



ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024



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



Club Munmorah proudly supported the following not for profit organisations in our community with all donations totalling \$81,695 during 2023-2024

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
ARPRA
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
Valhalla Village Putt Putt
Munmorah United Women's BC
Munmorah United Men's BC
Guardian Angels
Learning Links
Empowering Disadvantaged Kids
Chain Valley Bay Residents Association

PRESIDENTS REPORT 2024

Dear Members,

On behalf of the Board of Directors I am pleased to present our 2024 Annual Report of the Company.

I am very pleased to be able to report that our Club had another successful year following the recent receipt of our audited accounts for the 23-24 year indicating a nett trading profit of \$343,908 and a healthy operating cashflow of \$934,900. On the back of increased operational costs, high costs of living expenses for our community, it's a credit to our team on this achievement.

To achieve this great result, many thanks must be given to our CEO Alex Moore and his management team and all our staff for their efforts. Over the past 10 years, our CEO's passion and commitment for our Club has laid the platform for our Club to remain financially viable as well as a fantastic community asset well into the future.

All the comments I receive from patrons who dine in our Brasserie are extremely positive. A huge thank you to head chef Michael Egan and his staff for delivering quality and consistency to our loyal members.

This year was the first year our Men's and Ladies bowlers managed bowls at our club. Both clubs achieved great results on and off the green and it is pleasing to see the camaraderie amongst the 2 groups. It was fantastic to see our grade 6 pennant team win the zone flag and then represent our club in Yamba at the state titles.

Many thanks to my fellow Board Members for their support, 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. We currently have 6,495 financial members and I offer a very warm welcome to all those who have recently joined and trust that you will enjoy the facilities we provide.

Many Thanks To All,

John Heaton

John Heaton



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



CHIEF EXECUTIVE OFFICER'S REPORT 2024

Dear Members

It is with pleasure to present my 10th annual CEO report to our loyal members for the financial year ended 30 June 2024.

Having left the interferences associated with COVID behind us, we faced new challenges such as staff shortages, new gaming reforms and high cost of living pressures throughout the year. Despite these influences, our Club performed well above club industry benchmarks delivering a better-than-expected bottom line result. We returned a modest profit despite the rising cost of doing business.

The financial performance of Club Munmorah delivered the following results:

- Revenue increased by 6% to \$6,479,223 in 2024 compared to \$6,094,934 in 2023.
- Nett profit of \$343,908 was reduced because of a once off write-off of capital work in progress of \$127,000.
- Growth in nett assets to \$6,357,974 which was up 5.7% on 2023
- The Club produced a positive operating cashflow of \$934,900, up 12.3% on 2023.
- Working capital remained solid at \$2,618,065, up 21.5% on 2023.

I am extremely pleased with the financial position of the club since I commenced as the Club CEO & Company Secretary 10 years ago. Over the past 10 years, your Club has seen its total assets grow by 110%, total equity grew by 120%, working capital grew by 661% and the total cash & term deposits position increased from \$237,822 to \$3,115,363, up 1210%. This 10-year result, even with a pandemic thrown in, is testament to having solid and robust internal controls, an extremely loyal team, and Company Directors with good oversight of the business.

Since the Covid pandemic, many of our members have embraced technology such as using QR codes, using cashless payment types and using online shopping. Some of our members may believe that cash is becoming redundant due to the dominance of cashless systems, however cash remains the only tender that can be used to play one of our gaming machines. An independent panel on gaming is currently considering cashless gaming with a recommendation due later this year which will provide transparency and guidance. Your Club will provide all members with the option to use technology to facilitate choice if it is achieved in a responsible manner.

Following on from the Board and managements strategic review in 2023, which gave our company new direction with short-term and long-term goals, these have been added to the Strategic Plan. The objectives included the replacement of the existing retaining wall in the southeastern corner of the property, the construction of 2 – 4-bedroom townhouses adjacent to the Club, and the refurbishment of the Clubhouse. These objectives are well under way with applications before Central Coast Council and Crown Lands. Once the refurbishment has been approved and agreed upon, plans will be displayed for all to see. The Board and I are confident that once we have completed the planned refurbishment, we will attract a new demographic and grow market share.

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 Learning Links – in school mental health and wellbeing programs, Empowering Disadvantaged Kids, 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.

A huge CONGRATULATIONS to our Grade 6 Open Gender Pennants team on winning the Central Coast flag. You all made Club Munmorah proud of your efforts. Thank you all for also representing our Club in Yamba in the state titles.

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. The directors' responsibilities continue to evolve with our directors commitment to best practice, along with conducting themselves at the highest standard including AML/CTF training and Gaming Oversight training. The Boards focus on the strategic plan and the ability to fulfil their governance obligations, will guarantee the ongoing success of your Club. Thanks to the Board for allowing me to remain a valued member of the Regional ClubsNSW committee and allowing me to attend meetings and events as required by that committee.

I would like to take this opportunity to thank each and every one of my team for their efforts over the past 12 months. In particular, our Club's Operations Manager Cathy Watson for the incredible amount of behind-the-scenes work, her determination and thoroughness throughout the year. Many thanks to Michael and his catering team who continue to play a major role towards returning patronage and a very satisfactory catering 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.

I respectfully extend my deepest condolences to families who have lost loved ones during the past year.

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

Alex Moore

Alex Moore

Chief Executive Officer

Club Munmorah



**Munmorah United Bowling
Club Limited**

ACN 000 639 314

**Annual Financial Report
for the year ended 30 June 2024**

Munmorah United Bowling Club Limited ACN 000 639 314
Annual financial report for the year ended 30 June 2024

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

The financial statements were authorised for issue by the Directors on 6 August 2024. The Directors have the power to amend and reissue the financial statements.

Directors' report

Your Directors' present their report on Munmorah United Bowling Club Limited (the Club) for the year ended 30 June 2024.

Directors details

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

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, Events Manager

Ms Rhonda Preece

Bowling Director
Director since 2020
Womens Bowls President 2022 to 2024
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	14	14
Mr Raymond Bourke	14	14
Ms Sonia Geddes	14	14
Ms Rosemary Elliott	14	12
Mr Graham Brown	14	9
Ms Rhonda Preece	14	12
Mr William Ralley	14	13

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 2024, the following land and buildings are considered to be core and non-core property:

Core	-	Leased club property - Acacia Avenue, Lake Munmorah
Non-Core	-	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.

Directors' report (continued)

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 \$31,760 (2023: \$32,085).

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.

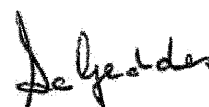
Auditor's independence declaration

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



Sonia Geddes - Director

Dated: 6 August 2024
Lake Munmorah, NSW



Level 5, 12 Stewart Avenue
Newcastle West NSW 2302

20 Church Street
Maitland NSW 2320

Box 29, Hunter Region MC NSW
2310

+61 2 4923 4000

pitchernewcastle.com.au

Auditor's independence declaration

To the Directors of Munmorah United Bowling Club Limited

In accordance with the requirements of the Corporations Act 2001, as lead auditor for the audit of Munmorah United Bowling Club Limited for the year ended 30 June 2024, 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.

Kirsty Porteous - Partner

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 6 August 2024
Newcastle West, NSW

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney



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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

		2024	2023
		\$	\$
Revenue from continuing operations	Notes 2	6,381,070	6,021,730
Other income	3	98,153	73,204
Bar cost of goods sold		(592,401)	(585,724)
Bar direct expenses		(557,756)	(513,621)
Bistro cost of goods sold		(556,280)	(539,216)
Bistro direct expenses		(693,651)	(550,532)
Gaming direct expenses		(1,171,189)	(1,134,666)
Promotions expenses		(656,335)	(650,731)
Greens expenses		(237,258)	(316,309)
Administration expenses		(1,579,589)	(1,344,336)
Finance costs		(90,856)	(105,233)
Profit / (loss) before income tax		(6,135,315)	(5,740,368)
Income tax expense	1 (e)	343,908	354,566
Profit / (loss) for the year		343,908	354,566
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		343,908	354,566

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 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,539,573	2,579,746
Inventories	6	57,630	42,439
Financial assets at amortised cost	7	1,638,376	1,932
Other assets	9	38,643	53,289
Total current assets		3,274,222	2,677,406
Non-current assets			
Property, plant and equipment	10	3,278,711	3,442,345
Investment properties	11	550,000	550,000
Lease assets	12	1,094,566	1,060,125
Financial assets at fair value	8	1,086	1,086
Total non-current assets		4,924,363	5,053,556
Total assets		8,198,585	7,730,962
LIABILITIES			
Current liabilities			
Trade and other payables	13	343,068	279,001
Financial liabilities	14	78,231	72,634
Provisions	15	216,354	139,375
Other liabilities	16	18,504	19,991
Lease liabilities	12	-	11,981
Total current liabilities		656,157	522,982
Non-current liabilities			
Financial liabilities	14	37,525	104,659
Provisions	15	52,363	39,875
Lease liabilities	12	1,094,566	1,049,380
Total non-current liabilities		1,184,454	1,193,914
Total liabilities		1,840,611	1,716,896
Net assets		6,357,974	6,014,066
MEMBERS FUNDS			
Retained profits		6,357,974	6,014,066
Total members funds		6,357,974	6,014,066

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

Munmorah United Bowling Club Limited

Statement of changes in equity

For the year ended 30 June 2024

	Retained Profits \$	Total \$
Balance at 1 July 2022	5,659,500	5,659,500
Profit for the year	354,566	354,566
Total comprehensive income for the year	354,566	354,566
Balance at 30 June 2023	6,014,066	6,014,066
Profit for the year	343,908	343,908
Total comprehensive income for the year	343,908	343,908
Balance at 30 June 2024	6,357,974	6,357,974

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

Statement of cash flows

For the year ended 30 June 2024

	2024	2023
	\$	\$
Cash flows from operating activities		
Receipts from members and customers	6,981,448	6,636,149
Payments to suppliers and employees	(6,028,372)	(5,737,545)
Interest received	72,680	39,492
Interest paid	(90,856)	(105,233)
Net cash inflow (outflow) from operating activities	934,900	832,863
Cash flows from investing activities		
Payments for property, plant and equipment	(325,765)	(398,280)
Transfer from / (to) term deposits	(1,575,790)	1,500,000
Proceeds from sale of property, plant and equipment	-	19,091
Net cash inflow (outflow) from investing activities	(1,901,555)	1,120,811
Cash flows from financing activities		
Proceeds from borrowings	115,778	169,679
Repayment of borrowings	(177,315)	(186,684)
Repayment of lease liabilities	(11,981)	(12,388)
Net cash inflow (outflow) from financing activities	(73,518)	(29,393)
Net increase in cash and cash equivalents	(1,040,173)	1,924,281
Cash and cash equivalents at the beginning of the financial year	2,579,746	655,465
Cash and cash equivalents at the end of the financial year	1,539,573	2,579,746

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 2024

1 Summary of material accounting policies

(a) Information about the entity

- Munmorah United Bowling Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.
- Munmorah United Bowling Club Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is 550 Pacific Highway, Lake Munmorah, NSW 2259.
- The principal place of business of the Club is 550 Pacific Highway, Lake Munmorah, NSW 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) Material accounting policy information

The material accounting policies applied in the preparation of this financial report are consistent with the previous period unless otherwise stated.

(d) 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.

(e) Income taxes

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

(f) 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.

(g) 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.

(h) Comparative information

Comparative information has been adjusted to reflect current year disclosures where applicable.

Notes to the financial statements

For the year ended 30 June 2024

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
2024	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,696,970	108,967	3,119,914	286,678	21,561	129,800	6,363,890
Other revenue (not covered by AASB15)	-	-	17,180	-	-	-	17,180
	<u>2,696,970</u>	<u>108,967</u>	<u>3,137,094</u>	<u>286,678</u>	<u>21,561</u>	<u>129,800</u>	<u>6,381,070</u>

Timing of revenue recognition

At a point in time	2,696,970	108,967	3,119,914	286,678	-	129,800	6,342,329
Over time	-	-	17,180	-	21,561	-	38,741
	<u>2,696,970</u>	<u>108,967</u>	<u>3,137,094</u>	<u>286,678</u>	<u>21,561</u>	<u>129,800</u>	<u>6,381,070</u>

	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>

b) Assets and liabilities related to contracts with customers

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

	2024	2023
	\$	\$
Contract liabilities (membership in advance)	6,002	5,275
Total contract liabilities	<u>6,002</u>	<u>5,275</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 2024

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

	2024	2023
	\$	\$
(a) Other income		
Interest income	94,882	41,424
Gain on disposal of property, plant and equipment	-	19,091
Other income	3,271	12,689
	<u>98,153</u>	<u>73,204</u>
(b) Other expenses		
Employee benefits expense	1,783,735	1,649,402
Depreciation and amortisation	430,994	433,433
Capital WIP written off	127,204	-

Notes to the financial statements

For the year ended 30 June 2024

5 Cash and cash equivalents

	2024	2023
	\$	\$
Current		
Cash and cash equivalents	1,539,573	2,579,746
	<u>1,539,573</u>	<u>2,579,746</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 (if any).

6 Inventories

Current		
Stock on hand - bar	41,499	29,797
Stock on hand - bistro	16,131	12,642
	<u>57,630</u>	<u>42,439</u>

Accounting policy

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

7 Financial assets at amortised cost

Current		
Term deposits	1,575,790	-
Other receivables	62,586	1,932
	<u>1,638,376</u>	<u>1,932</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

Non-current		
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

Current		
Prepayments	38,643	53,289
	<u>38,643</u>	<u>53,289</u>

Notes to the financial statements

For the year ended 30 June 2024

10 Property, plant and equipment

	Land and buildings \$	Plant and equipment \$	Poker machines \$	Capital WIP \$	Total \$
Non-current assets					
At 1 July 2023					
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	2,364,953	380,715	502,229	194,448	3,442,345
Year ended 30 June 2024					
Opening net book amount	2,364,953	380,715	502,229	194,448	3,442,345
Additions	65,990	92,076	193,642	33,016	384,724
Disposals	(111)	(794)	-	-	(905)
Capital WIP written off	-	-	-	(127,204)	(127,204)
Depreciation charge	(132,871)	(89,251)	(198,127)	-	(420,249)
Closing net book amount	2,297,961	382,746	497,744	100,260	3,278,711
At 30 June 2024					
Cost	4,366,899	1,991,439	2,136,679	100,260	8,595,277
Accumulated depreciation	(2,068,938)	(1,608,693)	(1,638,935)	-	(5,316,566)
Net book amount	2,297,961	382,746	497,744	100,260	3,278,711

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

Each class of plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

(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

Significant accounting estimates and judgements

The useful life of property, plant and equipment 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.

11 Investment properties

	2024 \$	2023 \$
Non-current assets - at fair value		
Opening balance at 1 July	550,000	550,000
Closing balance at 30 June	550,000	550,000

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.

Notes to the financial statements

For the year ended 30 June 2024

11 Investment properties (continued)**Accounting policy (continued)**

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 2024. 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.

Significant accounting estimates and judgements

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.

12 Lease assets and lease liabilities

The Club leases the Club Land where Club buildings and facilities are situated.

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.

			2024 \$	2023 \$
a) Lease assets				
Non-current				
Plant and equipment			-	10,745
Land			1,094,566	1,049,380
			<u>1,094,566</u>	<u>1,060,125</u>
Reconciliation of lease assets	Plant and equipment	Land	Total	Total
	\$	\$	\$	\$
Carrying amount at the beginning of the year	10,745	1,049,380	1,060,125	1,003,306
Additions	-	45,186	45,186	68,540
Depreciation	(10,745)	-	(10,745)	(11,721)
Carrying amount at the end of the year	<u>-</u>	<u>1,094,566</u>	<u>1,094,566</u>	<u>1,060,125</u>
b) Lease liabilities				
Current				
Lease liabilities	-	-	-	11,981
Non-current				
Lease liabilities	-	1,094,566	1,094,566	1,049,380
Total	<u>-</u>	<u>1,094,566</u>	<u>1,094,566</u>	<u>1,061,361</u>
Reconciliation of lease liabilities	Plant and equipment	Land	Total	Total
	\$	\$	\$	\$
Carrying amount at the beginning of the year	11,981	1,049,380	1,061,361	1,005,209
Additions	-	45,186	45,186	68,540
Interest expense	339	53,598	53,937	60,444
Lease payments	(12,320)	(53,598)	(65,918)	(72,832)
Carrying amount at the end of the year	<u>-</u>	<u>1,094,566</u>	<u>1,094,566</u>	<u>1,061,361</u>
Maturity analysis of future lease payments				
Not later than 1 year	-	-	-	12,320
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Lease payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,320</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 \$54,728 and discounted using the incremental borrowing rate noted below.

Notes to the financial statements

For the year ended 30 June 2024

12 Leases (continued)

Accounting policy

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

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%.

Significant accounting estimates and judgements

The useful life of 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 - 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 Lease.

Lessor

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.

13 Trade and other payables

	2024	2023
	\$	\$
Current		
Trade payables	204,603	113,869
Other payables and accruals	107,036	117,736
GST payable	31,429	47,396
	<u>343,068</u>	<u>279,001</u>

Accounting policy

Trade and other payables, including accruals, are non-interest bearing and are generally due for payment within 30 days of the invoice date.

Notes to the financial statements

For the year ended 30 June 2024

14 Financial liabilities

	2024	2023
	\$	\$
Current		
<i>Secured</i>		
Other loans (i)	78,231	72,634
Total secured financial liabilities	<u>78,231</u>	<u>72,634</u>
Non-current		
<i>Secured</i>		
Other loans (i)	37,525	104,659
Total secured financial liabilities	<u>37,525</u>	<u>104,659</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)	204,012	132,646
Jackpots	12,342	6,729
	<u>216,354</u>	<u>139,375</u>
Non-current		
Employee entitlements (ii)	52,363	39,875
	<u>52,363</u>	<u>39,875</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	6,002	5,275
Other liabilities	12,502	14,716
	<u>18,504</u>	<u>19,991</u>

17 Commitments

There were no contractual commitments for expenditure at balance date.

Notes to the financial statements

For the year ended 30 June 2024

18 Contingent liabilities

	2024	2023
	\$	\$
Bank guarantee substituting for a security deposit for TAB facilities	5,000	5,000

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	290,526	277,348
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20 Remuneration of auditors

Auditor of the company

Audit of the financial statements	28,200	26,900
Other services - taxation compliance	840	-
Other services - consulting	8,450	8,000
	37,490	34,900

Munmorah United Bowling Club Limited

Consolidated entity disclosure statement

For the year ended 30 June 2024

Munmorah United Bowling Club Limited is not required by Australian Accounting Standards to prepare consolidated financial statements.

Accordingly, in accordance with subsection 295 (3A) of the Corporations Act 2001, no further information is required to be disclosed in this consolidated entity disclosure statement.

Directors' declaration

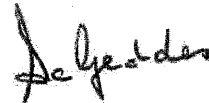
In the Directors' opinion:

- (a) The financial statements, notes and consolidated entity disclosure statement set out on pages 6 to 19 are in accordance with the 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 2024 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; and
- (c) the consolidated entity disclosure statement required by subsection 295 (3A) of the Corporations Act 2001 is true and correct.

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



John Heaton - President



Sonia Geddes - Director

Lake Munmorah, NSW
6 August 2024

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

Opinion

We have audited the financial report of Munmorah United Bowling Club Limited (the Club) which comprises the statement of financial position as at 30 June 2024, 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 material accounting policies, the consolidated entity disclosure statement, and the Directors' declaration.

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

- (a) giving a true and fair view of the Club's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures 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 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Club's Directors' report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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



Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of 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.

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 2024 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.

Auditor's responsibilities for the audit of the financial report

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

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

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

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Auditor's responsibilities for the audit of the financial report (continued)

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

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

Kirsty Porteous

Kirsty Porteous - Partner

Pitcher Partners NH Partnership

Pitcher Partners NH Partnership
Chartered Accountants

6 August 2024
Newcastle West, NSW

Pitcher Partners Newcastle & Hunter Pty Ltd

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