



**Raymond Terrace Bowling Club
Co-operative Limited**

ABN 11 468 826 325

**Annual Financial Report
for the year ended 31 March 2023**

Raymond Terrace Bowling Club Co-operative Limited ACN 468 826 325

Annual financial report for the year ended 31 March 2023

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These financial statements are the financial statements of Raymond Terrace Bowling Club Co-operative Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 7 June 2023. The Directors have the power to amend and reissue the financial statements.



ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of Raymond Terrace Bowling Club Co-operative Ltd will be held on Sunday, 23 July 2023, commencing at 11.00 am in the Club's Auditorium.

BUSINESS ON THE AGENDA

- 1 To receive apologies.
- 2 To remember departed members.
- 3 To welcome visitors.
- 4 To confirm the Minutes of the previous Annual General Meeting held on the 10 July 2022.
- 5 To receive and consider for adoption the Directors' Report, Statement of Financial Position, Statement of Financial Performance and Auditor's Report.
- 6 To set the Director's honoraria.
- 7 Special Resolutions

Life Membership – Moved Jason Maslen, seconded Tim Malone that Pat Skinner be given Life Membership of Raymond Terrace Bowling Club Co-operative Limited.

Life Membership – Moved Jason Maslen, seconded Tim Malone that Henry Skinner be given Life Membership of Raymond Terrace Bowling Club Co-operative Limited.

Life Member shall mean a member who, in consideration of long or meritorious service to the Club or for any other commendable reason, is elected at any General Meeting by at least two-thirds of the members who being present and entitled to vote do so vote in favour of the member becoming a Life member of the Club.

- 8 Presentation of 50 & 60 year membership badges.

60 years – Noel Sansom
50 years – June Johnson
- 9 A response from the NDBA on behalf of the visitors.
- 10 To declare the results of the election of the Board of Directors.

By Order the Board of Directors.

Chairmans' report

I am pleased to report that the Club has continued to perform well over the past year both on the bowling green and in the clubhouse. Our financial performance which underpins the continued success of our Club remains strong with another healthy bottom line. The Club is now debt free with significant cash and property investments.

During the year we have good cause for celebration of our 90th year, which we did with a Ball on 22nd October 2022.

We also celebrated the One Grade Pennant team winning the NSW Championship for the first time. There have been several other individual and teams wins during the year which continued the dominance of our bowling club across the Newcastle District, Zone 2 and beyond. It is most pleasing that our junior bowlers, both female and male are being selected at representative level. The Jets Academy is a real credit to our club and I thanks those members and staff involved.

At last year's AGM we presented the concept plans for the redevelopment of the club including the clubhouse, the greens and the addition of a motel. There was overwhelming endorsement of the concept plans and we have moved forward into the detailed planning stage. The Board in conjunction with our management team has undertaken considerable work on this major project. Meeting with Port Stephens Council have been positive and constructive. Work is continuing in earnest with our architects, planners and consultants. We expect that the Development Application to Council will be lodged around October 2023. It could take up to six months to gain development approval. We hope that work will commence in the second half of 2024.

More recently the Club was a finalist in the Education Category of the NSW Clubs and Community Awards. We were up against several large Sydney clubs. Although we didn't win, we are very proud of our partnership with Irrawang High School and their World Of Work (WOW) preparation program for year 10 students. This is just one example of the many great causes the Club supports both financially and in-kind. In fact, the Club has provided sponsorship and donations totalling \$112K to the sporting and community groups listed in this document.

We are also pleased to support our Croquet and Darts teams as they bring considerable activity to the club each week.

I acknowledge that the Club's catering service has not been at the level that the Board expects. The prevailing labour market over past year has made it difficult for the catering contractor and the Club to recruit suitably qualified and experience staff within the budgeted salary range the Club can afford. I am pleased to report that from 1 May, the Club has formed a partnership with the current catering contractor which given the Club much greater control over the catering operations. We expect that the quality and consistency of the catering will improve. The Board is determined to ensure that we have catering services of a standard that we can be proud of.

I acknowledge and thank all the staff for their work during the year, especially our senior management team who have dealt with many challenges professionally and competently. The collaboration and diligence of the Directors is very much appreciated as they act on behalf of our members. I thank each of them for their contributions.

Finally, I acknowledge the continued support of our members and visitors. This is your Club, and your continued support is critical to its future as a vibrant community asset.

I thank you for the opportunity and privilege to serve as Chairman, and I commend my second report to our members.

Brett Gleeson, GAICD, BBUS

Chief Executive Officers' report

Challenges have been consistently thrown at us over the past few years, none more than what we are facing now. With increasing interest rates and inflation rates that do not look like decreasing anytime soon, money is getting tighter and discretionary spending will start to impact on all businesses. In saying this, our plans of a better club continue to move forward. The masterplan is not far from being placed into the council's hands for approval and without too many hiccups, the fun will begin.

Key results from this year include:

This financial year produced a profit of \$907,395 a decrease of 18.3% compared to the 2021/22 financial year.

An increase in our net assets by \$907K to \$14.9M, an increase of 6.5%.

Our EBITDA remained strong this year, 19.30%

Our Club continues to support the local community with donations to charities and sporting organisations totalling \$112K, an increase on last years donations by \$33K. This figure includes the many in kind room donations to organisations like Lions, Raymond Terrace RSL, Rotary etc. I would like to thank these charities and sporting groups for their continued support of Raymond Terrace Bowling Club and look forward to growing our partnerships into the future.

Our bowlers have had another great year winning many titles. The 2 key bowling moments for the year included Natasha Van Eldik being selected and representing Australia at the Commonwealth Games. Although Natasha did not come home with a medal, we are proud of her selection and representing our Club and Nation with pride. The other key moment was winning the Men's State No 1 Pennant Flag. The No 1 grade men have been working hard over the years and this is the reward for that hard work.

Our Club continues to support darts at the club with darts being played on at least 4 days of the week. Our Thursday darts club are well lead by their committee and Shane Markham is always around to assist on the other days that the darts are being played. Thank you to all the people involved and members who support our darts, for making it successful as it is.

I must thank our Chairman Brett Gleeson, Board of Directors, Management, staff and members, thank you for your support and friendship over the past year. We look forward to sharing another exciting year ahead.

Jason Stokes ACCM
Chief Executive Officer

Donations report

Recipient	Total
Anna Bay Scouts	\$ 1,000
Aquatic Club	\$ 250
Bowls NSW	\$ 250
Boxing	\$ 700
Brooke Vitnell	\$ 75
Croquet	\$ 325
Darts	\$ 17,833
Fight For Connor Fundraiser	\$ 250
Fundraiser for Adelyn	\$ 250
Great Aussie Breakfast - Australia Day	\$ 3,500
Hunter City Invitational Dart Association	\$ 2,200
Hunter Life Education	\$ 9,200
Hunter Motorcycle Club	\$ 250
Hunter Region Botanic Gardens	\$ 1,023
Irrawang High School	\$ 150
Karuah Golf Club	\$ 190
Ladies Probus Craft Group	\$ 3,675
Legacy	\$ 150
Lets Play Bowls	\$ 3,500
Lions Club	\$ 4,150
Medowie Football Club	\$ 6,000
Newcastle District Women's Bowls Association	\$ 1,325
NNSW Helicopter Rescue	\$ 1,000
Orange Ex-Services - Flood Appeal	\$ 2,000
Photography Group	\$ 550
Port Hunter Zone Athletics	\$ 450
Port Stephens Council	\$ 2,500
Port Stephens Cricket Club	\$ 50
PS Community Arts Centre	\$ 1,000
Quilters	\$ 1,450
Raymond Terrace Athletics Club	\$ 4,600
Raymond Terrace District Cricket Club	\$ 5,350
Raymond Terrace Historical Society	\$ 575
Raymond Terrace Junior Rugby League Football Club	\$ 6,250
Raymond Terrace Soccer Club	\$ 100
Rectory - Lighting of Christmas Tree	\$ 1,545
Rotary	\$ 3,650
RSL	\$ 475
Sass Dance	\$ 3,525
St Brigids Netball	\$ 3,200
St Vincent de Paul	\$ 3,000
Tea Gardens Bowling Club	\$ 90
View Club	\$ 1,150
Waratah Slimmers	\$ 600
Wesley Mission	\$ 200
Westpac Rescue Helicopter	\$ 5,100
Worimi Local Aboriginal Land Council	\$ 455
WOW Program IHS	\$ 5,860
Writers Group	\$ 1,200
Zone 6 RSL Bowls	\$ 277
TOTAL	\$ 112,446

Directors' report

Your Directors' present their report on Raymond Terrace Bowling Club Co-operative Limited (the Co-Operative) for the year ended 31 March 2023.

Directors details

The following persons were Directors of Raymond Terrace Bowling Club Co-operative Limited during the financial year, and up to the date of this report:

Mr B. Gleeson

Chairman
Director since 2013
Manager

Mr S. Evans

Vice Chairman
Director since 2014
Vehicle Builder

Mrs G. Lewis

Treasurer
Director since 2015
Retired

Mr B. Grant

Director
Director since 2017
Manager

Mr R. Mackay

Director
Director since 2019
Retired

Mr S. Riley

Director
Director since 2021
Mechanic

Mr S. Blackburn

Director
Director since 2021
Retired

Company secretary

Jason Stokes has held senior positions with a number of Bowling Clubs, and has been in Management roles at Raymond Terrace Bowling Club Co-Operative Ltd for the past 14 years. He was promoted to the Chief Executive Officer position in June 2016.

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 B. Gleeson	11	11
Mr S. Evans	11	9
Mrs G. Lewis	11	9
Mr B. Grant	11	9
Mr R. Mackay	11	10
Mr S. Riley	11	10
Mr S. Blackburn	11	11

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 31 March 2023, the following land and buildings are considered to be:

Core property

- 2 Jacaranda Avenue, Raymond Terrace
- 1 Swan Street, Raymond Terrace

Non-core property

- 112 Port Stephens Street, Raymond Terrace
- 114 Port Stephens Street, Raymond Terrace
- 2 Swan Street, Raymond Terrace
- 35 Glenelg Street, Raymond Terrace
- 48 Sturgeon Street, Raymond Terrace

Principal activities

During the year, the principal activities of the Co-Operative were the promotion of lawn bowls and the provision of amenities to members and their guests.

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

Review of operations and financial results

A review of the operations of the Co-operative during the financial year and the results of those operations found that the changes in market demand and competition have seen an increase in revenue of 25% to \$6,714,949.

The operating profit/loss of the Co-Operative for the financial year after providing for income tax is set out below:

	2023	2022
	\$	\$
Revenue	6,714,949	5,366,435
Expenses	(5,807,554)	(4,256,273)
Profit before income tax	907,395	1,110,162
Income tax	-	-
Net profit	<u>907,395</u>	<u>1,110,162</u>

Significant changes in state of affairs

No significant changes in the Co-Operatives state of affairs occurred during the financial year.

Events since the end of the financial year

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

Likely developments and expected results of operations

No new developments are anticipated in the operations of the Co-Operative. The expected results for future years are of growth in revenue whilst the Co-Operative will control costs wherever possible.

Environmental regulation

The Co-Operative's operations are not regulated by any significant environmental regulations under the law of the Commonwealth or of a state or territory of Australia.

Dividends paid or recommended

No dividends have been paid or declared since the start of the financial year.

Options

No options over issued shares or interests in the Co-Operative were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Officer or Auditor

The Co-Operative has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Co-Operative indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs in successfully defending legal proceedings.

During the financial year, the Co-Operative has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

Rounding of amounts

The Co-Operative 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 Co-operatives National Regulations (NSW) 2014 is set out on page 10 and forms part of this Directors' report.

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



B Gleeson - Chairman



S Evans - Vice Chairman

Dated: 7 June 2023

Auditor's independence declaration


To the Directors of Raymond Terrace Bowling Club Co-operative Limited

In accordance with the requirements of Co-operatives National Regulations (NSW) 2014, as lead auditor for the audit of Raymond Terrace Bowling Club Co-operative Limited for the year ended 31 March 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 Co-operatives National Regulations (NSW) 2014 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

7 June 2023
Newcastle West

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Statement of profit or loss and other comprehensive income

For the year ended 31 March 2023

		2023	2022
	Notes	\$	\$
Revenue from continuing operations	2	6,514,767	4,634,393
Other income	3	200,182	732,042
Bar cost of goods sold		(481,427)	(301,474)
Bar direct expenses		(334,773)	(247,781)
Coffee shop direct expenses		(105,899)	(62,338)
Catering direct expenses		(8,195)	(16,469)
Gaming direct expenses		(1,379,484)	(1,065,516)
Bowls direct expenses		(574,721)	(310,225)
Hathaway & rectory direct expenses		(165,827)	(104,683)
Rental operations		(24,833)	(27,340)
Clubhouse expenses		(1,331,550)	(989,379)
Administration expenses		(1,360,782)	(1,082,116)
Finance costs		(40,063)	(48,952)
		(5,807,554)	(4,256,273)
Profit / (loss) before income tax		907,395	1,110,162
Income tax expense		-	-
Profit / (loss) for the year		907,395	1,110,162
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		907,395	1,110,162

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 31 March 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	757,944	1,439,052
Trade receivables	5	19,872	37,183
Inventories	6	142,926	79,093
Financial assets at amortised cost	7	2,213,340	741,731
Other assets	8	88,840	130,734
Total current assets		3,222,922	2,427,793
Non-current assets			
Property, plant and equipment	9	9,795,403	9,772,738
Investment properties	10	2,540,000	2,450,000
Intangible assets	11	310,537	310,537
Lease assets	12 (a)	37,136	54,570
Total non-current assets		12,683,076	12,587,845
Total assets		15,905,998	15,015,638
LIABILITIES			
Current liabilities			
Trade and other payables	13	471,105	495,807
Financial liabilities	14	10,000	10,000
Provisions	15	364,424	311,728
Other liabilities	16	25,647	31,270
Lease liabilities	12 (b)	19,809	18,350
Total current liabilities		890,985	867,155
Non-current liabilities			
Provisions	15	9,373	35,311
Other liabilities	16	15,824	11,716
Lease liabilities	12 (b)	20,979	40,014
Total non-current liabilities		46,176	87,041
Total liabilities		937,161	954,196
Net assets		14,968,837	14,061,442
MEMBERS FUNDS			
Reserves	17	360,959	360,959
Retained profits		14,607,878	13,700,483
Total members funds		14,968,837	14,061,442

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

Statement of changes in equity

For the year ended 31 March 2023

	Reserves	Retained	Total
	\$	\$	\$
Balance at 1 April 2021	360,959	12,590,321	12,951,280
Profit for the year	-	1,110,162	1,110,162
Total comprehensive income for the year	-	1,110,162	1,110,162
Balance at 31 March 2022	360,959	13,700,483	14,061,442
Profit for the year	-	907,395	907,395
Total comprehensive income for the year	-	907,395	907,395
Balance at 31 March 2023	360,959	14,607,878	14,968,837

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

Statement of cash flows

For the year ended 31 March 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from members and customers		7,279,034	5,149,514
Payments to suppliers and employees		(5,964,574)	(4,215,925)
Interest received		2,949	4,609
Interest paid		(40,063)	(48,952)
Government stimulus payments		-	174,353
Net cash inflow (outflow) from operating activities		1,277,346	1,063,599
Cash flows from investing activities			
Payments for property, plant and equipment		(506,314)	(316,281)
Proceeds from sale of assets held for sale		5,455	798,000
Advance of loan		(50,000)	-
Payments received from loan advanced		9,000	-
Transfer (to)/ from interest bearing deposit		(1,397,948)	(75,219)
Net cash inflow (outflow) from investing activities		(1,939,807)	406,500
Cash flows from financing activities			
Repayment of financial liabilities		-	(583,059)
Repayment of lease liabilities		(18,647)	(15,819)
Net cash inflow (outflow) from financing activities		(18,647)	(598,878)
Net increase in cash and cash equivalents		(681,108)	871,221
Cash and cash equivalents at the beginning of the financial year		1,439,052	567,831
Cash and cash equivalents at the end of the financial year	4	757,944	1,439,052

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

Notes to the financial statements

For the year ended 31 March 2023

1 Summary of significant accounting policies

(a) Information about the entity

- Raymond Terrace Bowling Club Co-operative Limited is a co-operative and domiciled in Australia.
- Raymond Terrace Bowling Club Co-operative Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Co-Operative is 2 Jacaranda Ave, Raymond Terrace, NSW 2324.
- The principal place of business of the Co-Operative is 2 Jacaranda Ave, Raymond Terrace, NSW 2324.

(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 and the Co-operatives National Regulations (NSW) 2014.

The prior year financial report was prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards – Simplified Disclosures has not affected the Co-Operative's reported financial position, financial performance and cash flows.

(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 and land and buildings which have been measured at fair value. The financial report is presented in Australian Dollars.

(d) Income taxes

The Co-Operative 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 Co-Operative 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 31 March 2023

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

The Co-Operative 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	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowls revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2023							
Revenue from contracts with customers	1,332,683	4,411,192	33,018	238,021	163,687	318,986	6,497,587
Other revenue (not under AASB15)	-	17,180	-	-	-	-	17,180
	1,332,683	4,428,372	33,018	238,021	163,687	318,986	6,514,767

Timing of revenue recognition

At a point in time	1,332,683	4,411,192	-	238,021	163,687	318,986	6,464,569
Over time	-	17,180	33,018	-	-	-	50,198
	1,332,683	4,428,372	33,018	238,021	163,687	318,986	6,514,767

	Food and beverage revenue	Gaming revenue	Membership revenue	Raffle and bingo revenue	Bowls revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$	\$
2022							
Revenue from contracts with customers	881,814	3,266,193	31,056	185,824	90,940	161,386	4,617,213
Other revenue (not under AASB15)	-	17,180	-	-	-	-	17,180
	881,814	3,283,373	31,056	185,824	90,940	161,386	4,634,393

Timing of revenue recognition

At a point in time	881,814	3,266,193	-	185,824	90,940	161,386	4,586,157
Over time	-	17,180	31,056	-	-	-	48,236
	881,814	3,283,373	31,056	185,824	90,940	161,386	4,634,393

(b) Accounting policies and significant judgements

The Co-Operative 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 Co-Operative is or expects to be entitled in exchange for those goods or services.

The Co-Operative 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 Co-Operative 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 goods passes to the customer.

(ii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and guests of the Co-Operative 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 income where the Co-Operative 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 transactions has been completed.

(iii) 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.

Notes to the financial statements

For the year ended 31 March 2023

(b) Accounting policies and significant judgements (continued)*(iv) Provision of services - raffle and bingo revenue*

Raffle and bingo revenue comprises income from raffle and bingo and is recognised at a point in time when the customer takes possession of the ticket and the raffle or bingo game has been conducted as at this point the performance obligations have been satisfied.

(v) Provision of services - bowls revenue

Bowls 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.

(vi) Other revenue

The Co-operative recognises other income at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2023	2022
	\$	\$
(a) Other income		
Rental income - on Investment Properties	70,821	69,666
Interest income	33,906	3,023
Government stimulus payment - JobSaver	-	174,353
Gain on disposal of property, plant and equipment	5,455	-
Change in fair value of investment properties	90,000	485,000
	<u>200,182</u>	<u>732,042</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 Co-Operative recognises rental revenue 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 payments

The Co-Operative recognises stimulus funding from the Australian Taxation Office and when it is considered to be receivable.

(iv) Gain on disposal of property, plant and equipment

The Co-Operative 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.

(v) Change in fair value of investment properties

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

(b) Other expenses

Employee benefits expense	1,520,107	1,144,379
Depreciation and amortisation expense	477,554	408,797
Interest costs	40,063	48,952

Notes to the financial statements

For the year ended 31 March 2023

4 Cash and cash equivalents

	2023	2022
	\$	\$
Current		
Cash and cash equivalents	757,944	1,439,052
	<u>757,944</u>	<u>1,439,052</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.

5 Trade receivables

Current		
Trade receivables	19,872	37,183
	<u>19,872</u>	<u>37,183</u>

Accounting policy

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Co-Operative holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

6 Inventories

Current		
Stock on hand - bar	73,073	55,571
Stock on hand - other	69,853	23,522
	<u>142,926</u>	<u>79,093</u>

Accounting policy

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

7 Financial assets at amortised cost

Current		
Term deposits	2,134,792	736,844
Loan - secured	41,000	-
Other receivables	37,548	4,887
	<u>2,213,340</u>	<u>741,731</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 Other assets

Current		
Prepayments	88,840	130,734
	<u>88,840</u>	<u>130,734</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 31 March 2023

9 Property, plant and equipment

	Greens \$	Land and buildings \$	Plant and equipment \$	Poker machines \$	Capital WIP \$	Total \$
Non-current assets						
At 1 April 2022						
Cost	1,905,070	8,460,356	2,580,803	2,606,679	129,691	15,682,599
Accumulated depreciation	1,291,261	37,726	2,186,810	2,394,064	-	5,909,861
Net book amount	613,809	8,422,630	393,993	212,615	129,691	9,772,738
Year ended 31 March 2023						
Opening net book amount	613,809	8,422,630	393,993	212,615	129,691	9,772,738
Additions	-	-	61,346	302,746	117,622	481,714
Depreciation charge	(54,324)	(38,926)	(170,097)	(195,702)	-	(459,049)
Closing net book amount	559,485	8,383,704	285,242	319,659	247,313	9,795,403
Year ended 31 March 2023						
Cost	1,905,070	8,460,356	2,620,024	2,695,242	247,313	15,928,005
Accumulated depreciation	1,345,585	76,652	2,334,782	2,375,583	-	6,132,602
Net book amount	559,485	8,383,704	285,242	319,659	247,313	9,795,403

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

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Freehold land and buildings were valued on 31 March 2021 by O'Loughlin Valuers. O'Loughlin Valuers frequently assess the market values for properties similar to those held by the Co-Operative in the same areas, having regard to past sales prices of other properties and current market conditions. The directors have determined that the independent valuation is still an appropriate basis to determine fair value of land and buildings at 31 March 2023.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of gain on revaluation of land and buildings. All other decreases are charged to the statement of profit or loss and other comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the income statement, which is based on the revalued carrying amount of the asset, and the depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal costs, are valued and recognised at the fair value of the asset at the date it is acquired.

(b) Plant and equipment

Each class of plant and equipment is 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:

Greens	5 - 20 years
Buildings	5 - 50 years
Plant & equipment	2 - 10 years
Poker machines	2.5 - 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.

Notes to the financial statements

For the year ended 31 March 2023

9 Property, plant and equipment (continued)**(d) Impairment (continued)**

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 Co-Operative 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.

10 Investment properties

	2023 \$	2022 \$
Non-current assets - at fair value		
Opening balance at 1 April	2,450,000	1,965,000
Net gain / (loss) from fair value adjustment	90,000	485,000
Closing balance at 31 March	<u>2,540,000</u>	<u>2,450,000</u>

Accounting policy

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. A market appraisal was performed by Steve Bates Real Estate as at 31 March 2023. The real estate agents frequently assess the market values for properties similar to those held by the Co-Operative in the same areas, having regard to past sales prices of other properties and current market conditions. Independent valuation from external experts is obtained every three years. 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.

11 Intangible assets

	Poker machine entitlements \$	2023 \$	2022 \$
Non-current assets			
As at 31 March 2022			
Cost	310,537	310,537	310,537
Accumulated amortisation	-	-	-
Net book amount	<u>310,537</u>	<u>310,537</u>	<u>310,537</u>
Reconciliation			
Opening net book amount	310,537	310,537	310,537
Closing net book amount	<u>310,537</u>	<u>310,537</u>	<u>310,537</u>

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite as there is no indication that gaming machines will become obsolete. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The value shown for the Poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

Notes to the financial statements

For the year ended 31 March 2023

12 Lease assets and lease liabilities

The Co-Operative leases a Point of Sale (POS) system.

a) Lease assets	2023	2022	
Non-current	\$	\$	
Carrying amount of lease assets, by class of underlying asset:			
POS System	37,136	54,570	
Reconciliation of lease assets	POS System	Total	Total
	\$	\$	\$
Carrying amount at the beginning of the year	54,570	54,570	72,760
Additions	1,071	1,071	-
Depreciation	(18,505)	(18,505)	(18,190)
Carrying amount at the end of the year	37,136	37,136	54,570
b) Lease liabilities			
Current			
Lease liabilities	19,809	19,809	18,350
Non-current			
Lease liabilities	20,979	20,979	40,014
Total	40,788	40,788	58,364
Reconciliation of lease liabilities			
Carrying amount at the beginning of the year	58,364	58,364	74,183
Additions	1,071	1,071	-
Interest expense	2,923	2,923	5,414
Lease payments	(21,570)	(21,570)	(21,233)
Carrying amount at the end of the year	40,788	40,788	58,364
Maturity analysis of future lease payments			
Not later than 1 year	21,638	21,638	21,382
Later than 1 year and not later than 5 years	21,638	21,638	43,277
Later than 5 years	-	-	-
Lease payments	43,276	43,276	64,659

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 Co-Operative's incremental borrowing rate. The weighted average incremental borrowing rate is 5.76%.

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 Co-Operative has only included the known CPI increases to date and not estimated future CPI-related increases.

The Co-Operative does not recognise leases that have a lease term of 12 months or less or are of low value as a lease 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.

Notes to the financial statements

For the year ended 31 March 2023

13 Trade and other payables

	2023	2022
	\$	\$
Current		
Trade payables	152,800	199,183
Other payables and accruals	318,305	296,624
	<u>471,105</u>	<u>495,807</u>

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.

14 Financial liabilities**Current***Secured*

Bank loans (i)	10,000	10,000
Total secured financial liabilities	<u>10,000</u>	<u>10,000</u>

(i) Bank loans

The Club has a \$1,672,500 facility, to 17 October 2025. At 31 March 2023, the Club has available committed capacity (undrawn) of \$1,662,500 under this facility. The Club's freehold land and investment property is provided as security.

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.

15 Provisions**Current**

Employee entitlements (i) & (ii)	364,424	311,728
	<u>364,424</u>	<u>311,728</u>

Non-current

Employee entitlements (ii)	9,373	35,311
	<u>9,373</u>	<u>35,311</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.

Notes to the financial statements

For the year ended 31 March 2023

16 Other liabilities

	2023	2022
	\$	\$
Current		
Contract liabilities - membership revenue	25,074	23,188
Other liabilities	573	8,082
	<u>25,647</u>	<u>31,270</u>
Non-current		
Contract liabilities - membership revenue	15,824	11,716
	<u>15,824</u>	<u>11,716</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.

17 Reserves

	Asset revaluation	Total
	\$	\$
Balance at 1 April 2022	360,959	360,959
Revaluation of land and buildings	-	-
Balance at 31 March 2023	<u>360,959</u>	<u>360,959</u>

(i) *Nature and purpose of reserves**Asset revaluation*

The asset revaluation reserve is used to record increments and decrements on the revaluation of land and buildings classified as part of property, plant and equipment which are measured at fair value. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

18 Contingent liabilities

	2023	2022
	\$	\$
Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>

Mortality Fund

The Co-Operative conducts a mortality fund whereby each eligible member is entitled to have \$600 paid by the Co-Operative to his/her estate upon his/her death. No liability for this has been recognised in the financial statements, however at 31 March 2023 the Co-Operative's contingent commitment was \$27,600 (46 members). Payments to members are taken up as an expense in the year in which the payments are made.

At the date of this report any potential costs to settle the matter cannot be reliably quantified.

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>199,756</u>	<u>180,515</u>
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(b) *Transactions with other related parties*

The daughter of CEO J. Stokes is employed by the Co-Operative under normal award terms and conditions.

20 Remuneration of auditors*Auditor of the company*

Audit of the financial statements	21,400	20,370
Other services - consulting services	11,385	11,205
	<u>32,785</u>	<u>31,575</u>

Notes to the financial statements

For the year ended 31 March 2023

21 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 9 and 11*) - The useful life of property, plant and equipment and intangible asset 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 useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. 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.
- Estimated fair value of investment properties (*note 10*) - 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.
- Estimated fair value of land and buildings (*note 9*) - The fair value of land and buildings is estimated at each reporting date, based on independent assessments of the market value of the property conducted at least every three years and other 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 11 to 24 are in accordance with the Co-operatives National Law (NSW) 2014, including:
 - (i) Comply with Australian Accounting Standards - Simplified Disclosures, and the Co-operatives National Regulations (NSW) 2014.
 - (ii) giving a true and fair view of the Co-Operative's financial position as at 31 March 2023 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Co-Operative 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.



B Gleeson - Chairman



S Evans - Vice Chairman

Raymond Terrace
7 June 2023

Independent auditor's report to the members of Raymond Terrace Bowling Club Co-operative Limited

Opinion

We have audited the financial report of Raymond Terrace Bowling Club Co-operative Limited (the Co-Operative) which comprises the statement of financial position as at 31 March 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 Co-Operative is in accordance with the Co-operatives National Law (NSW) 2014 including:

- (i) giving a true and fair view of the Co-Operatives financial position as at 31 March 2023 and of its financial performance for the year then ended; and
- (ii) comply with Australian Accounting Standards - Simplified Disclosures, and the Co-operatives National Regulations (NSW) 2014.

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 Co-Operative in accordance with the auditor independence requirements of the Co-operatives National Regulations (NSW) 2014 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 Co-Operative's annual report for the year ended 31 March 2023, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Agenda, and Donations Listing.

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 Co-Operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the Co-operatives National Regulations (NSW) 2014 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 Co-Operative'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 Co-Operative or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Co-Operative's financial reporting process.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Co-Operative for the year ended 31 March 2023 included on the Co-Operative's web site. The Co-Operative's Directors are responsible for the integrity of the Co-Operative'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.

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. This description forms part of our audit report.



Shaun Mahony - Partner



Pitcher Partners NH Partnership
Chartered Accountants

**7 June 2023
Newcastle West**

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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