



**ANNUAL  
REPORTS AND  
FINANCIAL  
STATEMENTS**

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FOR THE YEAR ENDED 30 JUNE 2023



**CLUB**  
*Munmorah*

**Munmorah United Bowling Club Limited**  
(A Company Limited by Guarantee and having No Share Capital)  
A.B.N. 24 000 639 314



## **PRESIDENTS REPORT 2023**

Dear Members,

On behalf of the Board of Directors I am pleased to present our 2023 Annual Report of the Company.

Once again, our last year has been difficult after COVID, but to make the profit we did, has shown our business is being run in a good and proper manner.

To achieve this, many thanks must be given to our CEO Alex Moore and his management team for all their efforts, and to all our staff for their efforts and care also. We are very lucky to have a good working team. Once again, our Brasserie staff, headed by Michael Egan, are doing a great job.

All the comments I receive from patrons in our dining area are positive and they can't wait to return.

I wish Paul Wesche all the best for the future since his resignation as Bowls Manager. Our Ladies and Men are now running bowls themselves and are achieving great results. Well Done.

Many thanks to my fellow Board Members for their assistance, time, effort, and enthusiasm for ensuring our Club is being run in a proper manner.

My largest thanks go to all the Club Members who continue to make our Club the major Community Hub of the area. The attendance for all functions is so well supported.

Many Thanks To All,

*John Heaton*

John Heaton

## **CHIEF EXECUTIVE OFFICER'S REPORT 2023**

Dear Members

It is my pleasure to present my 9<sup>th</sup> CEO Report to our loyal members for the financial year ended 30 June 2023.

Having left the interferences associated with COVID behind us, we faced new challenges such as staff shortages, the possibility of new gaming reforms and cost of living pressures throughout the year. Despite these influences, our Club performed well above benchmarks delivering a better-than-expected bottom line result.

The financial performance of Club Munmorah delivered the following results:

- Revenue increased by 51% to \$6,094,934 in 2023 compared to 2022.
- Nett profit of \$354,566 up 645% on 2022.
- Growth in nett assets to \$6,014,066. Up 6.3% on 2022
- The Club produced a positive operating cashflow of \$832,863, up 129% on 2022.
- Working capital remained solid at \$2,154,424 also up 30% on 2022.

Looking ahead, your Board and management team continue to identify opportunities to grow and develop the business to ensure relevance and sustainability. This was very evident during the Board and managements recent Strategic review of the business. The company's executive identified that a new brand would provide the business with greater opportunities to grow visitation and build revenue from other areas of the regions demographic, hence the new trading name, Club Munmorah was born. Our new trading name will slowly become more evident as we move through 2023.

The strategic review process delivered a new Vision and Mission, which gives our company new direction, with short and long terms goals added to the new Strategic Plan. The Board and management identified new objectives that will deliver a greater sense of belonging, trust, commitment and integrity to our offering, making our members experience more enjoyable.

The development of 2 townhouses on the Club's property located on the Pacific Highway at Lake Munmorah is still proceeding. The Club is awaiting development approval from Central Coast Council on the application lodged in February 2023. Hopefully the application will receive approval shortly.

The Board and Management remain committed on the Masterplan to build a new Club. The project continues to be delayed due to the continual hurdles and barriers encountered with our dealings with the Department of Lands. I continue to pursue the Department for a speedy outcome on the Club's conversion application. Once this is resolved, the Board and I will review the masterplan and proceed as tabled in our Strategic Plan.

Our Club continued to support the local community issuing over \$80,000 in cash and in-kind donations throughout the year. Our grateful recipients included Elsie's Project, Oz Harvest Food Rescue, Yarran Early Intervention Services, the Southlake Marketplace, the Guardian Angels, Parktrees Village, Ingenia Lifestyle Village, Valhalla Village, Northern Lakes JRLFC and RLFC, local Probus groups, ARPRA, local Lions Clubs, the Munmorah United Fishing Club, Lake Munmorah Netball Club, the Men's and Ladies Bowling Clubs and the Lake Munmorah High and Public Schools to name a few.

I would like to extend my genuine appreciation to Club Chairman, John, Vice Chairman Ray, Directors Sonia, Rhonda, Bill, Rosemary, and Graham, for their support during the year. As mentioned on many occasions, the directors responsibilities continue to increase with our directors committed to best practice, along with conducting themselves at the highest standard. The input by the Board members at the recent Strategic review was invaluable. The Boards focus on the new strategy and the ability to fulfil their governance obligations will guarantee the ongoing success of your Club. Thank you also to the Board for allowing me to remain a member of the Regional ClubsNSW committee and permitting me to attend meetings and events as required by that committee.

I would like to recognise and express my sincere thanks and gratitude to Cathy Watson and my management team, who have once again, shown resolve and conscientiousness to their roles throughout the year. They have played a major role towards returning a very satisfactory result this year. To all my staff, thank you for your contribution during the year. Without you, the Club would not be in the positive position it is.

Our company lost 2 loyal team members in Patray Moncacha and Paul Wesche during the year. Both Patray and Paul left on their own accord, and we wish them all the best in their future endeavours. With the loss of Paul, the Club restructured Bowls management with newly elected committees filling the void left by Paul in a very positive way.

I would like to extend my deepest condolences to families who lost loved ones during the year.

Without our loyal members, we simply would not exist. We are lucky to have such an involved, diverse, and grateful membership base. My team look forward to welcoming you to Club Munmorah each time you visit.

*Alex Moore*

**Alex Moore**

*Chief Executive Officer  
Club Munmorah*



**Club Munmorah is a place free from discrimination, ONE where everyone belongs.**



**Munmorah United Bowling  
Club Limited**

ACN 000 639 314

**Annual Financial Report  
for the year ended 30 June 2023**

**Munmorah United Bowling Club Limited** ACN 000 639 314  
**Annual financial report for the year ended 30 June 2023**

**Contents**

	Page
Directors' report	3
Auditor's independence declaration	5
Financial statements	
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 19
Directors' declaration	20
Independent auditor's report to the members	21 - 22

These financial statements are the financial statements of Munmorah United Bowling Club. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 8 August 2023. The Directors have the power to amend and reissue the financial statements.

# Director's report

Your Directors present their report on Munmorah United Bowling Club (the Club) for the year ended 30 June 2023.

## Directors details

The following persons were Directors of Munmorah United Bowling Club during the financial year, and up to the date of this report:

### Mr John Heaton

President  
President since 2015  
Vice President 2014 to 2015  
Director 2008 to 2012  
Retired, Mining Electrical Engineer  
Life member of Munmorah United Bowling Club

### Ms Sonia Geddes

Bowling Director  
Director since 2010  
Retired, Office Manager  
Life member of Munmorah United Bowling Club

### Mr Graham Brown

Bowling Director  
Director since 2018  
Retired, Car Salesman

### Mr William Ralley

Bowling Director  
Director since 2022  
Retired, Logistics Manager

### Mr Raymond Bourke

Vice President  
Vice President since 2014  
Director 2008 to 2014  
Retired, Manager & Transport Officer

### Ms Rosemary Elliott

Bowling Director  
Director since 2016  
Retired, Wedding Coordinator

### Ms Rhonda Preece

Bowling Director  
Director since 2020  
Womens Bowls President since 2022  
Womens Bowls Secretary 2020 to 2022  
Retired, Company Secretary and Hairdresser

## Company secretary

The Company Secretary is Mr Alex Moore. Mr Moore has been an employee of Munmorah United Bowling Club Limited since August 2014 and was appointed on 10 October 2014 to the position of Company Secretary. Prior to this, Mr Moore has held senior management positions in other larger registered clubs in Port Macquarie, Penrith and Blacktown.

## Director's meetings

The number of meetings the directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings	
	A	B
Mr John Heaton	11	11
Mr Raymond Bourke	11	11
Ms Sonia Geddes	11	11
Ms Rosemary Elliott	11	11
Mr Graham Brown	11	11
Ms Rhonda Preece	11	10
Mr William Ralley	9	8

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

## Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2023, the following land and buildings are considered to be core and non-core property:

<b>Core</b>	-	Leased club property - Acacia Avenue, Lake Munmorah
<b>Non-Core</b>	-	600 Pacific Highway, Lake Munmorah

## Principal activities

During the year, the principal activities of the Club was the running of the Club in accordance with its objectives for the benefit of its members.

There have been no significant changes in the nature of these activities during the year.

## Objectives of the Club

The Club's short and long-term objectives are to:

- Maintain the financial viability of the Club through routine monitoring and control by comparison and benchmarking within the Club industry and through Key Performance Indicators;
- Provide members with services and facilities that meet or exceed their expectation;
- Monitor staff development and provide training to enhance career advancement;
- Maintain or increase existing revenue levels and to control costs to return to profitability which will allow the Club's facilities to be continually improved; and
- To promote and maintain the foundation principles in accordance with the Club's Constitution.

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

- Maintain or increase existing revenue levels and control costs to return to profitability which will allow the Club's premises to be continually improved.

## Performance measurement

The Club measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as food and beverage and gaming. The Club also uses EBITDA to measure the financial performance of the Club overall.

## Contribution in winding up

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Club. At 30 June 2023, the total amount that members of the Club are liable to contribute if the Club was wound up is \$32,085 (2022: \$28,700).

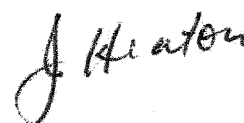
## Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

## 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 5 and forms part of this Directors' report.

This report is made in accordance with a resolution of the Directors.



John Heaton - President



Raymond Bourke - Vice President

Dated: 8 August 2023  
Lake Munmorah, NSW



## Auditor's independence declaration

To the Directors of Munmorah United Bowling Club

In accordance with the requirements of the Corporations Act 2001, as lead auditor for the audit of Munmorah United Bowling Club for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

Shaun Mahony - Partner

Pitcher Partners NH Partnership  
Chartered Accountants

Dated: 8 August 2023  
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Munmorah United Bowling Club

## Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

		2023	2022
		\$	\$
<b>Revenue from continuing operations</b>	Notes 2	<b>6,021,730</b>	3,753,690
Other income	3	73,204	286,526
Bar cost of goods sold		(585,724)	(298,975)
Bar direct expenses		(513,621)	(334,827)
Bistro cost of goods sold		(539,216)	(356,044)
Bistro direct expenses		(550,532)	(369,900)
Gaming direct expenses		(1,134,666)	(860,473)
Promotions expenses		(650,731)	(344,420)
Greens expenses		(316,309)	(238,895)
Administration expenses		(1,344,336)	(1,123,534)
Finance costs		(105,233)	(65,583)
		<u>(5,740,368)</u>	<u>(3,992,651)</u>
<b>Profit / (loss) before income tax</b>		<b>354,566</b>	47,565
Income tax expense	1 (d)	-	-
<b>Profit / (loss) for the year</b>		<u><b>354,566</b></u>	<u>47,565</u>
Other comprehensive income		-	-
<b>Total comprehensive income / (loss) for the year</b>		<u><b>354,566</b></u>	<u>47,565</u>

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

**Statement of financial position**

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,579,746	655,465
Inventories	6	42,439	44,864
Financial assets at amortised cost	7	1,932	1,506,024
Other assets	9	53,289	45,176
<b>Total current assets</b>		<b>2,677,406</b>	<b>2,251,529</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	3,442,345	3,582,859
Investment properties	11	550,000	550,000
Lease assets	12	1,060,125	1,003,306
Financial assets at fair value	8	1,086	1,086
<b>Total non-current assets</b>		<b>5,053,556</b>	<b>5,137,251</b>
<b>Total assets</b>		<b>7,730,962</b>	<b>7,388,780</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	285,730	381,126
Financial liabilities	14	72,634	83,717
Provisions	15	132,646	99,322
Other liabilities	16	19,991	18,134
Lease liabilities	12	11,981	12,388
<b>Total current liabilities</b>		<b>522,982</b>	<b>594,687</b>
<b>Non-current liabilities</b>			
Financial liabilities	14	104,659	110,581
Provisions	15	39,875	31,191
Lease liabilities	12	1,049,380	992,821
<b>Total non-current liabilities</b>		<b>1,193,914</b>	<b>1,134,593</b>
<b>Total liabilities</b>		<b>1,716,896</b>	<b>1,729,280</b>
<b>Net assets</b>		<b>6,014,066</b>	<b>5,659,500</b>
<b>MEMBERS FUNDS</b>			
Retained profits		6,014,066	5,659,500
<b>Total members funds</b>		<b>6,014,066</b>	<b>5,659,500</b>

The above *statement of financial position* should be read in conjunction with the accompanying notes

Munmorah United Bowling Club

## Statement of changes in equity

For the year ended 30 June 2023

	<b>Retained Profits \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2021</b>	5,611,935	5,611,935
Profit for the year	47,565	47,565
<b>Total comprehensive income for the year</b>	<b>47,565</b>	<b>47,565</b>
<b>Balance at 30 June 2022</b>	<b>5,659,500</b>	<b>5,659,500</b>
Profit for the year	354,566	354,566
<b>Total comprehensive income for the year</b>	<b>354,566</b>	<b>354,566</b>
<b>Balance at 30 June 2023</b>	<b>6,014,066</b>	<b>6,014,066</b>

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Munmorah United Bowling Club

## Statement of cash flows

For the year ended 30 June 2023

	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from members and customers	6,636,149	4,134,243
Government stimulus received	-	179,423
Payments to suppliers and employees	(5,737,545)	(3,887,030)
Interest received	39,492	2,161
Interest paid	(105,233)	(65,583)
<b>Net cash inflow (outflow) from operating activities</b>	<b>832,863</b>	<b>363,214</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(398,280)	(652,388)
Transfer from / (to) term deposits	1,500,000	4,181
Proceeds from sale of property, plant and equipment	19,091	-
<b>Net cash inflow (outflow) from investing activities</b>	<b>1,120,811</b>	<b>(648,207)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	169,679	238,468
Repayment of borrowings	(186,684)	(133,461)
Repayment of lease liabilities	(12,388)	(12,833)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(29,393)</b>	<b>92,174</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,924,281</b>	<b>(192,819)</b>
Cash and cash equivalents at the beginning of the financial year	655,465	848,284
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2,579,746</b>	<b>655,465</b>

The above *statement of cash flows* should be read in conjunction with the accompanying notes

## Notes to the financial statements

For the year ended 30 June 2023

### 1 Summary of significant accounting policies

#### (a) Information about the entity

- Munmorah United Bowling Club is a company limited by guarantee, incorporated and domiciled in Australia.
- Munmorah United Bowling Club is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is Level 5, 12 Stewart Avenue, Newcastle West NSW 2259.
- The principal place of business of the Club is Acacia Avenue, Lake Munmorah 2259.

#### (b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

#### (c) Statement of compliance

This financial report complies with *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs, except for investment properties which have been measured at fair value. The financial report is presented in Australian Dollars.

#### (d) Income taxes

The Club is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

#### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

#### (f) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

**Notes to the financial statements**

For the year ended 30 June 2023

**2 Revenue****(a) Disaggregation of revenue from contracts with customers**

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Food and Beverage Revenue	Bowling Revenue	Gaming Revenue	Promotions Revenue	Membership Revenue	Other Revenue	Total
2023	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,456,050	154,401	3,014,710	267,872	24,015	87,502	6,004,550
Other revenue (not covered by AASB15)	-	-	17,180	-	-	-	17,180
	<u>2,456,050</u>	<u>154,401</u>	<u>3,031,890</u>	<u>267,872</u>	<u>24,015</u>	<u>87,502</u>	<u>6,021,730</u>

*Timing of revenue recognition*

At a point in time	2,456,050	154,401	3,014,710	267,872	-	87,502	5,980,535
Over time	-	-	17,180	-	24,015	-	41,195
	<u>2,456,050</u>	<u>154,401</u>	<u>3,031,890</u>	<u>267,872</u>	<u>24,015</u>	<u>87,502</u>	<u>6,021,730</u>

	Food and Beverage Revenue	Bowling Revenue	Gaming Revenue	Promotions Revenue	Membership Revenue	Other Revenue	Total
2022	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,408,585	94,215	1,990,759	158,419	20,143	64,389	3,736,510
Other revenue (not covered by AASB15)	-	-	17,180	-	-	-	17,180
	<u>1,408,585</u>	<u>94,215</u>	<u>2,007,939</u>	<u>158,419</u>	<u>20,143</u>	<u>64,389</u>	<u>3,753,690</u>

*Timing of revenue recognition*

At a point in time	1,408,585	94,215	1,990,759	158,419	-	64,389	3,716,367
Over time	-	-	17,180	-	20,143	-	37,323
	<u>1,408,585</u>	<u>94,215</u>	<u>2,007,939</u>	<u>158,419</u>	<u>20,143</u>	<u>64,389</u>	<u>3,753,690</u>

**b) Assets and liabilities related to contracts with customers**

The Club has recognised the following assets and liabilities related to contracts with customers:

	2023	2022
	\$	\$
Contract liabilities (membership in advance)	5,275	5,824
Total contract liabilities	<u>5,275</u>	<u>5,824</u>

**c) Accounting policies and significant judgements**

The Club recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Club is or expects to be entitled in exchange for those goods or services.

The Club considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

*(i) Sale of goods - food and beverage revenue*

Revenue from the sale of food and beverages is recognised at a point in time when the physical control of the good passes to the customer.

*(ii) Provision of services - bowling revenue*

Bowling revenue comprises greens fees and competition fees and is recognised at a point in time when the game of bowls has been completed as at this point the performance obligations have been satisfied.

**Notes to the financial statements**

For the year ended 30 June 2023

**2 Revenue (continued)****(c) Accounting policies and significant judgements (continued)***(iii) Provision of services - gaming revenue*

Revenue from rendering services from gaming facilities to members and other patrons of the Club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission revenue where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

*(iv) Provision of services - promotion revenue*

Raffle, bingo, housie and other promotion events revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle, bingo, housie or other event has been conducted as at this point the performance obligations have been satisfied.

*(v) Provision of services - membership revenue*

Membership subscriptions are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

*(vi) Other revenue*

The Club recognises other revenue at a point in time when the performance obligation has been satisfied.

**3 Other income and expense items**

	2023	2022
	\$	\$
<b>(a) Other income</b>		
Rental income	-	8,581
Interest income	41,424	731
Government stimulus funding - Jobsaver	-	179,423
Movement in fair value - investment property	-	95,000
Gain on disposal of property, plant and equipment	19,091	-
Other income	12,689	2,791
	<u>73,204</u>	<u>286,526</u>

*(i) Rental income*

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Club recognises rental income on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

*(ii) Interest income*

Interest income is recognised on an accruals basis.

*(iii) Government stimulus funding*

The Club recognises stimulus funding from the Australian Taxation Office and Revenue NSW when it is considered to be receivable.

*(iv) Movement in fair value - investment property*

The Club recognises the change in fair value of investment properties based on the assessment of an independent expert, representing the non-cash gain in relation to investment properties.

*(v) Gain on disposal of property, plant and equipment*

The Club recognised gains and losses on disposal of property, plant and equipment by comparing proceeds received on sale with the carrying amount of the asset being sold.

*(vi) Other income*

The Club recognises other income when it becomes receivable.

**(b) Other expenses**

Employee benefits expense	1,649,402	1,168,490
Depreciation and amortisation	433,433	423,397

**Notes to the financial statements**

For the year ended 30 June 2023

**5 Cash and cash equivalents**

	2023	2022
	\$	\$
<b>Current</b>		
Cash and cash equivalents	2,579,746	655,465
	<u>2,579,746</u>	<u>655,465</u>

**Accounting policy**

Cash and short-term deposits in the Statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**6 Inventories**

<b>Current</b>		
Stock on hand - bar	29,797	28,735
Stock on hand - bistro	12,642	16,129
	<u>42,439</u>	<u>44,864</u>

**Accounting policy**

Inventories are measured at the lower of cost and current replacement cost.

**7 Financial assets at amortised cost**

<b>Current</b>		
Term deposits	-	1,500,000
Other receivables	1,932	6,024
	<u>1,932</u>	<u>1,506,024</u>

**Accounting policy**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

**8 Financial assets at fair value through profit and loss**

<b>Non-current</b>		
Shares	1,086	1,086
	<u>1,086</u>	<u>1,086</u>

**Accounting policy**

Equity instruments are measured at fair value with changes in fair value recognised through profit and loss. Dividends received on these investments are recognised in the statement of profit or loss and other comprehensive income unless the distribution clearly represents a recovery of part of the cost of the investment.

**9 Other assets**

<b>Current</b>		
Prepayments	53,289	45,176
	<u>53,289</u>	<u>45,176</u>

**Accounting policy**

This includes prepayments made in advance for goods and services which are to be received in a future period.



**Notes to the financial statements**

For the year ended 30 June 2023

**10 Property, plant and equipment**

	Land and buildings	Plant and equipment	Poker machines	Capital WIP	Total
	\$	\$	\$	\$	\$
<b>Non-current assets</b>					
<b>At 1 July 2022</b>					
Cost	4,260,789	1,973,915	2,136,892	195,694	8,567,290
Accumulated depreciation	(1,819,774)	(1,606,322)	(1,558,335)	-	(4,984,431)
Net book amount	<u>2,441,015</u>	<u>367,593</u>	<u>578,557</u>	<u>195,694</u>	<u>3,582,859</u>
<b>Year ended 30 June 2023</b>					
Opening net book amount	2,441,015	367,593	578,557	195,694	3,582,859
Additions	52,660	102,935	109,960	18,244	283,799
Disposals	-	(2,594)	(6)	-	(2,600)
Transfers	-	-	19,490	(19,490)	-
Depreciation charge	(128,722)	(87,219)	(205,772)	-	(421,713)
Closing net book amount	<u>2,364,953</u>	<u>380,715</u>	<u>502,229</u>	<u>194,448</u>	<u>3,442,345</u>
<b>At 30 June 2023</b>					
Cost	4,313,450	1,959,663	2,065,764	194,448	8,533,325
Accumulated depreciation	(1,948,497)	(1,578,948)	(1,563,535)	-	(5,090,980)
Net book amount	<u>2,364,953</u>	<u>380,715</u>	<u>502,229</u>	<u>194,448</u>	<u>3,442,345</u>

**Accounting policy****(a) Land and buildings**

Freehold land and buildings is carried at cost less any accumulated depreciation and any impairment value.

**(b) Plant and equipment and poker machines**

Plant and equipment and poker machines are carried at cost less any accumulated depreciation and any impairment in value.

**(c) Depreciation**

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Leasehold improvements	10 - 50 years
Plant & equipment	3 - 11 years
Poker machines	3 - 5 years

**(d) Impairment**

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

**Notes to the financial statements**

For the year ended 30 June 2023

**11 Investment properties**

	2023	2022
	\$	\$
<b>Non-current assets - at fair value</b>		
Opening balance at 1 July	550,000	455,000
Net gain / (loss) from fair value adjustment	-	95,000
Closing balance at 30 June	<u>550,000</u>	<u>550,000</u>

**Accounting policy**

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. Gains or losses arising from changes in the fair values of the investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognising of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

Investment properties are stated at fair value, which has been determined by the Directors based on a market appraisal performed by Ray White as at 30 June 2023. The real estate agent frequently assesses the market values for properties similar to those held by the Club in the same areas, having regard to past sales prices of other properties and current market conditions.

**12 Lease assets and lease liabilities**

The Club leases several assets including the Club Land where Club buildings and facilities are situated and a point of sale system.

The lease over the Crown Land occupied by the Club is a lease in Perpetuity between the Company and Crown Lands NSW and commenced in 1974. The agreement provides the right of the Minister to terminate the lease on one years notice with all improvements reverting to the Landlord.

**a) Lease assets****Non-current**

Plant and equipment	10,745	22,466		
Land	1,049,380	980,840		
	<u>1,060,125</u>	<u>1,003,306</u>		

**Reconciliation of lease assets**

	Plant and equipment \$	Land \$	Total \$	Total \$
Carrying amount at the beginning of the year	22,466	980,840	1,003,306	970,986
Additions		68,540	68,540	44,040
Depreciation	(11,721)		(11,721)	(11,720)
Carrying amount at the end of the year	<u>10,745</u>	<u>1,049,380</u>	<u>1,060,125</u>	<u>1,003,306</u>

**b) Lease liabilities****Current**

Lease liabilities	11,981	-	11,981	12,388
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**Non-current**

Lease liabilities	-	1,049,380	1,049,380	992,821
<b>Total</b>	<u>11,981</u>	<u>1,049,380</u>	<u>1,061,361</u>	<u>1,005,209</u>

**Reconciliation of lease liabilities**

	Plant and equipment \$	Land \$	Total \$	Total \$
Carrying amount at the beginning of the year	24,369	980,840	1,005,209	974,002
Additions	-	68,540	68,540	44,040
Interest expense	1,052	59,392	60,444	49,485
Lease payments	(13,440)	(59,392)	(72,832)	(62,318)
Carrying amount at the end of the year	<u>11,981</u>	<u>1,049,380</u>	<u>1,061,361</u>	<u>1,005,209</u>

**Maturity analysis of future lease payments**

Not later than 1 year	12,320	12,320	13,440
Later than 1 year and not later than 5 years	-	-	12,320
Later than 5 years	-	-	-
<b>Lease payments</b>	<u>12,320</u>	<u>12,320</u>	<u>25,760</u>

The future lease commitment relating to the land lease in perpetuity has been recognised at the net present value of the current annual lease payment being \$52,469 and discounted using the incremental borrowing rate noted below.

**Notes to the financial statements**

For the year ended 30 June 2023

**12 Leases (continued)**

**Accounting policy**

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

At inception, a lease asset and a lease liability is recognised. Lease assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Lease assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- an estimate of costs to be incurred in dismantling and removing the underlying asset;
- any initial direct costs incurred;

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 5%.

The lease payment used in the calculation of the lease liabilities includes variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the Club has only included the known CPI increases to date and not estimated future CPI-related increases.

The Club does not recognise leases that have a lease term of 12 months or less or are of low value as a right of use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

**Lessor**

Leases for which the Club is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Club recognises lease payments as income. The underlying asset is depreciated on a straight line basis over its expected useful life.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**13 Trade and other payables**

	2023	2022
	\$	\$
<b>Current</b>		
Trade payables	113,869	169,962
Other payables and accruals	124,465	181,631
GST payable	47,396	29,533
	285,730	381,126

**Accounting policy**

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

**Notes to the financial statements**

For the year ended 30 June 2023

**14 Financial liabilities**

	2023	2022
	\$	\$
<b>Current</b>		
<i>Secured</i>		
Other loans (i)	72,634	83,717
Total secured financial liabilities	<u>72,634</u>	<u>83,717</u>
<b>Non-current</b>		
<i>Secured</i>		
Other loans (i)	104,659	110,581
Total secured financial liabilities	<u>104,659</u>	<u>110,581</u>

(i) *Other secured liabilities*

The other loans are secured by a fixed charge over the specific assets that are financed.

**Accounting policy**

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has a right to defer settlement of the liability for at least 12 months after the reporting period.

**15 Provisions****Current**

Employee entitlements (i) & (ii)	132,646	99,322
	<u>132,646</u>	<u>99,322</u>

**Non-current**

Employee entitlements (ii)	39,875	31,191
	<u>39,875</u>	<u>31,191</u>

**Accounting policy**(i) *Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) *Long service leave*

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

**16 Other liabilities****Current**

Contract liabilities - membership income	5,275	5,824
Other liabilities	14,716	12,310
	<u>19,991</u>	<u>18,134</u>

**Accounting policy**

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

**Notes to the financial statements**

For the year ended 30 June 2023

<b>17</b>	<b>Commitments</b>	<b>2023</b>	<b>2022</b>
		\$	\$
(i)	<i>Capital commitments</i>		
	Investment property development	680,000	680,000
		<u>680,000</u>	<u>680,000</u>

**18** **Contingent liabilities**

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
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The Club has an overdraft facility of \$100,000 with the Commonwealth Bank which is secured by:

- A First Registered Mortgage over Residential Real Property at 600 Pacific Highway, Lake Munmorah NSW.
- A First Registered Equitable Mortgage over non residential real property located at Acacia Avenue, Lake Munmorah NSW.
- A First Registered Equitable Mortgage over the whole of the assets and undertakings including uncalled capital of the Company.

**19** **Related parties**

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

(a) *Key management personnel compensation*

Total key management personnel benefits	<u>277,348</u>	<u>263,494</u>
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(b) *Transactions with other related parties*

Director Sonia Geddes daughter Lianne Keough was employed by the Club on normal terms and conditions.

**20** **Remuneration of auditors***Auditor of the company*

Audit of the financial statements	26,900	25,500
Other services - taxation compliance	-	380
Other services - consulting	8,000	7,320
	<u>34,900</u>	<u>33,200</u>

## Notes to the financial statements

For the year ended 30 June 2023

### 20 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next period are disclosed where applicable, in the relevant notes to the financial statements:

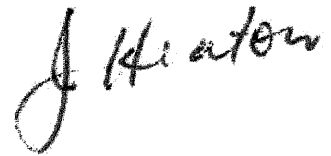
- Estimation of useful lives of non-current assets (notes 10 and 12) - The useful life of property, plant and equipment and lease assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Accounting for Lease in Perpetuity with Crown Lands NSW (note 12) - The accounting treatment of the Club's lease in perpetuity with Crown Lands NSW involves judgement and estimates in determining whether the contract grants rights that result in transfer of control of the asset to the Club and therefore results in the in-substance purchase of the Land. The Directors have determined that control of the asset does not transfer to the Club and as such the contract has been treated as a lease in accordance with AASB16 Leases. The estimates and judgements involved may impact the classification of the contract liabilities and the associated asset should they change.
- Estimated fair value of investment properties (note 11) - the fair value of investment properties is estimated at each reporting date, based on independent assessments of the market value of the properties and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

## Directors' declaration

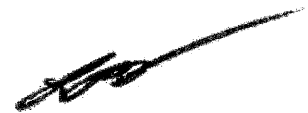
### In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 19 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Club's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



John Heaton - President



Raymond Bourke - Vice President

Lake Munmorah, NSW  
8 August 2023

## **Independent auditor's report to the members of Munmorah United Bowling Club**

### **Opinion**

We have audited the financial report of Munmorah United Bowling Club (the Club) which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (i) giving a true and fair view of the Clubs financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

### **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 Club in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibilities of the Directors for the financial report**

The Directors of the Club are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures 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 Club'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 Club or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Club's financial reporting process.

### **Matters relating to the electronic presentation of the audited financial report**

The auditor's report relates to the financial report of the Club for the year ended 30 June 2023 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

Shaun Mahony - Partner

Pitcher Partners NH Partnership  
Chartered Accountants

8 August 2023  
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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# ClubGRANTS

**Club Munmorah proudly supported the following not for profit organisations in our community with donations totalling \$85,370 during 2022-2023**

Munmorah United Fishing Club  
Munmorah United Darts Club  
Munmorah United Euchre Club  
Northern Lakes Junior RLFC  
Northern Lakes RLFC  
Lake Munmorah High School  
Lake Munmorah Public School  
Northlakes Probus  
Lake Munmorah Probus  
ARPA  
Munmorah Walkabout Social Golf Club  
Gwandalan Lion's Club  
Southlake Marketplace Uniting Care  
Lake Munmorah Residential Village  
Parktrees Residential Village Bingo Group  
Ingenia Lifestyle Village  
Lakeside Leisure Village  
Macquarie Shores Residential Village  
Valhalla Village Putt Putt  
Munmorah United Women's BC  
Munmorah United Men's BC  
Elsie's Project  
OzHarvest Food Rescue  
Yarran Early Intervention Services  
Guardian Angels