretionary upon recognition of an asset.

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

CLASS	STRAIGHT LINE	RATE
Plant and Equipment	Straight line or Reducing balance	2.5 – 40%
Poker Machines	Straight line or Reducing balance	10 – 40%
Building Improvements & Other Assets	Straight line or Reducing balance	2.5 – 33%

Key Estimate and Judgement: Impairment of assets

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

	2022 \$	2021 \$
Trade creditors	233,114	281,113
Other payables and accruals	392,912	326,011
	626,026	607,124



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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:

	2022 \$	2021 \$
Current	244,062	406,066
Non-current	15,448	9,349
	259,510	415,415

Superannuation Plans

Contributions

The Company is under a legal obligation to contribute 10% (10.50% from 1 July 2022) of each employee's base salary to a superannuation fund. Superannuation paid for the year was \$ 151,796 (2021: \$166,965).

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 2022

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	3.87%	0.70%
Discount rate	3.38%	0.98%

8 INVESTMENTS - EQUITY INSTRUMENTS

Investments held at fair value

	2022 \$	2021 \$
Investments held at fair value	1,586,334	1,694,561
	1,586,334	1,694,561
Reconciliation:		
Opening fair value	1,694,561	1,173,782
Additions	-	-
Revaluation (decrements)/increments	(108,227)	520,779
	1,586,334	1,694,561

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, are not held for trading, 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.

Key Estimate and Judgement: Fair value measurement

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets that the Company can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

The fair value of the financial assets disclosed above use a level 1 fair value measurement as the assets are quoted prices in an active market that the company can access at its financial year end date.

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
CLARK, Raymond
PEARSON, Robert
SIDAWAY, Kerry
WHITEMAN, Peter
MASSARIA, Rocky (appointed 26 July 2022)

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.

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the financial year:

Name	Position
Rocky Massaria	Chief Executive Officer (until January 2022)
Angus Rimmer	Chief Executive Officer (from January 2022)

(c) Key Management Personnel Compensation

	2022	2021
	\$	\$
Benefits and payments made to Key Management Personnel	372,111	356,661
Director honorariums	49,816	55,000
	421,927	411,661



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

(c) KEY MANAGEMENT PERSONNEL DETAILS (CONTINUED)

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 2022, there were 8,178 members (2021: 8,607).

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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