

Club Sapphire

MERIMBULA

Bowling Club

2023-2024 Annual Report and Balance Sheet

ABN 89 001 064 008

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DONATIONS

CERTIFICATE OF APPRECIATION



LIONS CLUB OF PAMBULA – MERIMBULA INC. 7-4-1



WE SERVE

District 201 N2
ABN 86 977 560 667. CFN 12804.
Please address all correspondence to: The Secretary,
P.O. Box 109, Merimbula, NSW 2548
Email: pambulamerimbula.nsw@lions.org.au

President: Lyn Matthews

Secretary: Robyn Bedford

Wednesday 13 December 2023

Club Sapphire
Main Street
Merimbula NSW
Attention:
Assistant Manager Robbie
Function Coordinator Hannah

Dear Robbie & Hannah,

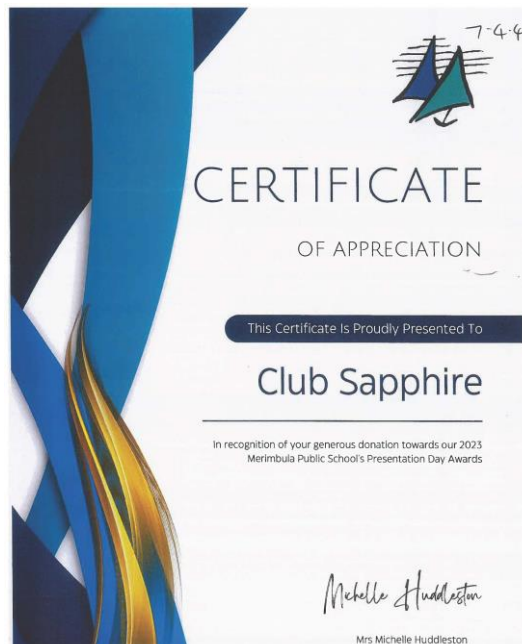
On behalf of our Lions Club members, I would like to thank you sincerely for coming to our rescue last Tuesday 5 December, when it was obvious our Carols by Candlelight event at Berrambool, scheduled for Friday 8 December 2023, could not be held at that venue due to the wet and unstable ground from previous heavy rainfall.

Your assistance helped us to create a wonderful venue for our performers and delighted patrons. As you will now be aware, this event proved to be a wonderful experience for all who attended, and we have received overwhelming congratulations to our Lions Club as well as Club Sapphire for our joint effort.

We would like to wish you the Compliments of the Season.

Thanks & kindest regards.

Lion Vicki Bond
Carols by Candlelight Event Coordinator 2023
Pambula Merimbula Lions Club



Merimbula
Rock 'n Rodders

PCYC

PAMBULA
PANTHERS AFL

SOCIAL JUSTICE
ADVOCATES OF THE
SAPPHIRE COAST

Down South Jazz Club

SOS DIGITAL SUPPORT

BEGA VALLEY BUSHWALKERS

SAPPHIRE SNAPPERS CAMER CLUB

**SAPPHIRE
COAST RUNNERS**

PROSTATE CANCER
SUPPORT GROUP

Merimbula
Basketball Club

SPAN
Committee
Meetings

MERIMBULA CHAMBER
OF COMMERCE

Farm on the Green

Merimbula Evening View Club

\$32,192

In-kind donations
during the 23/24
financial year

Your local club... supporting our local community

MERIMBULA WATER DRAGONS

Bega High School

PAMBULA-MERIMBULA

LIONS

South Coast
Music Society

SUICIDE BEREAVEMENT
SUPPORT GROUP

**ROTARY
MERIMBULA**

Red Cross

MERIMBULA JAZZ FESTIVAL

SAPPHIRE COAST BOARDRIDERS

Saint Vincent de Paul

ALLIANCE FRANCAISE

ROTARY PAMBULA

Sapphire Socratics

U3A

Sapphire Coast Turf Club

EDEN-PAMBULA TEACHERS
ASSOCIATION

Bega Valley
 Meals on Wheels
Merimbula Grass-hoppers SFC Inc
 DOWN SOUTH JAZZ CLUB
Candelo A.H. & D.F. Association
 Sapphire Coast Outrigging Canoe Club
MERIMBULA KNIGHTS CRICKET CLUB
Kids Cancer Project
CANCER COUNCIL NSW
SAPPHIRE COAST ORCHID CLUB INC.
 EDEN AREA GYMNASTICS CENTRE
Merimbula Tennis Club Inc.
 Eden Tourism Inc.
EDEN TOURISM INC.
 Merimbula & District Arts Group
 Bemboka Garden Club
Eden Tourism Inc.
 Cancer Council NSW (Inc.)
 MERIMBULA BASKETBALL ASSOCIATION INC.
Kiah Rural Fire Brigade
Farm on the Green
 Incorporated
 Social Justice Advocates of the Sapphire Coast
SAPPHIRE COAST ORCHID CLUB INC.
 LUMEN CHRISTI CATHOLIC COLLEGE
Merimbula Pambula Junior Rugby League
 Stroke Recovery Association NSW
 Southern Valley Folk Club Inc.

\$90,345

Cash donations during the 23/24 financial year

Your local club... supporting our local community

SOUTHERN WOMENS GROUP INC.
Merimbula Tourism Inc.
MERIMBULA Sailboard Club
 CANCER PATIENTS FOUNDATION
Sapphire Coast Outrigging Canoe Club Inc
 Merimbula Big Game & Lakes Angling Club
Sapphire Coast Netball Association
Lions Club of Pambula-Merimbula Inc.
Merimbula Jazz Festival
 Sapphires Coast Boardriders
PEARLS PLACE COMMUNITY INC.
Saint Vincent de Paul
 JACK CALDWELL TRIATHLON
Wintersun Festival
 Southern Womens Group Incorporated
MERIMBULA PUBLIC SCHOOL
Eden Marine High School
 Merimbula-Pambula Senior RLFC Inc.
WOLUMLA FOOTBALL CLUB
 RON FINNERAN (WHEELCHAIR)

EXECUTIVE COMMITTEE 2023/24



(From left): Peter Moore (Chairperson), Ian Martin (Treasurer), Bill Dejong (Deputy Chair)

DIRECTORS & CEO



(From left): Hugo White, Norm Pinne, Leanne Swingler, Damien Foley (CEO), Felicity White,

LIFE MEMBERS

I Stroud – 2003

R Christie – 2017

MESSAGE FROM OUR CHAIRMAN

On behalf of the Board, I am pleased to present my annual report for 2023-24.

The past year saw considerable progress in our project and maintenance programme and milestones in this regard include,

- The granting of Development Applications for the commercial retail development on Lot 122 (to the North of our parking area) and, new bowler's facilities adjacent to Green 2 including renovation to the toilet block next to the maintenance shed.
- We also completed the refurbishment of the TAB area including renovations and expansion to create a new Sports Lounge.
- The Club received BVSC and NSW Dept. of Planning & Environment approval for our Planning Proposal to increase the permissible building height from 16m to 21m over a portion of the clubhouse site. This change was gazetted early in the new financial year. This major planning milestone allows for the construction of approximately five stories, including 100 hotel rooms and a conference centre, on top of the northern/eastern end of the existing clubhouse at a time when such a proposal is financially viable.
- The planned development of 95/97 Main Street has been put on hold for the immediate future as rising costs and subsequent high building costs did not make the project viable in the current adverse financial times. The Board is currently evaluating options which include the sale of the land.
- The 2023-24 financial reports emphasise the adverse financial climate of the year with the overall result somewhat subdued when compared to previous years. The end of year EBITDA of \$1.17m is a flat result and the continuing high cost of living conditions putting pressure on outcomes. Full and comprehensive financial reports from our Treasurer and Auditor can be found within this Report.

On behalf of the Board I would like to congratulate our management team of CEO Damien Foley, Operations Manager Robbie Beuzeville, Finance Manager Elize van der Merwe and all of the dedicated staff in all departments for their efforts throughout the past year. They have all contributed greatly during a difficult year and their effort in maintaining a successful club is to be commended.

On the bowling front the internal club structure has substantially moved forward in merging the Men's and Women's Sections into one entity with the creation of the Merimbula Dolphins Bowling Club. A new constitution and Management Committee have been established and congratulations goes to the incoming Committee members and we wish them and their newly formed club all the very best for the future.

Bowling results for the year also provided some highlights. Our bowlers have continued to achieve great things within and outside our region with members of the club recognised for selection at zone and state level. Among these we had members represent New South Wales in under 18's, over 40's, and over 60's demonstrating how diverse our membership is. I would like to commend our young bowlers who have led by example. Whilst balancing the pressure of school exams with part time jobs and other sports, two of our young members in Reese Finn-Young and Charlie Grebert have achieved great things on the green. As in recent years, our weekly junior bowls clinics continue to grow in strength.

Congratulations to our Bowls Development Officer Michael Wilks who continues to progress our sport locally and also making our club recognisable in many areas of the bowling world.

On behalf of the Board and Management I would like to extend condolences to those members who have lost loved ones during the past year.

MESSAGE FROM OUR CHAIRMAN *(continued)*

My grateful appreciation and thanks goes to my fellow Board members who have shown true dedication, diligence and support throughout the year. Grateful thanks also to all Management and staff for their continuing support.

In closing I wish to extend a special thank you to all of our members who continue to support our great club. Together we can all look forward to a successful 2024-25.

Peter Moore
Chairman
24th September 2024

MESSAGE FROM OUR TREASURER

It is with pleasure that I submit my report on the financial performance of your Club for 2023-2024. The full audited financial statements are contained within the pages of this Annual Report.

Merimbula-Imlay Bowling Club Ltd posted a loss of \$6,828 for the 2023/24 financial year. During the financial year stringent measures were implemented when it became obvious that the year will end in a trading deficit. The biggest challenge remains staffing issues. The Club's initiatives to attract and maintain personnel came with some success and will endeavor to continue, if financially viable.

The Club's main objective is to provide a pleasant environment for all our patrons, members and staff whilst remaining committed to remaining financially responsible and conservative with the members' funds. With this in mind, the following capital projects in the financial year were successfully completed:-

- Installation of the sprinkler system
- Sports Bar;

The various projects resulted in a nett increase of the total land and building assets of \$235,294. This figure is not a true reflection of the actual increase in value of the Club's property:

Description	Balance Sheet Value	Fair Value (2024)
Lot 122 (Lot B)	WIP \$783,935	\$2,575,000
Lot 231 (Lot C)	\$204,625	\$550,000
95/97 Main Street	WIP & Existing \$2,369,844	\$3,000,000
2/2 Yarrawood	\$712,073	\$750,000
119 Main Street (Club Land & building)	\$7,887,893	\$30,374,700

I would like to highlight the following major points from this year's financial statements:

During the year, the Club continued to be a major employer in the Bega Valley Shire and paid \$5,447,603 (previous year \$5,152,195) in employee-related expenses. The Club also provided \$122,537 in donations (donations in kind included) to the local community.

The members' discount incentive proved to be very popular. For the 2023/24 the total discount to members on food and beverage was \$237,524 in comparison to \$213,719 in the 2022/23 financial year. The Club will continue to reward members for their ongoing support.

In closing I would like to thank the management team, in particular the CEO, Damien Foley, with his vision and leadership through the difficult times, the Operations Manager, Robbie Beuzeville, dealing with operational difficulties on a daily basis and our Finance Manager, Elize van der Merwe and her team for their meticulous accounts and finance oversight. Also, to all the staff for their dedication, diligence, loyalty and their support throughout the year.

Thank you also to our members for your support and understanding through the difficult times we had to face.

Ian Martin

Treasurer

24th September 2024

MESSAGE FROM OUR TREASURER *(continued)*

TABLE 1: EBITDA COMPARISON

2018/19 Operating Profit	\$219
Depreciation	\$1,403,431
2018/19 EBITDA*	\$1,403,650
2019/20 Operating Loss	(\$111,421)
Depreciation	\$1,406,296
2019/20 EBITDA*	\$1,294,875
2020/21 Operating Profit	\$786,602
Depreciation	\$1,325,828
2020/21 EBITDA*	\$2,112,430
2021/22 Operating Profit	\$574,416
Depreciation	\$1,197,503
2021/22 EBITDA*	\$1,771,919
2022/23 Operating Profit	\$829,282
Depreciation	\$1,170,558
2022/23 EBITDA*	\$1,999,840
2023/24 Operating Loss	(\$6,828)
Depreciation	\$1,174,159
2023/24 EBITDA*	\$1,167,331
*(Earnings Before Interest Paid, Tax, Depreciation and Amortisation)	



New Sports Lounge

DIRECTORS' REPORT

1. Your Directors present their report on the Company for the financial year ended 30th June 2024.
2. The names of the Directors in office at any time during or since the end of the year are:
William Anthony DEJONG
Gregory Thomas HALLORAN (till February 2024)
Peter James MOORE
Ian MARTIN
Norman Percival PINNE
Leanne SWINGLER (from May 2024)
Felicity Ann WHITE
Hugo Patrick WHITE

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

3. **Principal Activities:** The activities of the Company during the financial year consisted of the operation and promotion of a bowling club to provide high standard bowling facilities for members and visitors. This also involved the operation and promotion of a licensed club for members of the Company to achieve the Company's primary object.

Activities linked to primary object:

The primary object is to encourage, foster and promote the games of bowls and other sports. Various activities provide funding to support this object.

4. **Short Term Objectives:** To provide high standard bowling facilities for members and visitors. The company aims to also provide high standard hospitality as a means to provide the funding to achieve this objective whilst maintaining a reputation for being the employer of choice in the local hospitality industry.
5. **Long Term Objectives Strategies and Reviews:** The Club's vision is to be recognised as the premier bowling club on the Sapphire Coast. The Club's vision is also to be recognised as the leader of leisure, entertainment and community services on the Sapphire Coast to achieve the Club's primary object

Strategies to achieve this vision:

- Improve the services, facilities and environment so that we are the Club of choice;
- Promote the game of bowls and provide a safe and modern facilities for all;
- Promote a culture that embraces change, innovation, excellence and modern practises;
- Continue to provide events which are well run and are an enjoyable experience for all;
- Continue to foster strong relationships with all stakeholders to strengthen their support for the Club;
- Maintain a reputation for providing a modern, friendly and safe experience;
- Foster a "customer first" culture amongst all our staff through the provision of outstanding customer service;
- Diversify our revenue base to reduce our reliance on gaming.

DIRECTORS' REPORT *(continued)*

Principal activities linked to objectives:

The principal activities provided the funding to support the primary objective.

Measurement of Performance:

The Company monitors and measures its performance against several key performance indicators including:

- Gross revenues;
- Gross profit margins;
- Wages as a percentage of revenue;
- Total costs;
- Net operating profit;
- EBITDA;
- Capital expenditure to EBITDA;
- Current ratio;
- Membership trends.

6. **Review of Operations for the Year:** The first six months of the year (July 23 to December 23) provided very difficult trading conditions resulting in an operating loss of \$279,166. The second six months (Jan24-June24) produced an operating profit of \$272,338. During the first six months the new sports lounge was under renovation. The unavoidable construction period disruption and reduced services and facilities during this time, impacted overall trade.

7. **Significant Changes in State of Affairs:** There have been no significant changes in the state of affairs of the Company during the year.

8. **Events Subsequent to the End of the Reporting Period:** A new building project, the relocation of the Bowlers' Locker Rooms and refurbishment of existing outdoor Toilet Block, is expected to be undertaken in 2024/25. This project is estimated to cost in the vicinity of \$500,000.

A General Meeting of Bowling Members is scheduled to be held on 21 October 2024 to consider a proposal from the Board that the Club enter into an agreement with The Super Retail Group to construct two large retail stores on vacant non-core land north of the Club (Lot 122). This project is estimated to cost approximately \$6,000,000, and if approved by members, will take approximately 14 months to construct. The Club proposes to borrow funds to undertake this construction as well as the construction of a retaining wall on the same site. Total estimated borrowings of \$7,000,000.

The non-core Club land known as 95/97 Main St is listed for sale with national commercial real estate agent Burgess Rawson. This land may be sold in 2024/25.

On 6 September 2024, the Club was advised by Bega Valley Shire Council, the Club's Planning Proposal to increase the permissible building height on the Clubhouse site to 21m (over a 1,400m area of the Clubhouse) from the previous 16m maximum height, was notified in the Government Gazette as approved, and is in effect at that date.

9. **Likely Developments and Expected Results of Operations:** The Club has undergone a cost cutting program and review of pricing, staffing and promotional programs with a view to improving the Club's financial performance in 2024/25.

Ongoing cost of living pressures and high interest rates, are expected to continue to impact the Club's revenues in 2024/25

10. **Operating Results:** The net loss for the year amounted to \$6,828

DIRECTORS' REPORT *(continued)*

11. **Information on Directors:** The particulars of the qualifications (i), experience (ii), and special responsibilities (iii) of each Director are as follows:

William Anthony DEJONG:



- (i) Bachelor of Arts (Economics) University of Melbourne. Australian Public Service Manager in the fields of employment, industrial relations, international labour affairs and regional development.
- (ii) Community work in Merimbula, includes Rotary and Twyford Hall Committee. Bowling member since 2008, includes service as social bowls duty officer and serving on Men's Bowls Committee.
- (iii) Board member since August 2017. Currently member of Executive Committee (Deputy Chair), Planning & Development, Strategic Planning & Constitution and Finance Audit & Risk Committee.

Gregory Thomas HALLORAN (Until 19 February 2024):



- (i) Owner/Director Pambula Beach Trail Pty Ltd, Pambula Boarding Kennels, Outasight Storage for 44 years.
- (ii) Elected to the Board in November 2015. Member of Finance Audit & Risk Committee, Building & Maintenance and Planning & Development Committee.

Ian MARTIN:



- (i) Leased public aquatic centre in Sydney for 29 years. Liaised with council on future and present budgets and financial planning.
- (ii) Life member of Ku-ring-gai Swimming Club, former head swimming coach and management committee member for 21 years. Past President of Men's Bowls Club.
- (iii) Elected to the Board in November 2012. Current Treasurer, Chairman of Finance, Audit & Risk Committee, Member of Executive Committee (Treasurer), Building & Maintenance and Planning & Development Committees.

Peter James MOORE:



- (i) Retired Licensed Builder, Building Clerk of Works, Works Manager for Commonwealth War Graves Commission.
- (ii) Member of MIMBC Social Committee and Publicity Officer (2009/10). Secretary/Treasurer of MIMBC Management Committee (2011/12).
- (iii) Elected to the Board in November 2012. Currently Chairman of the Board and member of the Executive Committee (Chairman), Finance, Audit & Risk and Planning & Development Committees and ex-officio member of all other Board Committees.

Leanne SWINGLER (from 15 May 2024):



- (i) Local resident since 1987. Employed by MIBC for 18 months. Small business owner at Pambula Beach for 14 years. Owner of Amelda Shoes in Merimbula, Bega, Eden & Barham since 2004.
- (ii) Member of MIWBC.
- (iii) Appointed member of the Board since May 2024

Norman Percival PINNE:



- (iv) Local resident since 1979. System Analyst/Computer Programmer for 10 years (AMP Society). Partner in local bakery for 7 years.
- (v) Life member of Merimbula Football Club and Sapphire Coast Australian Football League. Secretary/Treasurer of MIMBC for 5 years.
- (vi) Elected to the Board in December 2021. Currently Member of the Finance Audit & Risk, Building & Maintenance and Planning & Development Committees.

Felicity Ann WHITE:



- (i) Retired Nurse, Health Educator and Community Service Director. Previously Senior Health Educator at Sydney's Ryde Hunters Hill Hospital, Executive Director – Belconnen Community Service (Canberra) and Counsellor/Manager of Canberra Bushfire Recovery Service.
- (ii) Member of MIWBC Management Committee and Match Committee and 4 years as President of MIWBC.
- (iii) Elected to the Board in November 2018. Currently Member of the Finance, Audit & Risk, Strategic Planning & Constitution and Planning & Development Committee.

Hugo Patrick WHITE:



- (i) Retired Solicitor, Notary Public (NSW); retired from private law practice – 10 years in Sydney and 30 years in Merimbula.
- (iv) Previous Treasurer and President of Petersham Bowling Club, community work includes Sapphire Coast Social Justice Advocates, St Vincent de Paul, Salvation Army. Social member of MIBC for 30 years, bowling member for 3 years.
- (v) Elected to the Board in November 2022. Currently Member of the Finance, Audit & Risk, Strategic Planning & Constitution and Planning & Development Committees.

Meetings of Directors: The number of meetings of Directors held during the financial year and the meetings attended by each Director were:

Director	Board Meetings: Number attended	Number eligible to attend
Dejong, W.A.	12	13
Halloran, G.T.	6	8
Martin, I.	12	13
Moore, P.J.	13	13
Pinne, N.P	13	13
Swingler, L	1	2
White, F.A.	11	13
White, H.P.	12	13

DIRECTORS' REPORT *(continued)*

- (i) **Auditor's Independence Declaration:** The Auditor's Independence Declaration for the year ended 30th June 2024 has been received.
- (ii) **Members Details and Guarantee:** The Company is Limited by Guarantee. If the Company wound up, its Articles of Association state that each member is required to contribute a maximum of \$2.00 towards meeting any outstanding obligations of the Company. As at 30th June 2024, the number of members was 9,169.

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

P.J. Moore

Chairman

24th September 2024

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

It is my pleasure to present this report to members on behalf of the management team of Club Sapphire.

2023/24 OPERATING RESULTS

The 12 months to 30 June 24 were tough going. The tourism and hospitality industry post COVID boom is now well behind us. Over the last year or so, the Club moved from a period of significant growth into a period dominated by what the media and politicians are calling the “cost-of-living crisis”. This downturn in economic conditions significantly impacted on the hospitality industry during the year and the Club unfortunately was not exempt from this financial challenge.

Operating profit decreased by \$467,734 on the previous year, after abnormal items (generator grant revenue) were removed from both years’ figures.

The first six months of the year (July 23 - December 23) provided the most difficult trading conditions resulting in an operating loss of \$279,166 for that period. The second six months (Jan 24 - June 24) saw the start of an improvement and produced an operating profit of \$272,338. Together the two six-month periods produced an overall operating loss for the year of \$6,828. Pleasingly the improved trend present in the second half of the year has continued into the new year with much stronger trading evident in the first two months of 24/25 compared to the same period in 23/24

Undoubtedly the Club’s trade also suffered during the first six months of 23/24 due to disruption and inconvenience caused by the construction of the new Sports Lounge in the main bar area.

Overall revenue growth for the year, excluding grants, was flat with a negligible increase of only \$10,391. Contrasted against this, operating costs increased significantly, albeit less than CPI (6%), but still by \$478,125 (3.8%). The biggest single increase was in wages and oncosts which grew by \$295,408 or 5.7%. This increase was largely due to an award rate increase issued by Fair Work Australia of 5.75%.

With no definite end in sight to the cost-of-living crisis and because of the disappointing financial results from the year, a variety of cost cutting and revenue generating initiatives were introduced either during the year or early in the new year, including:

- Re-installed several of the previously removed gaming machines.
- Created a new members draw on Friday nights to attract additional patronage.
- Introduced themed discounted meals in the Pacific Bistro on Monday, Tuesday and Wednesday to grow our quieter nights.
- Opened Kitty’s to families on Wednesday and Thursday nights and trialed opening for lunch, three days per week.
- Reduced staffing rosters. Reduced over award payments for split shifts. Reduced staff meal discounts and discounted gymnasium membership fees.
- Reduced courtesy bus services.
- Members’ discount adjusted to 5% (previously ranged from 0% to 10%) plus adjustments to membership loyalty system.

Despite a tough year, the Club remains in a strong financial position with more than \$2mill in the bank and approximately \$7mill in non-core/investment properties (Based on independent valuation at 30 June 24). Throughout the year the Club continued to invest in the future through improvements to these non-core assets, positioning the Club to remain strong and more resilient to fluctuations in the performance of our traditional gaming and hospitality products in future years.

CAPITAL WORKS PROGRAM

A feature of the 23/24 year was the completion of two significant capital works projects. Whilst both projects created disruption to the operations of the Club during construction, they also provide important improvements to the Club’s facilities.

Upgraded Fire Safety Systems: Featuring sprinkler heads throughout the Clubhouse, a new pump station and a variety of other improvements, this upgrade allows the Club to provide the safest possible facility to our staff, members and guests and helps ensure appropriate building insurance can be obtained at a competitive rate. This system was completed, commissioned and certified and after some initial teething problems with the sensitivity of the alarm settings, is now operating as planned.

Sports Lounge: Whilst not 100% finished at the time, the new sports lounge was opened on Christmas Eve just in time for the tourism peak. After the school holidays were complete the lounge was closed again for the finishing touches to be installed and then re-opened in February 24. This state-of-the-art facility, with convenient access onto the bowls viewing deck and to the greens, has been very well received and continues to grow in popularity.

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER *(continued)*

Bowls Locker Room and outdoor Toilet Refurbishment: Early in 2024 the Club was advised its Development Application for the construction of a new bowler's locker room, meeting space and bowls office had been approved. Construction drawings have since been finalised and the Construction Certificate (CC) application is also nearing completion. There were significant delays in lodging the CC due to the need to contract specialist consultants to design suitable and affordable fire safety systems and to then have these approved by a registered certifier with the unique qualifications to do so, and by the NSW Fire Brigade. Local builder Darren Caldwell Constructions will undertake this building work for the Club, expected to commence in early 2025.

LAND DEVELOPMENT

The number one longer term strategic objective of the Board is to position the Club to be viable with less reliance on Gaming. The development of our land assets is considered the Club's best opportunity to do so.

The Club achieved significant progress with two of its major land development projects during 23/24.

Hotel and Conference Centre: On 26 June 2024 the Club achieved a major milestone when it received confirmation the NSW Minister for Planning and Public Spaces had approved our application to the Bega Valley Shire Council (BVSC) to change the permissible building height from 16m to 21m on part of 119 Main Street Merimbula (the Clubhouse site).

Initially the Club had sought an increase to 26m over the southern end of the clubhouse, however, after some discussion and compromise, the increase to 21m was approved over a larger area at the northern end of the clubhouse, set back 34m from Main St, still providing for the views and area required for the project to be feasible.

This approval followed several years of planning work seeking to integrate a 4.5-star hotel and conference facility with existing Club facilities.

Whilst this is a very long-term project, the height increase is considered vital for this project to be feasible. This approval paves the way for the club to build a new and significant revenue source somewhere in the future that will contribute toward a major reduction in reliance on gaming revenues.

Lot 122, DP 1250503 (Vacant land north of Club carpark): In another major planning milestone during the year, the Club's combined Development Application for the construction of a retaining wall and for two large retail stores on the vacant land between the car park and Bowlers Drive was approved by BVSC. The construction drawings were completed, and the project put out to tender.

Hoyland Constructions from Bega was appointed as the preferred builder and a conditional agreement for a long-term lease was executed with Boating Camping Fishing (BCF) and Super Cheap Auto (SCA).

The construction of the two large retail stores and the agreement for lease are conditional on Members' approving the construction expenditure, estimated to be in the vicinity of \$6mill.

Members will be asked to approve this expenditure at a General Meeting, currently scheduled for 21 October 2024.

A BIG TEAM EFFORT

A huge thank you to the more than 100 wonderful individuals that contribute to the great team of staff at Club Sapphire.

Your tireless efforts to make Club Sapphire the most welcoming and professional hospitality venue is what makes our Club so special.

Special thanks to our leadership team of Operations Manager Robbie Beuzeville, Finance Manager Elize van der Merwe and Food & Beverage Manager Louise Morrison, your leadership and dedication to the Club is outstanding.

Thank you to the Board for your vision and continued support and encouragement of the management team throughout the year.

Finally, and importantly, my sincere thanks to the members for your ongoing support of Club Sapphire. Your patronage is vital to the success of the Club and your loyalty essential. Thank you one and all.

D.C. Foley
Chief Executive Officer
24th September 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MERIMBULA-IMLAY BOWLING CLUB LIMITED

Report on the Audit of the Financial Report:

Opinion

We have audited the financial report of Merimbula-Imlay Bowling Club Limited (the Company), which comprises the Statement of Financial Position as at 30 June 2024, the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Merimbula-Imlay Bowling Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for Audit of the Financial Report* section of our report. 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* (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 Merimbula-Imlay Bowling Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. However, our statutory audit does not cover all details of dissection of financial data.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's financial report for the year ended 30 June 2024 but does not include the financial report and our Auditor's Report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing 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 Disclosures 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.

INDEPENDENT AUDITOR'S REPORT *(continued)*

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 have 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

INDEPENDENT AUDITOR'S REPORT *(continued)*

Matters Relating to the electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of the Merimbula-Imlay Bowling Club Ltd for the financial year ended 30 June 2024 included on the company's website. The directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of the company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risk arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

Richard C. Parbery F.C.P.A.

Registered Company Auditor (1864)
101 Main Street Merimbula NSW 2548
24th September 2024

AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the *Corporations ACT 2001* to the Directors of Merimbula-Imlay Bowling Club Limited.

I declare, that to the best of my knowledge and belief, during the year ended 30th June 2024, 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.

Richard C. Parbery F.C.P.A
Registered Company Auditor (1864)
101 Main Street Merimbula NSW 2548
24th September 2024

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the year ended 30th June 2024

2022/23		2023/24
\$		\$
13,343,400	Revenue	12,985,415
(2,239,509)	Cost of Sales	(2,214,849)
(5,152,195)	Employee Expenses	(5,447,603)
(1,170,558)	Depreciation and Amortisation Expenses	(1,174,159)
(523,424)	Repairs and Maintenance	(517,044)
(69,558)	Advertising	(101,831)
(433,312)	Insurances	(376,042)
(89,954)	Council Rates and Land Taxes	(105,080)
(265,070)	Electricity and Gas	(276,429)
(15,259)	Printing Postage and Stationery	(10,412)
(1,064,451)	Poker Machine Tax	(1,048,316)
(61,922)	Bowls Expenses	(52,214)
(1,428,906)	Other Operating Expenses	(1,668,264)
829,282	Profit before income tax	(6,828)
<u>0</u>	<u>Income Tax Expense</u>	<u>0</u>
829,282	Profit (Loss) for the year	(6,828)
<u>0</u>	<u>Other Comprehensive Income</u>	<u>0</u>
829,282	Profit (Loss) attributable to Members of the Company	(6,828)

STATEMENT OF FINANCIAL POSITION

For the year ended 30th June 2023

2022/23			2023/24
\$	CURRENT ASSETS:		\$
3,076,818	Cash Assets	(Note 2)	2,543,442
83,668	Receivables	(Note 3)	85,283
145,421	Inventories	(Note 4)	130,742
3,871,936	Other	(Note 5)	4,292,142
7,177,843	Total Current Assets:		7,051,609
	NON - CURRENT ASSETS:		
13,019,856	Property Plant and Equipment	(Note 6)	13,115,574
13,019,856	Total Non-Current Assets		13,115,574
20,197,699	Total Assets		20,167,183
	CURRENT LIABILITIES:		
1,092,194	Payables	(Note 7)	1,161,291
929,126	Provisions	(Note 8)	791,615
198,794	Other	(Note 9)	234,382
2,220,114	Total Current Liabilities		2,187,288
	NON-CURRENT LIABILITIES:		
8,640	Security Deposits		9,778
79,881	Provisions	(Note 8)	87,881
88,521	Total Non-Current Liabilities		97,659
2,308,635	Total Liabilities		2,284,947
17,889,064	Net Assets		17,882,236
	MEMBERS' EQUITY:		
17,889,064	Retained Profits		17,882,236
17,889,064	Total Members' Equity		17,882,236

STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June 2024

Retained Profits

Balance at 1 July 2022	17,059,782
Profit for the year	829,282
Balance at 30 June 2023	<u>17,889,064</u>
Balance at 1 July 2023	17,889,064
Loss for the year	(6,828)
Balance at 30 June 2024	<u>17,882,236</u>

STATEMENTS OF CASH FLOWS

For the year ended 30th June 2024

2022/23		2023/24
\$	CASH FLOW FROM OPERATING ACTIVITIES:	\$
13,039,145	Receipts from Customers	12,917,391
(11,050,071)	Payments to Suppliers and Employees	(11,768,273)
57,079	Interest Received	48,566
71,495	Members' Subscriptions Received	50,513
31,954	Income Tax Expenses	0
2,149,602	Net Cash Provided by Operating Activities (Note 15b)	1,248,197
	CASH FLOW FROM INVESTING ACTIVITIES:	
28,716	Proceeds from Sale of Property Plant and Equipment	0
(2,064,431)	Payment for Property Plant and Equipment	(1,780,512)
(2,035,715)	Net Cash used in Investing Activities	(1,780,512)
	CASH FLOW FROM FINANCING ACTIVITIES:	
0	Proceeds from Borrowings	0
(100)	Repayment/Payment of Security Deposit	(1061)
(100)	Net Cash provided by/used in Borrowing Activities	(1061)
113,787	Net Increase/(Decrease) in Cash Held	(533,376)
2,963,031	Cash at beginning of Financial Year	3,076,818
3,076,818	Cash at End of Financial Year (Note 15a)	2,543,442

NOTES TO AND FORMING PART OF THE ACCOUNTS

For the year ended 30th June 2024

NOTE 1

Basis of Preparation:

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

The prior year financial report was prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standard – Simplified Disclosures has not affected the Clubs reported financial position, financial performance and cashflows.

The financial statements were authorised for issue on 24th September 2024 by the directors of the Company.

Critical Accounting Estimates and Judgements

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

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

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

Estimation of useful lives of non-current assets – The useful life of property, plant and equipment and lease assets, (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

Accounting Policies

- (a) **Property, Plant and Equipment:** Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property: Freehold land and buildings are shown at cost less subsequent depreciation for buildings. It is the policy of the entity to have an independent valuation every three years by an external independent valuer, with annual appraisals being made by the directors.

Plant and Equipment: Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(k)) for details of impairment.

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

Depreciation: The depreciable amount of all fixed assets, including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Building	2.5- 4%
Plant and Equipment	10-35%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

- (b) **Inventories:** Inventories are measured at the lower of cost and net realisable value.
- (c) **Income Tax:** Income tax - Private Ruling: Merimbula-Imlay Bowling Club is now exempt from income tax under section 50-1 of the Income Tax Assessment Act 1997 (ITAA 1997) as an exempt entity under item 9.1(c) of the table in section 50-45 of the ITAA 1997. This ruling applies for the following periods, 30 June 2025, 30 June 2026 and 30 June 2027.
- (d) **Comparative Figures:** When required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.
- (e) **Employee Provisions:**
Short Term employee provisions: Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other Long-term employee provisions: Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Provisions: Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

- (f) **Cash and Cash Equivalents:** Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.
- (g) **Revenue Recognition:** Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

- (h) **Revenue from contracts with customers:** The core principles of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:-
1. Identify the contract with the customer
 2. Identify the performance obligations
 3. Determine the transaction price
 4. Allocate the transaction price to the performance obligations
 5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference it will result in the recognition of a receivable, contract asset or contract liability.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipts of funds and satisfaction of performance obligations.

Revenue and other Income:

Specific Revenue Streams: The revenue recognition policies for the principal revenue streams of the Company are:

Sales Revenue: Sales revenue includes bar sales, poker machine income, catering income, greens income, Keno income and TAB income. All services and goods for these revenue are provided to customers at the time of sale and income is accounted for at that time. If deposits are held for any of these revenue items a liability is booked until services or goods have been provided to the customer and then as income.

Membership Income: Membership income is received in advance for the period of membership paid for. A liability booked for membership income received in advance with the income spread over the membership period paid for.

Other Income: Other income is recognised on an accruals basis when the Company is entitled to it.

Revenue from Continuing Operations:

Revenue from contracts with customers (ASSB 15)

2022/23 \$	REVENUE:	2023/24 \$
2,206,824	Bar Sales	2,310,982
3,126,318	Catering Sales	3,105,823
1,157,982	Kitty's	1,066,872
133,936	Keno/TAB Commission	126,238
5,676,608	Poker Machine Revenue	5,609,222
111,971	Greens Income	105,020
80,214	Member subscriptions	85,908
<u>246,414</u>	Other Operating Income	<u>332,377</u>
<u>12,740,267</u>		<u>12,742,442</u>

Revenue recognised on receipt: (not enforceable or no sufficiently specific performance obligations (AASB 1058))

130,866	Rentals	147,595
<u>415,188</u>	Government Grant & Subsidies	<u>46,812</u>
<u>546,054</u>	Total Revenue	<u>194,407</u>

Disaggregation of revenue from contracts with customers: Revenue from contracts with customers has been disaggregated into revenue recognised at a point in time and over time which is only applicable to membership subscriptions, and the following table shows this breakdown:

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

Revenue recognised at a point in time and over time:

2022/23		2023/24
12,660,053	At a point in time	12,656,534
80,214	Over time – member subscriptions	85,908
<u>12,740,267</u>	Revenue from contracts with customers	<u>12,742,442</u>

Finance Income

57,079	Interest Income	48,566
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- (i) **Financial Instruments:** Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expenses as incurred).

Financial assets:

All recognised financial assets are subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification:

On initial recognition, the Company has only ever held financial assets categorized as at “amortised cost” financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost:

Assets measured at amortised cost are financial assets where:

- The business is to hold assets to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows are solely payments of principal interest on the principal amount outstanding.

The Company’s financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provisions for impairment.

Interest income, losses and impairment are recognised in profit and loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets:

Impairment of financial assets is recognised on an expected credit loss (ECL) for financial assets measured at amortised cost. When determining whether the credit risk for financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realizing security (if any is held).

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables:

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expenses. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit and loss.

Other financial assets measured at amortised cost:

Impairment of other financial assets measured at amortised cost are determined using the expected credit, loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities:

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised costs using the effective rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

Non-derivative financial liabilities are subsequently measured at amortised cost.

- (j) **Goods and Services Tax:** Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority, are presented as operating cash flows.
- (k) **Impairment of Assets:** At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statements.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

- (l) **Trade Receivables:** Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an on-going basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

- (m) **Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.
- (n) **Members' Subscriptions in Advance:** Subscriptions received in advance for the financial year have been carried forward as a current liability.
- (o) **Retirement Benefit Obligations:** Defined contribution superannuation benefits. All employees of the Company receive defined contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution (currently 11.4% of the employees' average ordinary salary) to the employees' superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable.

The Company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

2022/23		2023/24
\$		\$
NOTE 2 - CASH:		
231,000.00	Change - Cash Float	231,000.00
55,375.90	Westpac Banking Corporation - Secured	59,626.03
17,427.26	Westpac Banking Corporation - Keno	14,020.66
12,355.95	Westpac Banking Corporation - TAB	10,860.11
316,633.86	NAB Trading - Secured	444,850.09
2,444,025.06	Short Term Investments	1,783,084.83
<u>3,076,818.03</u>		<u>2,543,441.72</u>
NOTE 3 - RECEIVABLES:		
32,748.40	Trade Debtors	53,444.98
50,919.54	Debtors – Other	31,837.65
<u>83,667.94</u>		<u>85,282.63</u>
NOTE 4 – INVENTORIES:		
73,402.65	Stock on Hand at Cost - Bar	67,365.75
32,765.89	Stock on Hand at Cost - Catering	28,770.94
39,252.27	Stock on Hand at Cost – Kitty’s Bar	34,605.80
<u>145,420.81</u>		<u>130,742.49</u>
NOTE 5 – OTHER:		
366,730.64	Prepayments	455,016.16
3,497,045.19	Capital Projects in Progress	3,826,766.15
8,160.00	Security Deposits Paid	10,360.00
<u>3,871,935.83</u>		<u>4,292,142.31</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

2022/23 \$		2023/24 \$
	Land and Buildings	
18,686,398.38	Club House Buildings at Cost	18,781,198.65
5,596,442.44	Bowling Greens & Car Park at Cost	5,596,442.44
134,788.14	Alfresco Gaming Area	134,788.14
783,059.07	Yarrowood Property at Cost	783,059.07
1,824,037.29	Non-Core Vacant Land	2,028,662.23
<u>27,024,725.32</u>		<u>27,324,150.53</u>
(16,631,390.38)	Less Accumulated Depreciation	(16,695,522.17)
<u>10,393,334.94</u>	Total Land and Buildings	<u>10,628,628.36</u>
	Plant and Equipment	
6,131,429.61	Plant and Equipment at Cost	6,397,576.88
87,644.29	Gym Equipment	87,644.29
<u>6,219,073.90</u>		<u>6,485,221.17</u>
(4,520,653.79)	Less Accumulated Depreciation	(4,874,841.04)
<u>1,698,420.11</u>		<u>1,610,080.13</u>
3,947,558.40	Poker Machines at Cost	4,571,964.23
128,302.50	Gaming Licences at cost	128,302.50
<u>4,075,860.90</u>		<u>4,700,266.730</u>
(3,147,760.13)	Less Accumulated Depreciation	(3,823,401.54)
<u>928,100.77</u>		<u>876,865.19</u>
<u>2,626,520.88</u>	Total Plant and Equipment	<u>2,486,945.32</u>
<u>13,019,855.82</u>	Total Property, Plant and Equipment	<u>13,115,573.68</u>

NOTE 6a:

An independent revaluation of land and buildings was undertaken on 30 June 2024 by a Registered Valuer. The revaluation was undertaken as part of a policy to revalue land and buildings every three years and was based on fair value as part of an ongoing concern basis. The valuation revealed a current market value of \$17,500,000 for core and \$6,875,000 for non-core properties.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

NOTE 6b: MOVEMENT 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.

2023/24:	<i>Balance at</i>	Additions	Disposals	Depreciation	<i>Carrying Amount at</i>
Economic entity:	Beginning of the Year				End of the Year
Freehold land	1,495,041	204,625	-	-	1,699,666
Greens and Car Park	2,442,528	-	-	200,869	2,241,659
Buildings	6,217,583	450,143	-	475,298	6,192,428
Licences	128,303	-	-	-	128,303
Plant and Equipment	2,498,218	615,109	-	497,992	2,615,335
Non Core Vacant Land	238,183	-	-	-	238,183
Total	13,019,856	1,269,877	-	1,174,159	13,115,574

2022/23:	<i>Balance at</i>	Additions	Disposals	Depreciation	<i>Carrying Amount at</i>
Economic entity:	Beginning of the Year				End of the Year
Freehold land	1,495,041	-	-	-	1,495,041
Greens and Car Park	2,644,362	-	-	201,834	2,442,528
Buildings	6,667,103	53,134	-	502,654	6,217,583
Licences	128,303	-	-	-	128,303
Plant and Equipment	2,131,615	838,807	6,134	466,070	2,498,218
Non Core Vacant Land	238,183	-	-	-	238,183
Total	13,304,607	891,491	6,134	1,170,558	13,019,856

NOTE 7 – PAYABLES:

2022/23		2023/24
\$		\$
607,253.79	Trade Creditors	936,421.08
<u>484,940.45</u>	Accrued Charges	<u>224,869.74</u>
<u>1,092,194.24</u>		<u>1,161,290.82</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

NOTE 8 – PROVISIONS:

2022/23		2023/24
\$		\$
<u>973,443.67</u>	Opening Balance as at 1 July 2023	<u>1,009,006.72</u>
388,600.03	Additional Provisions raised during year	312,784.03
<u>(353,036.98)</u>	Amounts Used	<u>(442,294.20)</u>
<u>1,009,006.72</u>	Closing Balance as at 30th June, 2024	<u>879,496.55</u>

Analysis of Employee Provisions

Current:		
751,022.97	- Annual & Sick Leave Entitlements	621,010.01
<u>178,103.03</u>	- Long Service Leave Entitlements	<u>170,605.60</u>
<u>929,126.00</u>	Total Current Entitlements	<u>791,615.61</u>
Non-current:		
<u>79,880.72</u>	- Long Service Leave Entitlements	<u>87,880.94</u>
<u>79,880.72</u>	Total non-current Entitlements	<u>87,880.94</u>
<u>1,009,006.72</u>	Total Entitlements	<u>879,496.55</u>

Employee Provisions:

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 9 – OTHER:

124,420.61	Subscriptions in Advance	120,134.48
32,265.83	Income In Advance	73,723.06
42,115.14	Provisions for Poker Machine Jackpots	40,563.98
0	Summer Bushfire Grant (Generator)	0
(8)	Temporary Clearing Account	(40)
<u>198,793.58</u>		<u>234,381.52</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

NOTE 10 – AUDITOR’S REMUNERATION:

Amounts due and receivable for audit services total \$48,510 plus non audit services of \$155.

NOTE 11 – MEMBERS’ GUARANTEE:

The Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the Company. At 30th June 2024, the number of members were 9,169 (30th June 2023 – 8,546).

NOTE 12 – RELATED PARTY TRANSACTIONS:

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

(a) Directors

The names of persons who were Directors of the Company at any time during the year are as follows:

William Anthony DEJONG
Gregory HALLORAN
Ian MARTIN
Peter James MOORE
Norman Percival PINNE
Leanne Swingler
Felicity Ann WHITE
Hugo Patrick WHITE

(b) Directors’ Remuneration

The Directors did not receive any remuneration from the Company during the year other than Honorariums and reasonable costs which have been approved at the Annual Meeting.

(c) Transactions with Directors and Director related Entities

There were no transactions with Directors, other than those at normal commercial terms and conditions.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

NOTE 13 - FINANCIAL RISK MANAGEMENT:

(a) Financial Risk Management

The entity's financial instruments consist mainly of deposits with the bank accounts receivable and payables. The entity relies on this working capital as its source of funds. 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:

2022/23	Financial Assets		2023/24
\$			\$
401,792.97	Cash at Bank	(Note 2)	529,356.89
2,444,025.06	Short Term Investments	(Note 2)	1,783,084.83
231,000.00	Cash on Hand	(Note 2)	231,000.00
83,667.94	Receivables	(Note 3)	85,282.63
<u>3,160,485.97</u>			<u>2,628,724.35</u>
2022/23	Financial Liabilities		2023/24
\$			\$
607,253.79	Trade Creditors	(Note 7)	936,421.08
<u>607,253.79</u>			<u>936,421.08</u>
<u>2,553,232.18</u>	Net Financial Assets		<u>1,692,303.27</u>

NOTE 14 - FAIR VALUE MEASUREMENTS:

The Company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The Company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements:

Property, Plant and Equipment		
2022/23		2023/24
\$		\$
21,050,000	Freehold Land and Improvements	23,625,000
743,493	2/2 Yarrowood, Berrambool	750,000
2,498,218	Plant and Equipment	2,615,335

For freehold land and buildings, the fair values are based on a directors' valuation considering an external independent valuation performed in the 2023/24 financial year, which used comparable market data for similar properties.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

NOTE 15 - NOTES TO STATEMENT OF CASH FLOWS:

(a) Reconciliation of Cash: For the purpose of this statement of cash flows, cash includes:

- (i) cash on hand and at-call deposits with banks or financial institutions, net of bank overdrafts; and
- (ii) investments in money market instruments with less than 259 days to maturity.

Cash at the end of the year is shown in the balance sheet as:

2022/23		2023/24
\$		\$
231,000.00	Cash on Hand	231,000.00
401,792.97	At-call Deposits with Financial Institutions	529,356.89
2,444,025.06	Short term Investments	1,783,084.83
<u>3,076,818.03</u>	Net Assets per Financial Statement	<u>2,543,441.72</u>

(b) Reconciliation of Cash Flow from Operations with (Loss) Profit from Ordinary Activities:

2022/23		2023/24
\$		\$
829,282	Profit (Loss) from Ordinary Activities after Income Tax	(6,828)
	Non-cash Flows From Ordinary Activities	
1,170,558	Depreciation	1,174,159
(19,365)	(Gain) on Sale Non-Current Assets	(4,500)
	Changes in Assets and Liabilities	
244	(Increase) Decrease in Receivables	(1,615)
819	(Increase) Decrease in Prepayments	(88,286)
4,654	(Increase) Decrease in Inventories	14,678
(64,161)	Increase (Decrease) in Trade Creditors	514,581
308,483	Increase (Decrease) in Accrued Charges	(260,071)
(156,560)	Increase (Decrease) in Income in Advance	37,171
32,460	Increase (Decrease) in Other Liabilities	(32)
43,188	Increase (Decrease) in Provisions	(131,060)
<u>2,149,602</u>	Cash Flows from Operations	<u>1,248,197</u>

NOTE 16 - KEY MANAGEMENT PERSONNEL:

The Company is run by the Board of Directors. All major business decisions are made by the Board. The day-to-day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board no key management personnel disclosures are deemed appropriate.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2024

NOTE 17 - CAPITAL MANAGEMENT:

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. Management ensures all the overall risk management strategy is in line with this objective. Management operates under policies approved by the Board of Directors. Informal risk management policies are discussed by the Board on a regular basis. These include credit risk and future cash flow requirements. The Company's capital consists of financial liabilities, supported by financial assets. Management effectively manages the Company's capital by assessing the Company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

NOTE 18 - STATEMENT OF OPERATIONS BY SEGMENTS:

The Company operates in the Licensed Registered Clubs Sector within New South Wales.

NOTE 19 - ASSOCIATED ENTITIES:

There are three associated sports bodies (as recognised under Article 29 of the Constitution of the Company), managed and controlled by separate committees set up under the conditions inherent in those articles. The income and expenditure of the committees have not been consolidated in the books of account of the Company nor have they been part of the Company's audit process. These bodies hold in various bank accounts the following amounts as at 30 June 2024

Merimbula Dolphins Bowling Club	\$71,368.77
Merimbula-Imlay Indoor Carpet Bowls Club	\$2,467.76

NOTE 20 – SUBSEQUENT EVENT:

The Board is still seeking to sell 95/97 Main Street. At the time of this report, this process was still continuing through commercial realtor, Burgess Rawson.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

For the year ended 30th June 2023

NOTE 21 - COMPANY DETAILS:

The registered office of the Company is: Merimbula-Imlay Bowling Club Limited,
119 Main Street, Merimbula NSW 2548.

The principal places of business are: Merimbula-Imlay Bowling Club Limited,
119 Main Street, Merimbula NSW 2548.

Limited by guarantee unlisted.

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 2024:
The following properties are core property of the Club:

- (i) The Club house, bowling greens and car park currently forming Lot 121 DP1250503 Parish of Pambula, County of Auckland, Shire of Bega.

The following are non-core properties:

- (ii) The vacant land being Lot 122, DP1250503 Parish of Pambula, County of Auckland, Shire of Bega.
- (iii) The vacant land situated at 95 Main Street, Merimbula, being Lot 1, DP521571 Parish of Pambula, County of Auckland, Shire of Bega.
- (iv) The vacant land situated at 97 Main Street, Merimbula, being Lot 2, DP521571 Parish of Pambula, County of Auckland, Shire of Bega.
- (v) The vacant land situated between Bowlers Drive and Merimbula Creek, being Lot 231, DP1263284 Parish of Pambula, County of Auckland, Shire of Bega.
- (vi) The property 2/2 Yarrawood Ave, Berrambool, being Lot 2 Plan SP 37531 Parish of Pambula, County of Auckland, Shire of Bega.

NOTES TO MEMBERS

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) the defined premises of the Club; or
 - (b) any facility provided by the Club for use of its members and their guests; or
 - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.

NOTES TO AND FORMING PART OF THE ACCOUNTS *(continued)*

4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer within the meaning of the *Valuers Act 2003*; and
 - (b) the disposal has been approved at a general meeting of the Ordinary members of the Club at which the majority of the votes cast support the approval; and
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

5. These disposal provisions are to some extent modified by regulations made under the *Registered Clubs Act* and by Section 41J itself.

DECLARATION OF DIRECTORS

The Directors of the Company declare that:

1. The financial statements and notes for the year ended 30th June, 2024, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosure Requirements applicable to the entity and
 - (b) give a true and fair view of the financial position of the Company as at 30 June, 2024, and its performance for the year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

P.J. Moore
Chairman
24th September 2024

More Detailed Financial Reports can be viewed by visiting
www.clubsapphire.com.au

2022/23 HIGHLIGHTS



Merimbula-Imlay Bowling Club



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