



2024 - 25

ANNUAL REPORT

Oak Flats Bowling & Recreation Club Limited



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CLUB LEADERSHIP TEAM

(As at date of AGM)

Neil Dawson **Chairman**

Donald Brown **Director**

Wendy Steyer **Director**

Lyn Wilke **Director**

Kevin Murphy **Director**

John Dorahy **Director**

Kerry Chikarovski AM **Director**

Debbie Organ **CEO**

Rick Mason **OFBRC Venue Manager**

Molly Dean **IYC Venue Manager**

Margaret Tattler **Ladie's Bowls President**

David Ramsbottom **Bowls Co-ordinator**

Shelley Beale **HR Manager**

Samantha Bourdon **Functions & Marketing Manager**

Shannon Sullivan **Finance Office Manager**

NOTICE OF AGM & RESOLUTIONS

Notice of Annual General Meeting & Resolutions

THE SIXTY SEVENTH (67TH) ANNUAL GENERAL MEETING OF THE OAK FLATS BOWLING & RECREATION CLUB LIMITED WILL BE HELD AT THE OAK FLATS BOWLING CLUB ON
SUNDAY 14th December 2025 AT 9:30am

Only financial members are permitted to attend the Annual General Meeting.

To allow the Club to plan for the AGM, members must register their interest (at reception) in attending the AGM in person. The purpose of the registration of interest process is not intended to restrict the number of members who can attend the AGM, but rather to allow the Club to provide the appropriate venue space.

AGENDA

1. Apologies.
2. To adopt and confirm the Minutes of the previous Annual General Meeting.
3. To receive the Director's Report to members.
4. To receive the Audit Risk & Finance Committee's Report to members.
5. To receive and consider the Income Statement, Balance Sheet, Financial Statement(s), and the Auditor's Report for the period of 2024-2025.
6. To consider the Special Resolution set out below.
7. To consider the Ordinary Resolutions set out below.
8. To receive the declaration of Ballot from the Returning Officer for the election of Directors.
9. To deal with any other approved business of which due notice has been given.

Members are requested to provide notice of any questions such as those relating to specific legislative or financial matters to the Club's Chief Executive Officer at least fourteen (14) days prior to the Annual General Meeting, in order that the answers thereto may be researched and, if required, a complete answer given.

SPECIAL RESOLUTION

[The Special Resolution is to be read in conjunction with the notes to members set out below]

That the Constitution of Oak Flats Bowling and Recreation Club Limited be amended by:

- (a) **deleting** from Rule 15.1.2 the words "*five (5) kilometres from the premises of the Club (or such greater distance as may be prescribed from time to time in the Act)*" and in their place inserting the words "*such distance as may be determined by the Board*".
- (b) **deleting** from Rule 15.1.3 the words "*and is not more than five (5) kilometres from the premises of the Club*".

Notes to Members

1. The Special Resolution proposes an amendment to the Constitution in relation to a requirement for Temporary membership.
2. In 2024, the Registered Clubs Act was amended to delete what was called the "five-kilometre rule" which provided that a requirement for Temporary membership was that a person live outside of a 5-kilometre radius from a registered club's premises. There was a transitional provision which allowed clubs to accept Temporary members within the 5-kilometre radius in 2025, to enable clubs to amend their constitution to remove any requirement that was stated in the constitution.
3. The Special Resolution removes the requirement so that the Constitution reflects the Registered Clubs Act.
4. To be passed, a Special Resolution must receive votes in favour from three quarters (75%) of those members who, being eligible to do so, vote in favour of the Special Resolution at the meeting.
5. Bowling members and Life members are eligible to vote on the Special Resolution.

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION: Core and Non-Core Property

[The Ordinary Resolution is to be read in conjunction with the notes to members set out below.]

That for the purposes of section 41E of the Registered Clubs Act the members of Oak Flats Bowling and Recreation Club Limited (Club) hereby declare all of the Club's land and buildings at Northcliffe Drive, Warrawong (being the land recorded in Folio Identifiers 6/215273, 122/751299 and 123/751299 and being the land on which the Illawarra Yacht Club premises is situated) to be core property of the Club.

Notes to Members on Ordinary Resolution

1. The Ordinary Resolution proposes for members to declare all of the Club's land and buildings at Northcliffe Drive, Warrawong ("**Yacht Club Land and Premises**") as core property of the Club.
2. If the Ordinary Resolution is passed, all of the Yacht Club Land and Premises will once again be core property of the Club.
3. The Registered Clubs Act:
 - (a) provides that all land of a registered club is classified as either core or non-core property; and
 - (b) allows members, at a general meeting, to declare core property as non- core property and/or non-core property as core property.
4. The major difference between core property and non-core property is the restrictions imposed by the Registered Clubs Act on the disposal of core property (which includes leasing, licensing and selling).
5. Unless one of the exemptions in the Registered Clubs Act or Regulation applies, core property cannot be disposed of (leased, licensed or sold) by the Club unless:
 - (a) it has been valued by a registered valuer; and
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Club (by majority vote); and

(c) if the disposal is by way of sale, the sale must be by way of open tender or public auction conducted by an independent real estate agent or auctioneer.

6. Non-core property can be disposed of without following the procedure set out in paragraph 6(a) above.
7. In 2015, a resolution was considered and passed by members to have the Yacht Club Land and Premises declared to be non-core property for the purposes of the Registered Clubs Act.
8. The reasons given at that time were that the then Board wanted to possibly undertake additional uses of the Yacht Club Land and Premises, that this could involve leasing and/or licensing and/or sale of the Yacht Club Land and Premises, and that therefore the then Board wanted flexibility to deal with the Land without further engagement of members.
9. Since this time, the Yacht Club Land and Premises has not been developed or changed or disposed of.
10. The Board have unanimously resolved that a resolution be put to the Annual General Meeting that the Yacht Club Land and Premises return to being core property.
11. The Board is of the view that it is in the interests of the members that if the Club in the future wanted to dispose of the Yacht Club Land and Premises, it is subject to the requirements in the Registered Clubs Act for core property including member approval.

Procedural Matters

12. To be passed the Ordinary Resolution must receive votes from a simple majority (i.e. 50% plus 1) of those members who are eligible to do so vote in person on the Ordinary Resolution at the meeting.
- 13. All members (except Honorary members, Provisional members and Temporary members) are eligible to attend the meeting and vote on the Ordinary Resolution.**
14. Under the Registered Clubs Act:
 - (a) members who are employees of the Club are not entitled to vote.
 - (b) proxy voting is prohibited.
15. The Board recommends that members vote in favour of the Ordinary Resolution.

ORDINARY RESOLUTION: Expenses, Honorariums and Benefits

To be passed, these resolutions require the approval of at least fifty per cent (50%) of the votes cast by the members at the meeting and entitled to vote on the resolutions.

1. That pursuant to the Registered Clubs Act 1976, the members hereby approve expenditure by the Club until the next Annual General Meeting in respect of the following benefits to members of the Board and the members further acknowledge that the benefits outlined in subparagraphs (a) to (f) below are not available to members generally but only those members who are elected Board members of the Club and shall be limited to forty thousand dollars (\$40,000).
 - (a) A reasonable meal and refreshments to be associated with each Board meeting of the Club.
 - (b) Provision of blazers and uniform for use of Directors when representing the Club.

- c) The reasonable cost of Directors attending meetings, Registered Clubs, and other similar venues for the purpose of viewing and assessing their facilities and the method of operation, provided such attendances are approved by the Board as being necessary for the betterment of the Club.
- (d) The reasonable cost of Directors attending the ClubsNSW Annual General Meeting or similar meetings as may be determined by the Board from time to time.
- (e) The reasonable cost of Directors attending seminars, lectures, trade displays, associated Club functions and other similar events may be determined by the Board from time to time.
- (f) The reasonable cost of an electronic device (for example a laptop computer, iPad, tablet, or similar device) being made available to directors in respect of their duties as directors.

2. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve an honorarium be paid to the Chairperson of the Board for services as the Chair of the Board until the next Annual General Meeting with such Honorarium to be in the amount of twelve thousand dollars (\$12,000) and to be paid in monthly instalments for services for the previous month but only when those services are actually provided and further provided that if the Chairperson is absent for a period of 3 or more months without receiving any honorarium and another Director or other Directors fill the role of Chairperson in his/her absence then, provided that Director or those Directors carry out the role of Chair as set out in the Club's Board Charter, they shall be entitled to receive the monthly instalment of the honorarium otherwise payable to the Chairperson instead of receiving the monthly instalment of the honorarium otherwise payable to Directors of the Club.
3. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve an honorarium be paid to the Chairperson of the Audit Risk & Finance Committee of the Board (also known as The Treasurer) for services as the Chair of that committee until the next Annual General Meeting with such honorarium to be in the amount of ten thousand dollars (\$10,000) and to be paid in monthly instalments for services provided for the previous month but only when those services are actually provided.
4. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members approve an Honorarium to be paid to each Director, excluding the Chairperson of the Board and the Chairperson of the Audit Risk & Finance Committee, for services as directors until the next Annual General Meeting with such honorarium to be:
 - (a) two hundred & fifty dollars (\$250) per month; or
 - (b) five hundred dollars (\$500) per month if the Director is elected to a subcommittee of the Board (such committees would include, but not be limited to, the Audit Risk & Finance Committee, Disciplinary Committee, Corporate Governance Committee and Remuneration Committee) and the Director attends a meeting of the subcommittee during the month. For the avoidance of doubt, a director is entitled to a maximum of one Honorarium in respect of duties performed on sub committees.

5. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve the following honorariums being paid to the following officers of the Men's and Women's Bowling sections for services until the next Annual General Meeting (with the honorariums to be paid in agreed instalments):

- (a) Men's President - One thousand three hundred dollars (\$1,300) per annum
- (b) Men's Welfare Officer - Two hundred dollars (\$400) per annum.
- (c) Occasional Men's Bowls Secretary and Occasional Men's Assistant Bowls Secretary - up to Seventeen hundred dollars (\$1,700) per annum each which will be paid by weekly instalments of \$100 but only when the services are required by the Board or the Chief Executive Officer and are actually provided) and not paid in weeks when the services are not required and not provided. Under no circumstances shall the payment exceed \$1,700 per annum for either of the 2 positions.
- (d) Men's Chairman of the Match Committee - Five hundred dollars (\$500) per annum
- (e) Men's Members Representative- Five hundred dollars (\$500) per annum
- (f) Men's Chairman of Selectors (only if there is no Bowls Co-ordinator) - Five hundred dollars (\$500) per annum.
- (g) Women's President - One thousand four hundred dollars (\$1,400) per annum
- (h) Women's Secretary - One thousand two hundred dollars (\$1,200) per annum
- (i) Women's Treasurer - One thousand dollars (\$1,000) per annum
- (j) Women's Vice President (2 positions) - Three hundred dollars (\$300) each per annum
- (k) Women's Chair of Match Committee - Five hundred dollars (\$500) per annum
- (l) Women's Chair of Social Committee - Three hundred dollars (\$300) per annum
- (m) Women's Social Committee (2 positions) - Two Hundred dollars (\$200) each per annum

- (n) Women's Chair of Selectors - Three Hundred dollars (\$300) per annum
- (o) Women's Selector (2 positions) - One hundred and fifty dollars (\$150) each per annum
- (p) Women's Welfare Officer - Two hundred dollars (\$200) per annum

Member Correspondence: 10th October 2025. Ray Travers will discuss letter at AGM.

ELECTION NOTICE

Life members and financial Bowling members of the Oak Flats Bowling and Recreation Club are eligible to stand for election to the Board of Directors of the Oak Flats Bowling and Recreation Club Ltd provided they meet the eligibility conditions detailed in the Clubs Constitution.

Two directors have their terms expiring Neil Dawson and Don Brown and there are two positions vacant.

Information in relation to the Election of Directors can be found in the club's constitution and on the Club's Notice board or by contacting the Club.

Dated 18th November 2025

Oak Flats Bowling and Recreation Club:
By direction of the Board of Directors

Debbie Organ
Chief Executive Officer

Copies of the club's financial reports will be available on the Club's website.
Annual report is being prepared.

PREVIOUS AGM MINUTES

66th AGM Oak Flats Bowling & Recreation Club

Held At: Oak Flats Bowling & Recreation Club Function Room

Date: 8th December 2024

Start Time: 9:30am

In Attendance: Neil Dawson (Chairman), Jessica Pill, Wendy Steyer, Don Brown, Lyn Wilke, Kevin Murphy, John Dorahy

Members: As per attendance records

Chairman: Neil Dawson

CEO: Debbie Organ

Solicitor: Ray Travers

Auditor: Alan Seeman

1. Neil Dawson welcomed the special guests and members to the meeting.
2. The chairman requested all in the room stand for a minute silence for those members, guests and others who have passed, including Life Member Bob Smith, Jim Richardson and Sterling Scard , as well as Kim Beddie, who worked for the club for 24 years.
3. Acknowledgement of Country by the Chairman.
4. Apologies: Kerry Chikarovski; Kym Reily (auditor), Leanne Smith, Trevor Smith
5. Confirmation of previous minutes:

The chairman asked members to adopt and confirm the minutes of the previous Annual General Meeting

Moved: Tony Guarnaccia

Seconded: Phil Buckley

Motion Carried

6. Matters Arising: NIL
7. Motion: To receive the Directors Report to members

Moved: Ann Marie Wilkinson

Seconded: David Smith

Motion Carried

8. Motion: To receive the Audit, Risk & Finance Committee Report

Moved: Tony Guarnaccia

Seconded: Ann Marie Wilkinson

Motion Carried

9. Motion: To receive the annual financial statements of the Oak Flats Bowling Club for the period ending 30 June 2024.

Moved: John Noble

Seconded: Peter McDonald

Motion Carried

10. Motion: To receive the declaration of ballot from returning official for the election of Directors.

No voting occurred as Mr Kevin Murphy was the only Director nomination received. Kevin was elected unopposed for a term of three (3) years.

Moved: ??

Seconded:

Motion Carried

11. ORDINARY RESOLUTIONS (Expenses, Honorariums and Benefits)

To be passed, these resolutions require the approval of at least fifty per cent (50%) of the votes cast by the members at the meeting and entitled to vote on the resolutions.

1. That pursuant to the Registered Clubs Act 1976, the members hereby approve expenditure by the Club until the next Annual General Meeting in respect of the following benefits to members of the Board and the members further acknowledge that the benefits outlined in subparagraphs (a) to (f) below are not available to members generally but only those members who are elected Board members of the Club and shall be limited to forty thousand dollars (\$40,000).

- (a) A reasonable meal and refreshment to be associated with each Board meeting of the Club.
- (b) Provision of blazers and uniform for use of Directors when representing the Club.
- (c) The reasonable cost of Directors attending meetings, Registered Clubs and other similar venues for the purpose of viewing and assessing their facilities and **the** method of operation, provided such attendances are approved by the Board as being necessary for the betterment of the Club.
- (d) The reasonable cost of Directors attending the ClubsNSW Annual General Meeting or similar meetings as may be determined by the Board from time to time.
- (e) The reasonable cost of Directors attending seminars, lectures, trade displays, associated Club functions and other similar events, as may be determined by the Board from time to time.
- (f) The reasonable cost of an electronic device (for example a laptop computer, iPad, tablet or similar device) being made available to directors in respect of their duties as directors.

Moved: Jeff Warrington
Seconded: George Vijums

Motion Carried

2. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve an Honorarium be paid to the Chairperson of the Board for services as The Chair of the Board until the next Annual General Meeting with such Honorarium to be in the amount of twelve thousand dollars (\$12,000) and to be paid in monthly instalments for services for the previous month but only when those services are actually provided and further provided that If the Chairperson is absent for a period of 3 or more months without receiving any honorarium and another Director or other Directors fill the role of Chairperson in his/her absence then, provided that Director or those Directors carry out the role of Chair as set out in the Club's Board Charter, they shall be entitled to receive the monthly instalment of the honorarium otherwise payable to the Chairperson instead of receiving the monthly instalment of the honorarium otherwise payable to Directors of the Club.

Moved: Gary Flint

Seconded: Peter McDonald

Motion Carried

3. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve an Honorarium be paid to the Chairperson of the Audit Risk & Finance Committee of the Board (also known as The Treasurer) for services as The Chair of that committee until the next Annual General Meeting with such Honorarium to be in the amount of ten thousand dollars (\$10,000) and to be paid in monthly instalments for services provided for the previous month but only when those services are actually provided.

Moved: Peter McDonald

Seconded: Ann Marie Wilkinson

Motion Carried

4. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members approve an Honorarium be paid to each Director, excluding the Chairperson of the Board and the Chairperson of the Audit Risk & Finance Committee, for services as directors until the next Annual General Meeting with such Honorarium to be:

(a) Two hundred & fifty dollars (\$250) per month; or

(b) Five hundred dollars (\$500) per month if the Director Is elected to a subcommittee of the Board (such committees would include, but not be limited to, the Audit Risk & Finance Committee, Disciplinary Committee, Corporate Governance Committee and Remuneration Committee) and the Director attends a meeting of the subcommittee during the month. For the avoidance of doubt, a director is entitled to a maximum of one only Honorarium in respect of duties performed on sub committees.

5. That pursuant to section 10(6)(b) of the Registered Clubs Act 1976, the members hereby approve the following honorariums being paid to the following officers of the Men's and Women's Bowling sections for services until the next Annual General Meeting (with the honorariums to be paid in agreed instalments):
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- (n) Women's Chair of Selectors - Three Hundred dollars (\$300) per annum
- (o) Women's Selector (2 positions) - One hundred and fifty dollars (\$150) each per annum
- (p) Women's Welfare Officer - Two hundred dollars (\$200) per annum

Moved: Harry Shackleton

Seconded: Tony Guarnaccia

Motion Carried

John Noble asked that for Men's Welfare Officer out of pockets be increased to \$400.

Was noted by Ray Travers that ladies would have to put a motion to next AGM for their Welfare Officers out of pockets to increase

Moved: John Noble

Seconded: Gary Flint

Motion Carried

6. Returning Officers noted:

- Phil Buckley
- Alice Grkinic
- Mary Clemmett

Moved: Tony Guarnaccia

Seconded: Faye Parker

Motion Carried

7. Other Business or question

Kevin Murphy was appointed to the board as a Non-Executive Director unopposed. No ballot or voting required as Kevin was the only candidate to apply.

David Ramsbottom was announced as the clubs Bowls Co-ordinator.

Meeting Closed: 10 am

CEO REPORT

Leadership is not defined by popularity; it involves making tough decisions that are crucial for the organisations long-term success. In challenging circumstances, these decisions may not always be well-received, but they are essential for ensuring resilience and sustainability for the future

Welcome to the 2025 Annual Report for the Oak Flats Bowling and Recreation Club Limited.

Reflecting on the past year for both the Oak Flats Bowling and Recreation Club and the Illawarra Yacht Club, we faced significant challenges. As highlighted in last year's report, the lack of investment in critical areas, particularly in work health and safety and asset maintenance, over the past 15 years plus, has adversely affected our operational efficiency and posed serious risks to the well-being of our members and staff. Recognising the urgency of these issues, we conducted a comprehensive review of our systems and practices, revealing a critical need for upgrades and enhancements to foster a safe environment for all. This initiative has led to the replacement of various club assets including all electicals, new servers, CCTV cameras, air conditioning units, furniture upgrades, investments in new gaming machines, bases and carpets.

In the last 12 months, we have continued to invest significantly to address these issues while refining our robust work health and safety framework and modernising our assets. Our strategic focus has remained steady over the past three years. Although we have made notable progress in enhancing operational standards and revitalising our clubs, we continue to face substantial challenges, particularly with limited cash flow resources. Each day brings new maintenance challenges that require our attention, and there is more work to be done, as we prioritise further repairs and upgrades.

Understanding the importance of accurate financial reporting, the current board has embarked on a comprehensive financial improvement initiative over the past 24 months. This process involved a thorough audit of all financial systems and practices, culminating in the implementation of a functional Xero finance system, at considerable cost. While this new system is now operational and ensures 100% accuracy of our financial data (providing us with the confidence necessary to guide our strategic direction), past discrepancies still weigh heavily on the minds of current management and board members. We are committed to making necessary adjustments along the way as we strive for transparency. Establishing a reliable financial framework not only strengthens our operational integrity but also enhances our credibility with stakeholder, particularly our bank.

Business Operational Review

Our investment in enhancing our financial management system in 2024, proved fortuitous, allowing us to adjust and pivot effectively in response to the economic downturn of 2025. This year marked a substantial decline in economic spending, with the Australian hospitality industry experiencing its highest closure rates to date. Between April 2024 and April 2025, 9.6% of businesses in this sector closed, setting a new record for closures across any industry.

Our club's revenue was not immune to the effects of this downturn, as members and guests felt the economic strain. Revenue fell by 3.87%, from \$13.9 million in 2024 to \$13.394 million in 2025. This decline included a reduction in gaming activity, influenced not only by the challenging economic climate but also by focused legislation and intensified competition from competing hotels, and some clubs, who have invested millions in their venues, introducing brand-new gaming machines and link jackpots that started at \$90,000.

Despite this revenue decline, we dedicated the last 12 months to thoroughly reviewing all suppliers and operational costs, which resulted in a significant reduction in our cost of goods sold (COGS) through strategic procurement reviews and initiatives.

However, like many businesses, we faced ongoing increases in operational costs, complicating our financial management during this turbulent period. Notably, our electricity costs doubled from \$20,000 to almost \$40,000 per month as the club exited a long-term fixed-price electricity contract. The ongoing repairs and maintenance issues, as previously noted, continue to challenge us, and we are working diligently to manage the financial repercussions stemming from a history of poor maintenance and investment.

One of the highlights of our 2025 was the work done by management, particularly our HR Manager, to reduce employee costs. Employee expenses decreased by over \$500,000 as we focused on reducing overheads and optimising rosters. This achievement is particularly noteworthy given that the 2025 wages also included a pay rise passed on to all staff, along with numerous termination payments to long-term employees who had accrued excessive leave, including long service leave and rostered days off. Despite these challenges achieving a decrease in employee costs of \$500,000, under such circumstances, is commendable.

In the last year, we worked diligently to reduce long-term leave entitlements, for existing staff, to prevent these liabilities from escalating again. As we required staff to take leave to reduce this liability, we also paid the additional payroll costs associated with covering their roles. This situation was compounded by legally mandated wage increases, including superannuation, which we passed on to all staff.

Starting from a challenging financial base, we recorded a loss of \$2.002 million in 2024 after accounting for depreciation of \$1.398 million, leading to a cash loss of \$604,000. However, we made substantial progress this year, reporting a net loss of \$1.361 million, with depreciation of \$1.332 million. While no one wants to report a loss, this represents a significant improvement over the previous year, especially given the increasing costs and substantial leave liabilities we inherited. We were on track to be cash flow neutral by the year-end; however, a large termination payment to a long-term employee in June, alongside with the necessity to account for 13 months of electricity costs in this financial year (due to auditors wanting to correct electricity being accounted for monthly in arrears in previous years) impacted our results. Nevertheless, the club has turned a corner, becoming cash flow positive every month since the balance date to October 2025. There is a long way to go, however, to build the reserves we need to grow.

Our auditor noted a working capital shortfall of \$1.2 million and an increase in our current liabilities. Previously, our current liabilities included excessive employee leave entitlements. The primary reason for the current increase in current liabilities is related to our gaming room, which has suffered due to inherited conditions and a lack of investment in new gaming machines. Each gaming machine averages around \$35,000, and while we have made investments in new machines and linked systems for both clubs, upgrading all machines would exceed \$6 million.

To address this, we negotiated interest-free terms over 12 months from various gaming machine suppliers for new machines at both clubs. As we repay these interest-free terms, we again invest in new machines to elevate our offerings to a competitive standard. As these interest free terms are 12 months or less, that are accounted for as current liabilities.

Strategic Outlook and Risks

Improving cash flow while enhancing the operations of both clubs has been challenging. We face increased expenses associated with purchases and renovations and continue to lag behind our competitors in an increasingly competitive market. The upgrades we are implementing should have occurred over the past 15+ years, and whilst reduced cash flow has been challenging, these facility upgrades were long overdue. Our bank approved a bank facility of \$3 million, and we are currently negotiating to extend this term to avoid it becoming a current liability in the next financial year. We have been transparent with our bank regarding all issues facing the club. While they monitor our cash flow and have expressed concerns about the future of gaming in the industry, their support and appreciation of our transparency have been encouraging.

A significant risk is the ongoing review of gaming legislation and the likely introduction of cashless gaming in some form. We anticipate further substantial legislation aimed at reducing the number of gaming machines across NSW. It is crucial for our clubs to work diligently to decrease reliance on gaming while exploring new income streams to ensure long term survival.

Additionally, we continue to grapple with the ramifications of the 2013 signing of the Crown license over the jetty, pontoon, and ramp at the yacht club. This ongoing issue has significant financial implications and poses insurance risks, representing yet another legacy we are actively working to resolve. Our auditors have rightfully raised a contingent liability in the notes to the accounts, highlighting the importance of thoroughly understanding the terms and conditions of any document we sign, as the consequences, as in this case, can be costly. It should never have been signed but we are left to resolve.

Despite our efforts to apply for various grants, we have received no support thus far, and our attempts to engage assistance from Paul Scully and the Crown have fallen short. Nonetheless, we remain committed to advocating for their assistance. These facilities in the water are owned by the Crown, not the club, so the notion that the club would take responsibility for ongoing maintenance and repairs of these already old and aging assets, that provides no commercial benefit to the club, defies any logic and jeopardises the club's financial position.

Community Commitment

Our commitment to the community continues to be a priority. Our direct contributions to the community—including club grant donations, community expenditures, and in-kind support—amounted to over \$140,000. We continued to support services assisting local families in need, addressing issues such as domestic violence, homelessness, mental health, and cancer support, alongside various sporting groups. Our fourth annual sleepout for the homeless further solidifies our relationship with the Vinnies Food Truck and raises awareness about the increasing number of individuals sleeping rough, all-over Australia, including the Illawarra.

Acknowledgements

I would like to take a moment to recognise that our greatest asset is our team. Our management and staff deserve commendation for their ability to adapt over the last 24 months and for their hard work across all areas. I want to particularly thank our venue managers, Rick and Molly, and our HR manager, Shelley, for their professionalism and commitment to get the clubs back on track. The finance team, led by Shannon and supported by Sharon, Laura, and Kim, have shown remarkable resilience under stressful working conditions while navigating changes across our finance system.

I also wish to extend my gratitude to the board, under Neil Dawson's leadership, for their outstanding contributions, expertise, and bravery in making difficult decisions. Our directors, predominantly volunteers, have dedicated countless hours to face-to-face training amidst increasing legislative scrutiny. They do not receive the recognition they deserve for their time and the personal and financial risks they take to address legacy issues, while protecting both clubs and the communities they serve.

We welcomed new directors Kerry Chikarovski and John Dorothy this year, whose skills and experience have proven invaluable to the board, management team, and clubs. We are grateful for their courage in stepping into our challenging circumstances.

I would also like to thank David Ramsbottom for his leadership as bowls coordinator, as well as both the men's and women's bowls committees for their diligent efforts to enhance the game they love. Thanks also to Neil Dewey and his sailing team for their support over the year.

To our members, thank you for your continued patience, patronage, and support. We appreciate you choosing us as your club of choice.

Finally, we remember those members and their families who have passed. It serves as a reminder that life is short, and we must be kind to others and cherish the time we have.

On behalf of the Board, management and staff, we wish you and your families a happy and safe Christmas.

Debbie Organ
CEO

FINANCE AND RISK COMMITTEE REPORT

Finance and Risk Committee Report

Please find attached financial accounts for the period ending 30 June 2025.

General Finance Matters

The club, during the year, finalised the integration of the new accounting systems, including a full audit of all assets and the creation of a detailed accurate asset register. Whilst the process was time consuming and costly, it was necessary to ensure accurate financial reporting. All new systems are now integrated and updated daily.

The above financial system transformation ensures management and directors now receive accurate, timely, monthly detailed reports, of all the club's operations.

The risk committee notes the commentary flagged by the auditor on the going concern status. The current board and management were left with no alternative than to immediately address the lack of accurate financial reporting systems and substantial repairs, maintenance and equipment upgrades which they themselves identified and inherited, together with excessive staff leave, which had to be addressed to ensure the work health and safety of all and the overall survival of both clubs. The board and management undertook this massive undertaking, whilst also simultaneously reviewing all operational areas of both clubs. The board and management now receive and review, accurate independent financial reporting monthly. In addition, the risk committee along with the board of directors regularly monitors the club's liquidity and updates the bank on its financial performance.

Operations

The 2025 financial year was a challenging year for all businesses, and particularly the hospitality industry, with record hospitality closures, and our clubs saw declining revenues, as overall disposable discretionary incomes declined.

Between July 2024 and October 2024, the club had a very strong start to the financial year and generated positive results across both venues, however, the economic downturn affected the revenue particularly between November 2024 and March 2025. It was very fortunate, however, that over the last 18 months, the management along with the board, have been working tirelessly on reducing the supplier costs and wages (as well as reducing the excessive leave entitlements). This has resulted in significant reductions, which allowed the business to absorb a large proportion of the negative effects of the reduction in revenue. The timing of this work was critical to the club's survival.

We also note that the \$500,000 reduction in wages, (despite these wages also including a pay rise passed on to all staff, plus inherited leave entitlements paid at substantially higher rates than when they were accrued, which should have been taken in the past) was an outstanding result. Also, further wage reductions took effect from March 2025 / April 2025 and as such the full impact of the overall wages restructure will be more apparent in the current year i.e. 2026 financial year.

Current management are also focused on continuing to monitor and enforce leave to ensure that these provisions do not risk the future of the clubs again.

Since June 2025, the club saw a moderate increase in sales in comparison to the 2025 financial year. If it had not been for the inherited issues above, the club would have been profitable, however, with all the work that has been done to date, and based on the current budget in place, we project the clubs trading in the current year (i.e. 2026 financial year) to return to profitability

PROFIT & LOSS STATEMENT

Business Operations Revenue:

	2024-2025	2023-2024	2022-2023	2021-2022
Bar	\$2,035,492	\$2,245,107	\$2,089,261	\$1,092,190
Catering	\$2,803,696	\$3,002,084	\$2,936,264	\$1,562,128
Functions	\$360,845	\$255,351	\$66,502	-
Gaming	\$7,670,885	\$8,060,726	\$7,924,625	\$5,659,515
Other	\$409,138	\$400,139	\$639,514	-
Rental Income	\$69,507	\$66,887	\$63,944	\$63,788
Total	\$13,394,565	\$13,935,191	\$13,720,111	\$8,435,579

Income

The poor economic climate and increased competition from hotels, saw revenue decrease 3.87 % from \$13.9 million in the 2024 to stand at \$13.394m in 2025.

Bar: Decreased \$209,615

Catering Income: Decreased \$198,388

Function Revenue: Increased \$105,494

Gaming: Decreased \$389,841

Other Club Revenue: Increased slightly

The previous two years the club reported increases in gaming as a result of the new and improved gaming rooms. This included introducing new machines, brand new bases and carpet to improve both gaming facilities. This financial year there was a decline in gaming, which was impacted by a challenging economic climate, but also the direct effect of strong competition from hotels. The club acknowledges that it still needs to upgrade the inherited aged gaming installations by investing in new machines and hence has negotiated with suppliers for new machines via 12 months interest free terms. These arrangements which impact cashflow and current liabilities in the short term, were seen as critical to address the inherited lack of investment in our main revenue source. When the 12-month terms ends, management again negotiate terms for new machines and will continue to do so until our installation is back to industry standard.

Cost of Sales

The cost of sale for the 2025 financial year was \$2.201 million representing 16.43% of bar and catering revenue (improved from 2024 being \$2.664 million representing 19.12% of bar and catering revenue). The COGS has improved with procurement reviews and supply tenders together with focus on reducing waste. There will be a further suppliers review's, particularly at Oak Flats.

Pricing increasing from all suppliers is of a concern to the hospitality industry generally. Last year the club passed on two price increases, but in this financial year, only one rise was passed on. Whilst the club tries to absorb price increases, this is not possible given the repairs and upgrades required.

Operating Expenses

- Accounting and Audit Fees: The accounting and Audit fees increased from \$90,267 (2024) to \$104,106 (2025). There is an increase due to the implementation of the fixed asset register, including audit of all clubs' assets, and the monthly ongoing support, director reporting and management accounting.
- Advertising: The club's advertising expense decreased to \$66,070 (was 70,698).
- Security Costs: The Security costs decreased to \$264,298 (was \$290,948).
- Repairs and Maintenance: Decreased to \$324,292 (was \$438,230). It is noted that there was further repairs and maintenance work carried out particularly on areas of the club that need repairs due to the age of the building.
- Rental Property Expenses: The rental property expenses decreased to \$10,222 (were \$19,219). There were some repairs and one-off costs incurred in the previous year. These costs include agent fees, rates and insurances. The rental properties provide a low return on investment in comparison with its market value.
- The Rates and Utilities increased to \$460,651 (was \$360,987). The club had a long-term fixed rate electricity contract which expired in the 2025 financial year. As a result, both the Electricity and GAS costs significantly increased in comparison to prior years. The 2025 year also includes 13 months of electricity payments per the auditor's request (in essence, June month was accrued)
- Depreciation: The depreciation amounted to \$1,332,420 (down from 1,398,962). The club finalised its review of the fixed asset register and now operates via a new updated platform.
- Entertainment and promotions: The entertainment and promotion expenses increased to 1,212,362 (was 1,013,387). The club continues to invest in entertainment activities to attract more traffic and retain customer base.
- Employee costs: The employee costs decreased over \$500,000 as the management worked to reduce overheads and rosters. This is a great result considering the 2025 wages also include a pay rise passed on to all staff, as well as numerous termination payouts, to long term staff members, who had been accruing substantial amounts of leave, long service leave and RDO's approved by prior management.

The legally required wage increases, and superannuation increase were passed to all staff members.

- Consultancy: The main consultancy consisted of payments to Harbour Planning specialists to consult on the removal of the jetty and to deal with marine and council authorities (\$15k one off), as well as workplace relations lawyers and other minimal payments.

Sailing Expenses:

The sailing expenses remains consistent with prior years and overall is minimal, compared to previous years.

Bowling Costs:

We note this expense is significantly understated, the current bowling costs presented comprises mainly of direct materials and subscriptions. The remainder of the expenses are presented under its respective account such as wages, insurances etc.

Net Loss:

The club has recorded a net loss of \$1,361,473 after depreciation expense of \$1.332 million and a revaluation appreciation of \$160,000 therefore a cash loss of \$189,053 (\$603,313 in 2024).

The unexpected drop in revenue, increased supplier costs, doubling of electricity and compulsory wage and superannuation costs, as well as costs associated with forced leave use, and excessive leave payouts on staff terminations contributed towards this loss. The club expects to return to profitability in the 2026 financial year (pre depreciation).

Balance Sheet:

Current assets: Current Asset decreased from \$2,059,662 to \$890,859. The cash balance in 2024 included unused CBA loan funds. The club continued to invest in its facilities and equipment and correction of asset register and accounting system, which explains the drop in the cash level. The management closely reviews the cash reserves, and the banks are apprised on this matter. All other current assets remain the same as with prior years.

Trade and other debtors increased from \$8k in 2024 to stand at \$28k in 2025, being mostly a timing issue with invoices issued for functions.

Total Current Assets: \$890,859

Provisions for staff leave significantly dropped as management worked to reduce this risk and commitment to the business. The club continues paying down its lease and contract liabilities which includes fit out and 12 gaming machine instalments. We note the club has never missed a payment on these facilities, and as they expire, new machines are again negotiated as they try and reduce an inherited very old gaming installation at both clubs.

Overall, there is a minor decrease in the current liabilities.

Current Liabilities: \$2,078,874

Working Capital: (\$1,188,015)

Total Equity: \$26,594,073

Management is negotiating with the bank to restructure its current loan facilities.

Cash Flow Statement:

The cashflow statements shows the following results:

Cashflow from Operating Activities- Loss of \$201,512 (was \$621,564 last year)

Cashflow from Investing Activities- Outflow of \$615,602 (was \$1,973,063 last year) which is the net investment in new assets.

Cashflow from Financing Activities- Outflow of \$348,094 is reducing debts (last year's inflow of \$3,540,794 last year- mainly proceeds from the \$3M loan

Operating Activities

From operational perspective, the club loss is due to noted decrease in revenue, reducing leave and leave costs attributed to staff terminations, further club repairs due to poor historical state of the premises and the continual reduction in the leave provisions/ and costs in covering these leave provisions. The benefits of further restructure will be more visible in the 2026 financial year.

Investing Activities

In regard to the cashflow from investing activities, the directors invested further substantial amount of funds on upgrading the club facilities including gaming machines and building renovation.

Financing Activities

In regard to financing activities, the cash outflow represents repayment to the bank for fit out, equipment loan and new gaming machines. These loans are expected to be fully paid within the coming 12 months. We would like to also note that the \$3M loan facility is currently being renegotiated.

Risk:

The management and directors acknowledge the presence of various risks including financial and operational risks. These risks are assessed and reviewed on a regular basis.

In regard to the financial risk, the management continues with its efforts to reduce costs where possible and are also working on generating additional revenue to the club. The goal is to keep investing in the facilities while aiming to return to a profitable operational surplus.

From operational risk perspective, the management continues to provide regular training to staff members including managers/supervisors on various possible risks, including new legislations and how to manage it.

The management and the board identify/manages risk and employs appropriate strategies. Substantial work has been undertaken to mitigate what were seen as unacceptable risks. The new risk register continues to be maintained as and when required.

Alan Semaan
Finance and Risk Committee

Director
ERY Melrose
Accountants & Business Advisors

CHAIRMAN'S REPORT

It is with great pleasure and pride that I submit my report to the members for the 2024/2025 financial Year.

This we have continued with renovations and improvements to both clubs along with a lot of repairs and maintenance as equipment gets older and needs replacing. The economy has slowed a in the last few years and people are spending less which has limited the amount of work we were able to do.

Bowls, we entered teams the both the open and men's pennant competitions and Ladies bowls. We have had some new members join the bowls club in recent months which is good to see and I hope this continues. We have also had several bowlers represent the Club in State and District events. Our Bowls coordinator, Dave Ramsbottom is doing a great job running the social, pennant and championship events and keeping everyone keen to play more often.

At the IYC it is great to see the sailors, windsurfers, and remote controlled boat groups competing in their events and entertaining the guests at the Club.

The Board once again have had a busy year with a lot going on the Club industry and several Legislation changes and new courses that we had to complete. I would like to thank the Board members for the work they have done during the year and having a stable Board makes it easier to plan for the future.

Once again I would like to thank the Management and Staff for the great job they have done during the year, we have had many functions at both clubs and the staff have made sure everyone had a great time and want to return.

Thank you to all the members for supporting the Clubs and your continued support will make the clubs stronger in the future.

Neil Dawson
Chairman of the Board



Left to right: Debbie Organ (CEO); Don Brown; Wendy Steyer; John Dorahy; Lyn Wilke; Neil Dawson; Kevin Murphy. Kerry Chikarovski : Absent from photo

B O W L S C O O R D I N A T O R R E P O R T

Social bowls:

Tuesday morning open pairs continues to be our best day averaging 35 - 40 players.

Wednesday club selected kicks off at 12.30pm averaging 20 -25 players, usually comprising an even split of male & female bowlers. A variety of events are played from 3bowl pairs to 2 bowl triples as well as 4 bowl pairs, events are determined on the day.

Friday 3 bowl pairs has just recommenced. Two game format over 10 ends, winners play winners, losers play losers etc the games are completed by 8pm. Great way to end the working week.

Saturday afternoon open pairs hasn't been as popular with numbers declining over the last year & it is most relevant during pennant season. Pennants occupies 20 weekends coupled with regional events, participation on a Saturday has defiantly suffered.

Region Events:

Club representation has been consistent through the year with our members taking part in most events.

So far this year we have successfully hosted sectional play in region singles, NSW Rookies sectional play & NSW Mixed pairs sectional play & finals.

Pennants

It is fair to say Open pennants (FEB 25 To April 25) did not go the way we had planned. Three sides competed – Grade 3 finished 3 of 4, Grade 5 finished 5 of 6, Grade 6 finished 7 of 10

We are currently toward the back end of the Men's pennant season. September 25 to December 25 Three sides were entered & results have been positive so far.

Championship Events:

Championship completed thus far are Mixed Fours, Minor pairs & triples. Spectators have witnessed some epic battles during the playoffs & finals with much more to come as we progress deeper into our championship year. The Major singles will be played after Xmas whilst

Major Pairs will kick off in very soon. Scheduling of all championships events continues to present quite a challenge as there is not a lot of room in the bowls Calander for postponed or transferred games.

Umpiring:

We are lucky to have a number of members that have completed their umpire training & are willing & able to assist with officiating our championship events. We thank you very much & look forward to your assistance as we progress into 2025

Greens & Green Staff:

Well done to the boys preparing our greens, many visiting bowlers have passed comment on how great our greens are to bowl on complement by how well the green surrounds & club presents. I have been able to visit many clubs during the past year & can confidently say our greens are right up there with the Illawarra's best. Keep up the great work boys it is muchappreciated.

I would like to thank any members that have participated in the Men's Bowls Committee over the past 12 months & ongoing into 2026. Your tireless efforts have contributed greatly to the administration & day to day routine required in keeping our bowlers on the green. A big thank you to our Pennant Selection team a thankless but necessary job your efforts don't go unnoticed.

We are able to compete in regional pennants because of our members making themselves available over many weeks, also an effort that doesn't go unnoticed- THANKYOU!

We know pennant competition is not for all- social bowls provides an outlet for many members. A game of bowls, catch up with your mates. Its common for these members to play bowls two, three times a week so again -THANKYOU!

To the members that volunteer their time to help run events, run raffles, clean up, help others, mark games, manage teams these are the unsung heroes of any organisation - THANKYOU!

Finally thankyou to Oak Flats Bowling Club Directors, Management & staff for all your support& assistance given to Men's Bowls over the past 12months & your continued support & assistance into 2026

Thank you.

David Ramsbottom Bowls Coordinator

LADIES BOWLING CLUB REPORT

Another year has passed and it is my pleasure, as the incoming President, to make this report. I would like firstly to thank Margaret Berk for her efforts and dedication during the 2024/25 year.

To my Secretary Annette Nicholls, thank you for all the hard work and thank you to Hazel Langdon for taking on the position of Treasurer. Thanks also to Christine Coen for continuing in the important role of Chairperson of Match. To my Vice Presidents and Committees, thank you for your ongoing assistance and commitment to your Club. To Life Members, Thelma and Alice, thank you for your continuing interest and support and to those who are always there to lend a hand when needed, I thank you also.

Our 66th Birthday celebrations and Charity Day were enjoyable and successful thanks to the efforts of many. To our members both bowling and non bowling, you are the heart and soul of our Club – thank you for your enthusiasm and spirit – your Club needs you, as does the game of lawn bowls if it is to grow and prosper.

Once again Club members have performed well at Regional level and other outside tournaments – well done to you all. Our Grade 2 Pennant team is currently competing but I don't think we're going to "bring home the chook" this year. Congratulations to all our Club Championship participants and winners.

As always my thanks to CEO Debbie, Chairperson Neil and the Board of Directors, Bowls Coordinator Dave, Greenkeeper Scott and his team, café and kitchen staff, venue Manager Rick, Office and Bar Staff. Your cooperation and assistance is acknowledged and valued.

Our condolences to those who have lost loved ones during the year.

To all – best wishes, good health and good bowling.

**Margaret Tattler
Ladies Bowls President**



Left to Right: Jenny Bruce, Annette Nicholls, President Margaret Tattler, Christine Coen, Faye Newman, Bronwyn Clark, Hazel Langdon. Absent Colleen Shumack

MEN'S BOWLING CLUB REPORT

Another successful year on our Bowling Greens, great to see new faces and even more pleasing to see smiles & echoes of laughter amongst our longer serving members. Participation on the greens has been constant through the year providing some very entertaining & competitive matches for our members & visitors to enjoy.

A big thank you to all those who have volunteered their time & efforts to help facilitate Tournaments, Championship & club social events through the year. Goes without saying all the above only happen with your continued help.

To Debbie Organ (CEO), Board of Directors, Rick Mason, Club Bar Staff, Café staff & Kitchen staff thank you for your continued help & on-going support of our members & guests.

To our Green staff what a great job these boys do- Scottie & his crew continually turn out fantastic greens for our members & visitors. Thank you very much for your efforts & continued support.

I need to thank everyone that made the effort to make them self's available to represent & compete at a Region, State & Club Tournament level. We had many members take part in lots of events with varied success. I congratulate you all on your efforts to represent our club at every level.

To all our members participating in our social bowls – Tuesday Nominated Pairs, Wednesday Club Selected, Friday Morning Over 50's Group, Friday Twylight Pairs & Saturday Nominated Pairs Thank you for your continued support. Numbers have been steadily increasing through the year & we look forward to the continued growth into 2026

Finally congratulations to all our Championship Winners during the year, too many to list - all the very Best for Championship success in 2025/2026

**David Ramsbottom
Bowls Coordinator/Interim Bowls Secretary**



Left to Right: David Smith, Peter Ramsbottom, George Vijums, Jason Ward, Luke Cocksedge, Leanne Smith, Brian Godfrey, David Ramsbottom. Absent: Bill Lazar, Tony Guarnaccii

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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For the Year Ended 30 June 2025

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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:

Names	Appointed/Resigned
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

ABN: 86 001 017 894

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

ABN: 86 001 017 894

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

ABN: 86 001 017 894

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:

	Directors' Meetings	
	Number eligible to attend	Number attended
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: 

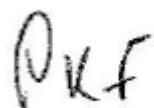
Director: 

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

ABN: 86 001 017 894

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

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

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Statement of Financial Position

As At 30 June 2025

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

Oak Flats Bowling and Recreation Club Limited

ABN: 86 001 017 894

Statement of Changes in Equity

For the Year Ended 30 June 2025

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

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

ABN: 86 001 017 894

Statement of Cash Flows

For the Year Ended 30 June 2025

	2025	2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
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>
CASH FLOWS FROM INVESTING ACTIVITIES:		
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>
CASH FLOWS FROM FINANCING ACTIVITIES:		
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	<u>1,794,124</u>	<u>847,958</u>
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

ABN: 86 001 017 894

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

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)

(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)

Fixed asset class	Depreciation rate
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

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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

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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

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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
	13,349,565	13,935,192

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
	710,166	594,244

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
	13,349,565	13,935,192

5. Finance expenses

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

Oak Flats Bowling and Recreation Club Limited

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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/>
	628,916	1,794,124

7. Intangible Assets

Poker machine entitlements	1,671,375	1,671,375
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8. Property, plant and equipment

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

Oak Flats Bowling and Recreation Club Limited

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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
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2024						
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)
Balance at the end of the year	13,500,000	10,123,621	1,826,625	24,484	540,785	26,015,515

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

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Notes to the Financial Statements

For the Year Ended 30 June 2025

9. Investment Property

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

"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
	1,338,109	1,161,868

11. Employee Benefits

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

Oak Flats Bowling and Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2025

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

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
	11,697,837	11,697,837

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)	
	642,735	240,894	

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
	\$	\$	\$	\$
2025				
Lease liabilities	303,497	88,759	392,257	370,054

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:

	2025	2024
	\$	\$
Financial assets		
<i>Held at amortised cost</i>		
Cash and cash equivalents	628,916	1,794,124
Trade and other receivables	28,734	8,281
Total financial assets	657,650	1,802,405
Financial liabilities		
<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
Total financial liabilities	4,708,163	4,880,016

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

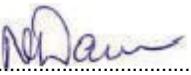
ABN: 86 001 017 894

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