

# **Oak Flats Bowling and Recreation Club Limited**

**ABN: 86 001 017 894**

**Financial Statements**

**For the Year Ended 30 June 2025**

# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

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# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

## **Directors' Report**

### **For the Year Ended 30 June 2025**

The directors present their report on Oak Flats Bowling and Recreation Club Limited for the financial year ended 30 June 2025.

#### **Directors**

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

<b>Names</b>	<b>Appointed/Resigned</b>
Don Brown	
Glen Cowling	Term Expired-08/12/2024
Neil Dawson	
Wendy Steyer	
Lyn Wilke	
Kevin Murphy	
John Dorahy	Appointed- 01/09/2024
Kerry Chikarovski	Appointed- 01/09/2024

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

#### **Company secretary**

Debbie Organ held the position of Club secretary since the start of the financial year to the date of this report.

#### **Principal activities**

The principal activity of Oak Flats Bowling and Recreation Club Limited during the financial year was that of a licensed bowling, sailing and recreational club in accordance with its objective and for the benefit of its members.

No significant changes in the nature of the Club's activity occurred during the financial year.

#### **Short term objectives**

The Club's short-term objectives are to:

- Prioritise the health and safety of staff, members and guests
- Ensure ongoing financial viability of the club, through extensive monthly review of financial accounts, facility upgrades and diversifying our revenue streams
- Enhance our policies and procedure, in particular, improving financial reporting systems and ensure oversight by independent accountant

#### **Long term objectives**

The Club's long-term objectives are to:

- Consistent application of sound governance principles

# **Oak Flats Bowling and Recreation Club Limited**

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## **Directors' Report**

### **For the Year Ended 30 June 2025**

#### **Long term objectives (cont'd)**

- Ensure board/management and staff undertake all necessary training to ensure our ongoing compliance to consistently changing legislation
- To explore income generation strategies that have no reliance on gaming revenue to ensure long term sustainability given community pressures to further legislate and reduce gaming harm
- Ensure the clubs remain relevant in the community

#### **Strategy for achieving the objectives**

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

- Establishment of a staff WHS committee that assess current facilities and identify areas of improvement with written reports to the board
- Assess current facilities, identify equipment upgrades/maintenance needs and plan phased upgrade of facilities as budgets allow
- Improvement of marketing and social media
- Consistent review of short and long term revenue generation opportunities to ensure the clubs sustainability is not dependent on gaming revenue
- Face to face training of directors, via annual governance, AML/CTF and Responsible Gaming and Advanced Responsible Gaming
- Ensure all business is conducted ethically and transparently

#### **Members' guarantee**

Oak Flats Bowling and Recreation Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for all members, subject to the provisions of the company's constitution.

At 30 June 2025 the collective liability of members was \$46,158 based on 23,079 members (2024 \$36,522 based on 18,261 members).

#### **Events after the reporting date**

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

#### **Future developments and results**

Likely developments in the operations of the Club and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Club.

#### **Information on directors**

Neil Dawson	Director
Background	Retired Small Business Owner (small goods) and Police Officer
Term	Director of Club since 10-11-2019

# **Oak Flats Bowling and Recreation Club Limited**

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## **Directors' Report**

### **For the Year Ended 30 June 2025**

#### **Information on directors (cont'd)**

Don Brown	Director
Background	Retired Electrical Technician
Term	Director of Club since 10-11-2019
Wendy Steyer	Director
Background	Retired Library Technician
Term	Director of Club since 18-10-2017
Lyn Wilke	Director
Background	Retired Project Manager
Term	Director of Club since 10-11-2019
Kevin Murphy	Director
Background	Retired Small Business Owner
Term	Director of Club since 30-08-2024
John Dorahy	Director
Qualifications	Former Australian Professional Rugby Player and coach
Experience	John brings a wealth of experience in business, leadership, and governance, in both the club industry and local government. John is a former member of the Board of Directors of the Wests Illawarra Club Group and was a Director of Leagues Club Australia, hence experience and a working knowledge of the legislation applicable to NSW clubs. He also has substantial business experience in both the club and hotel industry with his experience and understanding of gaming. John also brings substantial knowledge and connections with local government and community. John was a long serving Councillor with Wollongong Council and Deputy Lord Mayor. John is a keen lawn bowler, hence an excellent understanding of the game
Kerry Chikarovski	Director
Qualifications	Former Australian Politician
Experience	Served as a leader of the Liberal Party in NSW and appointed a member of the Order of Australia for her service to parliament and the community. Kerry is a qualified lawyer holding B.E.C (Syd), LLB (Syd). In addition to her political acumen, Kerry brings a wealth of experience in leadership and Governance. Kerry has substantial board experience having served on the board of various sporting and, government and not for profit boards, hence a working knowledge of applicable

## **Oak Flats Bowling and Recreation Club Limited**

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### **Directors' Report**

#### **For the Year Ended 30 June 2025**

##### **Information on directors (cont'd)**

###### **Meetings of directors**

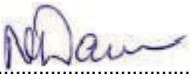
During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	<b>Directors' Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Don Brown	13	13
Glen Cowling	5	-
Neil Dawson	13	13
Kevin Murphy	13	13
Wendy Steyer	13	12
Lyn Wilke	13	13
John Dorahy	10	9
Kerry Chikarovski	10	8

###### **Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2025 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ..... 

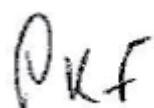
Director: ..... 

Dated 18-11-2025

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001  
to the Directors of Oak Flats Bowling and Recreation Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

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



PKF



KYM REILLY  
PARTNER

18 NOVEMBER 2025  
SYDNEY, NSW

# Oak Flats Bowling and Recreation Club Limited

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## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2025

		2025	2024
	Note	\$	\$
Revenue	4.	<b>13,349,565</b>	13,935,192
Other income	4.	<b>710,166</b>	594,244
Gain on revaluation of investment properties		<b>160,000</b>	-
Cost of sales		<b>(2,201,012)</b>	(2,664,882)
Accounting and audit fees		<b>(104,106)</b>	(90,267)
Advertising expense		<b>(66,070)</b>	(70,698)
Donations		<b>(96,406)</b>	(119,582)
Equipment hire		<b>(51,821)</b>	(37,563)
Security		<b>(264,298)</b>	(290,948)
Repairs and maintenance		<b>(324,292)</b>	(438,230)
Rental Property Expenses		<b>(10,222)</b>	(19,219)
Rates and utilities		<b>(460,651)</b>	(360,987)
Depreciation and amortisation expense		<b>(1,332,420)</b>	(1,398,962)
Postage, printing and stationery		<b>(23,230)</b>	(33,278)
Poker machine duty		<b>(1,361,667)</b>	(1,442,937)
Insurance expenses		<b>(442,265)</b>	(489,343)
Entertainment and promotions		<b>(1,212,362)</b>	(1,013,387)
Employee Costs		<b>(6,107,054)</b>	(6,687,468)
Cleaning expenditure		<b>(281,426)</b>	(314,599)
Finance costs	5.	<b>(302,716)</b>	(173,670)
Computer and software expenses		<b>(56,318)</b>	(50,563)
Subscriptions and licenses		<b>(157,823)</b>	(196,123)
Poker machine expenses		<b>(253,489)</b>	(232,439)
Green and bowling expenses ( Incl Men and Women)		<b>(92,685)</b>	(94,240)
Legal Fees		<b>(11,275)</b>	(20,177)
Courtesy bus		<b>(5,563)</b>	(5,722)
Consulting fees		<b>(29,811)</b>	(65,333)
Other expenses		<b>(324,367)</b>	(217,992)
Sailing club expenses		<b>(7,855)</b>	(9,910)
<b>Deficit before income tax</b>		<b>(1,361,473)</b>	(2,002,275)
Income tax expense	2.(o).	<b>-</b>	-
<b>Deficit for the year</b>		<b>(1,361,473)</b>	(2,002,275)
<b>Other comprehensive income</b>		<b>-</b>	4,857,360
Revaluation of land and buildings		<b>-</b>	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(1,361,473)</b>	<b>2,855,085</b>

# Oak Flats Bowling and Recreation Club Limited

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## Statement of Financial Position

As At 30 June 2025

		2025	2024
	Note	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	<b>628,916</b>	1,794,125
Trade and other receivables		<b>28,734</b>	8,281
Inventories		<b>118,551</b>	141,991
Other assets		<b>114,658</b>	115,265
<b>TOTAL CURRENT ASSETS</b>		<b>890,859</b>	2,059,662
NON-CURRENT ASSETS			
Property, plant and equipment	8	<b>26,015,515</b>	27,016,792
Investment property	9	<b>2,570,000</b>	2,410,000
Right of use asset	14	<b>642,735</b>	240,894
Intangible assets	7	<b>1,671,375</b>	1,671,375
<b>TOTAL NON-CURRENT ASSETS</b>		<b>30,899,625</b>	31,339,061
<b>TOTAL ASSETS</b>		<b>31,790,484</b>	33,398,723
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	<b>1,338,109</b>	1,161,868
Lease liabilities	14	<b>286,319</b>	384,059
Employee benefits	11	<b>362,492</b>	452,066
Contract Liabilities		<b>91,954</b>	94,019
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,078,874</b>	2,092,013
NON-CURRENT LIABILITIES			
Borrowings	12	<b>3,000,000</b>	3,000,000
Lease liabilities	14	<b>83,735</b>	334,089
Employee benefits	11	<b>33,802</b>	17,074
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,117,537</b>	3,351,163
<b>TOTAL LIABILITIES</b>		<b>5,196,411</b>	5,443,176
<b>NET ASSETS</b>		<b>26,594,073</b>	27,955,546
<b>EQUITY</b>			
Reserves	13	<b>11,697,837</b>	11,697,837
Accumulated Surplus		<b>14,896,236</b>	16,257,709
<b>TOTAL EQUITY</b>		<b>26,594,073</b>	27,955,546

# **Oak Flats Bowling and Recreation Club Limited**

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## **Statement of Changes in Equity**

**For the Year Ended 30 June 2025**

	<b>Accumulated Surplus</b>	<b>Asset Realisation Reserve</b>	<b>Asset Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2024</b>	<b>16,257,709</b>	<b>11,697,837</b>	<b>27,955,546</b>
Deficit for the year	(1,361,473)	-	(1,361,473)
Revaluation of land and buildings	-	-	-
<b>Balance at 30 June 2025</b>	<b>14,896,236</b>	<b>11,697,837</b>	<b>26,594,073</b>

Balance at 1 July 2023	18,259,983	6,840,478	25,100,462
Deficit for the year	(2,002,275)	-	(2,002,275)
Revaluation of land and buildings	-	4,857,360	4,857,360
Balance at 30 June 2024	16,257,709	11,697,837	27,955,546

# Oak Flats Bowling and Recreation Club Limited

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## Statement of Cash Flows

For the Year Ended 30 June 2025

	2025	2024
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	13,921,897	14,477,424
Payments to suppliers and employees	(13,820,693)	(14,925,448)
Interest received	-	131
Finance costs	(302,716)	(173,670)
Net cash used in operating activities	<u>(201,512)</u>	<u>(621,564)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	117,381	60,391
Purchase of property, plant and equipment	(732,983)	(2,033,454)
Net cash used in investing activities	<u>(615,602)</u>	<u>(1,973,063)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	3,000,000
Repayment of lease liabilities	(348,094)	(770,257)
Proceeds from lease liabilities	-	1,311,051
Net cash (used in)/provided by financing activities	<u>(348,094)</u>	<u>3,540,794</u>
Net (decrease)/increase in cash and cash equivalents held	(1,165,208)	946,167
Cash and cash equivalents at beginning of year	1,794,124	847,958
Cash and cash equivalents at end of financial year	<u>628,916</u>	<u>1,794,125</u>

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# **Oak Flats Bowling and Recreation Club Limited**

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## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2025**

The financial report covers Oak Flats Bowling and Recreation Club Limited as an individual entity. Oak Flats Bowling and Recreation Club Limited is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Oak Flats Bowling and Recreation Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 18 November 2025.

Comparatives are consistent with prior years, unless otherwise stated.

#### **1. Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### **2. Summary of Material Accounting Policies**

##### **(a). Going Concern**

Notwithstanding the Club's loss before income tax of \$1,361,473 (2024: loss of \$2,002,275) and net current liability position of \$1,188,015 (2024: net current liability of \$32,351), the financial report has been prepared on the going concern basis.

The basis has been adopted as the Club's directors are confident it will be able to meet its liabilities where they fall due to the following mitigating factors:

- Over the previous 2-3 years, the club has undertaken works, at a substantial cost, to rectify a financial management system; undertake substantial repairs and upgrade critical assets that were in disrepair. These costs are considered unprecedented for a club of its size, and severely affected club cashflow, of which are not expected to continue going forward.
- In the current financial year, the economic environment saw the largest drop in overall revenue in the hospitality industry in many years with record hospitality closures, with the club also experiencing revenue declines. The Board and management responded by continuing to reduce and streamline all expenses during the year, including COGS and ongoing review of all suppliers, with wages decreasing in the year by 8.6%, despite including payout of some staff with, historic leave entitlements and including two government directed wage increases. The club is continuing to review and reduce wage costs where required.
- The Club for many years has provided no investment into both clubs gaming rooms and gaming machines were four times older than industry average. We have invested heavily in new gaming machines. The current liabilities include 12 months interest free manufacture terms for gaming machines, which subsequent to 30 June 2025 have been repaid. New machines expected during the year, and old machines will be removed from the floor.
- Monthly accounts from June 2025 to the date of this report have been consistent improvement in sales revenue and profit (before depreciation) and are being closely monitored. We keep the bank fully informed on all issues and are currently reviewing banking facilities in place.

# **Oak Flats Bowling and Recreation Club Limited**

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## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **2. Summary of Material Accounting Policies (cont'd)**

#### **(a). Going Concern (cont'd)**

- The functions revenue across the club is increasing and expected to continue to grow over the coming years in particular at the IYC location. The functions revenue in the 2025 year was \$360,845 (\$255,352 in 2024).

• The ability of the Club to generate cash inflows from disposal of assets as and when required. Based on the above, the directors are satisfied that the Club will be able to fund its operations and continue as a going concern, and it is appropriate that the financial statements have been prepared on that basis.

If the assumptions underpinning the basis of preparation do not occur as anticipated, there is significant uncertainty whether the Club will be able to continue to operate as a going concern. If the Club is unable to continue as a going concern, they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

#### **(b). Revenue and other income**

##### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Club are:

###### **Sale of goods**

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time where the performance obligations have been met and transfer of control have been completed. Revenue is recognised net of any discounts given to members/patrons.

###### **Rendering of services**

Revenue from rendering services comprises revenue from memberships, together with other services to members and other patrons of the club and is recognised when the services are provided.

###### **Rental income**

Investment property revenue is recognised on a straight-line basis over a period of the lease term to reflect a constant periodic rate of return on the net investment.

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

###### **Gaming Revenue**

Gaming machine revenue is recognised on an accrual basis calculated as net of gaming machine collections and payouts, less any costs associated with future jackpot contributions. All revenue is stated net of the amount of goods and services tax (GST).

#### **(c). Fair Value Measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in principal market; or in the absence of a principal market, in the most advantageous market. Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest.

# **Oak Flats Bowling and Recreation Club Limited**

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## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **2. Summary of Material Accounting Policies (cont'd)**

#### **(c) Fair Value Measurement (cont'd)**

For non-financial assets, the fair value measurement is based on its highest and best value. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### **(d) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(e) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

#### **(f) Cash and cash equivalents**

Cash and cash equivalents comprises of cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### **(g) Property, plant and equipment**

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

##### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

# **Oak Flats Bowling and Recreation Club Limited**

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## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **2. Summary of Material Accounting Policies (cont'd)**

#### **(g) Depreciation (cont'd)**

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2%
Plant and Equipment	13 - 33%
Motor Vehicles	12 - 22.5%
Right-of-use assets	15 - 40%

Capital expenditure in relation to gaming machine conversions are additions to existing assets and the full amount expensed in the year costs are incurred.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### **(h) Investment property**

Investment property is held to generate long-term rental yields and future club grounds/buildings expansions. All tenant leases are on an arms length basis. Investment property is carried at fair value, determined by current market values. Changes to fair value are recorded separately as an income or expense item, directly in the statement of profit or loss and other comprehensive income.

#### **(i) Intangible assets (cont'd)**

Poker machine entitlements are initially recorded at cost. Poker machine entitlements have indefinite life and are tested annually for impairment and carried at cost less any accumulated amortisation and impairment losses.

#### **(j) Financial instruments**

##### *Financial assets*

Financial assets are initially measured at fair value, transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss, such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial assets unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

##### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income.

The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain, where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit

# **Oak Flats Bowling and Recreation Club Limited**

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## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **2. Summary of Material Accounting Policies (cont'd)**

#### **(j) Impairment of financial assets (cont'd)**

loss allowance is estimated.

This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

#### **Financial liabilities**

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Club comprise trade payables, bank and other loans and finance leases liabilities.

#### **(k) Impairment of non-financial assets**

At the end of each reporting period the Club determines whether there is evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### **(l) Leases**

##### **Right-of-use asset**

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

##### **Lease liability**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **2. Summary of Material Accounting Policies (cont'd)**

#### **(l) Leases (cont'd)**

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **(m) Income Tax**

The Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The income tax exemption has been claimed based on self-assessment by the Club.

#### **(n) Employee benefits**

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the statement of profit and loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

#### **(o) Adoption of new and revised accounting standards (cont'd)**

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

# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **3. Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - fair value of land and buildings**

The Club carries its land and buildings at fair value with changes in the fair value recognised in the asset realisation reserve. Independent valuations are obtained at least triennially and at the end of each reporting period, the Directors update their assessment of the fair value, taking into consideration recent valuations and movements in the market.

The Illawarra Yacht Club Land and Building were revalued at 30 June 2024 by independent valuers, with a net gain of \$3,995,410 recorded in the asset realisation reserve and recognised as other comprehensive income. The valuation was based on the highest and best alternate use. The critical assumption adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The Directors believe that the market value of these assets did not significantly change since the last valuation.

The Oak Flats Clubhouse Land and Building was independently valued at 30 June 2024 by independent valuers, with a net gain of \$861,950 recorded in the asset realisation reserve and recognised as other comprehensive income. The valuation was based on the highest and best alternate use. The critical assumption adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The Directors believe that the market value of these assets did not significantly change since the last valuation.

#### **Key estimates - investment property**

The investment properties were independently valued at 30 June 2025 by independent valuers based on market value. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The Directors have reviewed the assumptions adopted in the 2025 independent valuation, and updated the value of the investments property by \$160,000 to reflect its fair value.

#### **Key estimates - impairment of intangibles**

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period, with consideration for current economic conditions of the industry and its potential impact on future cash flows. Cash flow projections are based on 6 months expected trading revenue in the year to 30 June 2024 and allow for sufficient headroom.

The cash flows are discounted using a rate of 5% and an annual growth rate of 3%. Management believes that any reasonable possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount of intangible assets to exceed its recoverable amount. The assumptions used in the discounted cash flow model are tested against a sensitivity model (+/ 5%).

#### **Key estimates - income tax exemption status**

The Directors of the Club have self-assessed their ongoing exemption from income tax at 30 June 2025, as a Sporting Club in accordance with Section 5045 of the Income Tax Assessment Act 1997.

# Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 4. Revenue and Other Income

	2025	2024
	\$	\$
Sales revenue		
- Bar income	2,035,492	2,245,108
- Poker machine income	7,670,885	8,060,726
- Catering income	2,803,697	2,906,979
- Rental income	69,507	66,887
- Functions revenue	360,845	255,352
- Other club revenue	409,139	400,140
	<b>13,349,565</b>	<b>13,935,192</b>

### Other income

- Gain on disposal of property plant and equipment	117,382	51,880
- Commissions received	376,014	340,770
- Interest received	-	131
- Membership income	29,235	28,582
- GST compensation	34,360	34,460
- Other income	153,175	138,420
	<b>710,166</b>	<b>594,244</b>

### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated, and the following table shows this breakdown:

#### Timing of revenue recognition

- At a point in time	13,280,058	13,868,305
- Over time	69,507	69,507
	<b>13,349,565</b>	<b>13,935,192</b>

### 5. Finance expenses

Bank loan interest expense	37,749	48,535
Interest on leases AASB16	264,967	125,135
	<b>302,716</b>	<b>173,670</b>

# Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 6. Cash and Cash Equivalents

	2025	2024
	\$	\$
Cash on hand	468,537	476,514
Cash at bank	160,379	1,317,610
	<hr/>	<hr/>
	<b>628,916</b>	<b>1,794,124</b>

### 7. Intangible Assets

Poker machine entitlements	1,671,375	1,671,375
Cost	<hr/>	<hr/>

### 8. Property, plant and equipment

Freehold land	13,500,000	13,500,000
At fair value	<hr/>	<hr/>
Buildings	14,003,229	11,400,000
At fair value	(3,879,608)	(992,584)
Accumulated depreciation	<hr/>	<hr/>
	<b>10,123,621</b>	<b>10,407,416</b>
Plant and equipment		
At cost	3,508,507	6,289,248
Accumulated depreciation	(1,681,882)	(4,114,233)
	<hr/>	<hr/>
	<b>1,826,625</b>	<b>2,175,015</b>
Motor vehicles/Sailing vessels		
At cost	263,924	349,288
Accumulated depreciation	(239,440)	(285,001)
	<hr/>	<hr/>
	<b>24,484</b>	<b>64,287</b>
Poker Machines		
At cost	4,956,668	7,182,453
Accumulated depreciation	(4,415,883)	(6,312,379)
<b>Total poker machines</b>	<hr/>	<hr/>
	<b>540,785</b>	<b>870,074</b>
<b>Total property, plant and equipment</b>	<hr/>	<hr/>
	<b>26,015,515</b>	<b>27,016,792</b>

# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **8. Property, plant and equipment (cont'd)**

#### **(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Sailing Vessels	Motor Vehicles/ Poker Machines	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2024</b>						
Balance at the beginning of year	13,500,000	10,407,416	2,175,015	64,286	870,074	27,016,791
Additions	-	45,250	389,255	-	303,960	738,465
Reallocation	-	51,926	(51,926)	-	-	-
Depreciation expense	-	(378,630)	(483,319)	(13,579)	(456,892)	(1,332,420)
ROU Adjustments	-	-	(202,228)	(26,223)	(173,387)	(401,838)
<b>Balance at the end of the year</b>	<b>13,500,000</b>	<b>10,123,621</b>	<b>1,826,625</b>	<b>24,484</b>	<b>540,785</b>	<b>26,015,515</b>

Core Property is specified as the OFBRC club house; bowling greens; car park and property contained in the consolidated OFBRC land title under which these areas are held.

Non-Core Property is specified as the residential houses owned by the Club from time to time and includes, but is not limited to numbers 9, 11 and 13 Devonshire Crescent. These are classified as investment property in the Statement of Financial Position. Non-Core Property is also specified at the Arraying Club house as the lower ground floor areas of the function rooms known as the mountain view room; wet bar area; and Lakeside rooms. These are classified as property, plant and equipment in the Statement of Financial Position.

It is also noted that it came to the attention to the board of directors that an ordinary resolution was passed in 2015 electing All of the Yacht Club and its premises as non- core property. This indicates that the previous financial statements may have incorrectly categorised the Yacht Club and Premises as Core Property.

The current board and management was unaware of this motion in 2015 and cannot explain why the directors at the time did not amend the annual report or advise auditors in subsequent years that the Illawarra Yacht Club was voted non-core property. We have also been advised that the Bank/ASIC were also not advised and were of the opinion that the property was Core Property..

We note the club entered into a MOU in 2013, for a term of 5 years, which notes there could be no changes to the operation of IYC. The bank also holds a first registered charge over both club properties (which is has held for many years), so any sale of property would be subject to the Banks written approval.

# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **9. Investment Property**

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Owned Property</b>		
Balance at beginning of year	2,410,000	2,410,000
Fair value increment	160,000	-
<b>Balance at end of year</b>	<b>2,570,000</b>	<b>2,410,000</b>

"Investment property" shown above is investments in residential properties at Devonshire Crescent, Oak Flats. The fair value model is applied to all Investment Properties. Values are based on an active liquid market and determined annually by Directors or Independent Value

### **10. Trade and Other Payables**

CURRENT		
Trade payables	728,530	619,059
Other payables	398,560	332,418
GST payable	211,019	210,391
	<b>1,338,109</b>	<b>1,161,868</b>

### **11. Employee Benefits**

CURRENT		
Long service leave provisions	121,608	133,914
Annual leave provisions	240,884	318,152
	<b>362,492</b>	<b>452,066</b>
NON-CURRENT		
Long service leave provisions	33,802	20,010
	<b>33,802</b>	<b>17,074</b>

# Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

## Notes to the Financial Statements

For the Year Ended 30 June 2025

	2024	2025
	\$	\$
<b>Total facilities:</b>		
Bank Loan	3,000,000	3,000,000
Corporate Charge Credit Card	20,000	20,000
Bank Overdraft	250,000	250,000
	<b>3,270,000</b>	<b>3,270,000</b>
<b>Facilities utilised at reporting date</b>		
Bank Loan	3,000,000	3,000,000
Corporate Charge Credit Card	3,720	2,497
Bank Overdraft	-	-
	<b>3,003,720</b>	<b>3,002,497</b>

The club previously had a \$500,000 overdraft available for perusal. This was replaced with a \$3 Million loan from CBA to improve the club's liquidity and allow to finalise the remaining repairs. The loan is secured by an existing fixed and registered charge over the land and buildings of both clubs (CBA has held for some years)

### 13. Asset realisation reserve

Opening balance	11,697,837	6,840,477
Revaluation of land and buildings	-	4,857,360
	<b>11,697,837</b>	<b>11,697,837</b>

### 14. Right of use asset and Leases

#### Right of use asset

NON-CURRENT			
Right of use asset	1,614,595	814,608	
Accumulated depreciation	(971,861)	(573,714)	
	<b>642,735</b>	<b>240,894</b>	

#### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$
<b>2025</b>				
Lease liabilities	<b>303,497</b>	<b>88,759</b>	<b>392,257</b>	<b>370,054</b>

# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **15. Financial Risk Management**

The main risks Oak Flats Bowling and Recreation Club Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Club's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Financial assets</b>		
<i>Held at amortised cost</i>		
Cash and cash equivalents	628,916	1,794,124
Trade and other receivables	28,734	8,281
<b>Total financial assets</b>	<b>657,650</b>	<b>1,802,405</b>
<b>Financial liabilities</b>		
<i>Held at amortised cost</i>		
Trade and other payables	1,338,109	1,161,868
Borrowings	3,000,000	3,000,000
Lease liabilities	370,054	718,148
<b>Total financial liabilities</b>	<b>4,708,163</b>	<b>4,880,016</b>

### **16. Contingencies**

#### **Contingent Liabilities**

The Club has a security deposit of \$5,000 held with the Commonwealth Bank of Australia with respect to the Totalisator Agency Board and \$10,000 held with respect to the jetty at Illawarra Yacht Club.

The club has approval to remove the Jetty and at least one pontoon at the Illawarra Yacht Club. Cost is expected to be approximately \$120k for removal, however, the Club is seeking assistance from government and awaiting their response.

### **17. Key Management Personnel Disclosures**

The remuneration paid to key management personnel of the Club is \$272,750 (2023: \$254,836).

### **18. Auditors' Remuneration**

Remuneration of the auditor PKF, for:

- auditing or reviewing the financial statements

33,000

33,900

# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2025**

### **19. Related Parties**

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

There were no transactions with related parties during the financial year.

### **20. Members' Guarantee**

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Club. At 30 June 2025 the number of members was 23,079 (2023: 18,261).

### **21. Events after the end of the Reporting Period**

The financial report was authorised for issue on 18 November 2025 by the Board of Directors.

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

### **22. Statutory Information**

The registered office and principal place of business of the company is:

Oak Flats Bowling and Recreation Club Limited  
Cnr Kingston and David Streets  
Oak Flats NSW 2529

# **Oak Flats Bowling and Recreation Club Limited**

ABN: 86 001 017 894

## **Consolidated Entity Disclosure Statement**

**For the Year Ended 30 June 2025**

Oak Flats Bowling and Recreation Club Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

### **Basis of Preparation**

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001.

## **Oak Flats Bowling and Recreation Club Limited**

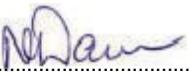
ABN: 86 001 017 894

### **Directors' Declaration**

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
  - b. give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.
3. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

Director: ..... 

Director: ..... 

Date 18-11-2025

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF OAK FLATS BOWLING AND RECREATION CLUB LIMITED

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Oak Flats Bowling and Recreation Club Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Oak Flats Bowling and Recreation Club Limited, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2025, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of Matter – Material uncertainty relating to going concern

We draw attention to Note 2(a) to the financial report, which indicates that the Club incurred a net loss of \$1,361,473 and net cash outflows from operating activities of \$201,512 during the year ended 30 June 2025 and as at 30 June 2025 has net current liabilities of \$1,188,015. As stated in Note 2(a), these events or conditions, indicate a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### Independence

We are independent of the Company 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, 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 to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to 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 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 the 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 directors.

## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY  
PARTNER

18 NOVEMBER 2025  
SYDNEY, NSW