

ANNUAL REPORT 19/20



GEORGE COWLING

Chairman 2019-2020, Board Director 2001-2020, Life Member.

GEORGIE BOY

by Glen Cowling

*You were never one be rude or loud
and that's what will always make me proud*

*Your integrity was so true and so strong
Your trust and loyalty are what made you belong*

*You were wanted by others and friends
of community
Your nature was that, if you were wronged
you gave immunity*

*Your strength and resilience you gave all you can
And taught me as a boy how to grow into a man*

*Give unto others as others give to you
These could be words that were written about you*

*The love of your life your adorable Lyn
Who could understand the journey
that would begin?*

*You both created a love so wide & vast
That it will provide for generations such wide shadows
you cast*

*It was this union that you both did start
Now you're together, your memories
never will depart*

*Now comes the time to tell of the club
And we struggle to find a day that you
ever did snub*

*It's 6am looking out the window to see
The need to come across the road
and help with a key*

*It's lady's day I need to help with the urn
You slid through the club and could be seen
at every turn*

*Sunday afternoon raffle began at five thirty
You'd leave home at four and if the staff were late you
would be so shirty*

*Friday over 50's began promptly at nine
You loved those bowlers and thought them divine*

*Those Friday's were a highlight of your week
Years of company friendships and memories
you did keep*

*There was Dierdre, Yvonne and even big Phil
You won't be there in the mornings,
but your legacy will*

*Your Christmas parties and Xmas in July
You'd always have extra apple crumble for the staff you
would buy*

*Your charge was 1 dollar no one ever did mind
The team would turn up for chats,
rain hail or shine*

*The wonders of the bistro you would always tell
Your boast we had the best cook ever,
and her name is Lyndell*

*But it was not only the bistro
about you would boast
You would brag about our club
all the way up and down the coast*

*You said we have the best club
that has ever been seen
And for years you would brag to all
that we have the best greens*

*There was Scotty and Rowdy
and now there is Greg
You would never let a bad word
about our greens be said*

*Our bowlers are the best and ever so plucky
And if we ever got beat by others
you'd say we were just unlucky*

*The trips across the road you did so regularly
Mostly for a chat and a coffee and visit the TAB*

*There are staff now at the club
who will be so Lonely
He would want you to know Deb, Sandra and Toni
Another you were so proud of & gave you such fun
She will know who she is, you called her the little one*

*She was always a friend to you and a great mate
Dad believed that this little one
would make out club great*

*You were elected to the board and it seemed you belong
And found a genuine friendship
with your great mate John*

*But these names are too few and not listed alone
It was all who worked or visited the place
that you called home*

*You were so proud of the time that you had
on the board
And a replacement for another
you will be difficult to afford*

*I will finish this now Dad as our time is now near
I know you would be proud that all your friends are here*

*Good bye Georgie boy I am now not sad
But rather I am so proud to call you my dad*

FAREWELL GEORGE

by Matt O'Hara

Good morning to George's family and friends present here today. I'd like tell you a little about George's Club and Community Life.

But before I do, on behalf of our George's Club Family I'd like to offer you all our sincerest condolences and pass on the heartfelt thanks from the hundreds of people at our club, who cared deeply for George and especially for allowing us to share George's life with his family. For this we are eternally grateful.

George was a father figure to many in this community – he was significant presence to us all and at times like this we reflect what type of mark he had on our lives.

His commitment to our Club started with helping out at the over 50s bowls group 26 years ago. In the early days he was an able assistant to Libby Holahan, taking over around 15 years ago. He organised inter-club trips and days out for the group. Many will remember his clipboard in hand and meticulous systems to run these outings. What many wouldn't realise was that once the morning was over he would often take some of the older ladies to do their shopping, drop them home and help them in with the groceries. But this wasn't community work for George, this was who he was.

This year would have been would have been George's 19th year on the Board of our Club. He served as a Director, Vice Chairman and in the past year Chairman of the Board. George brought standards to the Board and this was guided by his strong family values. George had committed to a life of no drinking; and no swearing or foul language. This flowed through in strong Club policy, where George served as the Chair of our Disciplinary Committee and ensured families felt safe and welcome. George did what was right, not what was popular, he never shirked his responsibility to those who broke the rules and needed a holiday away from the Club. He set a great example for all to follow.

George was a member of the Club Directors Institute and attended every training session that he could. I estimate in his time on Board he attended between 400-500 meetings, training sessions and conferences.

George also represented the Board and our Club at countless presentation and donation functions. He attended all the schools in the area for various donations; the Albion Park Oak Flats Rural Fire Brigade; the presentations of South Coast District Cricket, the Oak Flats Rats and The Railway Greys; to name but a few.

In the fast few years George became very fond of going out on the starter boat of the Yacht Club – starting events such as the Lord Mayors Regatta.

George was also a regular at the Sailability events – the Yacht Club disabled fleet. He made sure they got funding when they needed it and he had a great admiration of their Commodore Len Snowden.

Above all George loved to be amongst the members and he found numerous ways to do so. He looked forward selling the raffle tickets every Thursday night for the past 15 years, and he would take his old mate Deb and ice crème just to show he cared. Afterwards he would get a wrap or similar for his dinner and wouldn't head home without checking in on Lynie our head chef. On the day he passed away Lynie said to me – I loved him Matt, for all that he did for me and for being there.

We all did Lynie, he was there for us all.

You had to earn your friendship with George and it was a pretty high bar, but once you did George was steadfast in his loyalty. When times got tough George was there to support us, to help us through. Recently, when faced with our Covid-19 shut down, George only needed to say, "how are we going to look after our staff?", there was no question of anything else. His loyalty to us all gave us certainty – and as 35,000 NSW club employees lost their jobs, George spent time assuring our team they would be looked after – after all, that's what a decent father figure would do, right?

The saying should be changed to – there are now three certainties in life: taxes, death and George's loyalty to his friends.

His family values showed in the many hours of stories about his family. Many of his family would not know who we are – but rest assured we all know who you are. Many stories of Glen's garden, Shona and Chris' latest holiday in the van; Jude being ever present and the meals she regularly cooked, and the achievements of his grandchildren and great grandchildren. He was so proud of his family. And of course George's regular reflections of his lifelong love – Lyn, were just beautiful.

His example and the values by which he lived his life taught us much.

Family, Loyalty, Honesty & Integrity and pure Decency.

George set an example of decency that reflected traditional Australian values. He helped people in need, he would be the first to step forward and introduce himself and make someone feel welcome; he asked about our kids and he cared about the answers. He checked when we were sick and knew when he had to be a "junior psychologist" – to find out what was wrong and when he needed to help.

This decency led to George being a finalist in the 2015 Pride of Australia Medal. Glen and I were lucky enough to attend the ceremony – hosted by Sandra Sully and Police Commissioner Andrew Scipione. George, a man who never sought recognition and somewhat indifferent as to why he was there, was ever so pleased to be in the company of some of Australia's finest citizens. George – a decent man from Oak Flats – I can assure you, wasn't out of place. And the cheeky bugger even stole a kiss of Sandra Sully.

On the many occasions I was out with George, I was always surprised at the number of people who said g'day to "Mr Cowling" – adults who knew George and went out of their way to say hello. His popularity in the community was such that I'd often say – that he would only have to throw his hat in the ring if he wanted to be the Mayor. He'd laugh – I was serious!

I spoke with George a few hours before he passed away. He was bright, jovial and happy. He was at peace when he told me that his era had come to an end. And true to George character, when he had made up his mind, he wasted no time moving on.

And so, to reflect on the mark that a man has on another man's life, well I can only say that 9 years ago I couldn't stand the pain to speak at my father's funeral. And I find it very, very difficult to stand here today.

Yours truly, Matt O'Hara



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CLUB LEADERSHIP TEAM

2019 / 2020



Wendy Steyer

DIRECTOR
Audit Risk &
Finance Committee
Building
Committee

Neil Dawson

DIRECTOR
Audit Risk &
Finance Committee
Elected November 2019

John Noble

DIRECTOR
Audit Risk &
Finance Committee
Disciplinary
Committee
*Ceased to be a Director
November 2019*

Jessie Pill

DIRECTOR
Audit Risk &
Finance Committee
(Chairperson)
Building
Committee

George Cowling

DIRECTOR &
CHAIRMAN OF
THE BOARD
Disciplinary
Committee
(Chairperson)
Deceased August 2020

Wolfgang Coen

DIRECTOR
Disciplinary
Committee
(Vice Chairperson)
Resigned February 2020

Lyne Wilke

DIRECTOR
Building
Committee
Elected November 2019



Risden Knightley

DIRECTOR
Building
Committee
(Chairperson)

Harry Mitchell

DIRECTOR
Resigned April 2019

Donald Brown

DIRECTOR
Disciplinary
Committee
Elected November 2019

John Ryan

MEN'S
BOWLING
PRESIDENT
Deceased May 2020

Christine Coen

LADIES
BOWLING
PRESIDENT

Richard Nardone

SAILING
COMMODORE

Matt O'Hara

CHIEF
EXECUTIVE
OFFICER
Audit Risk &
Finance Committee
Illawarra Yacht
Club Advisory
Committee
Building
Committee

RESPONSIBLE COMMUNITY LEADERS

Dear Members

This year we found ourselves engulfed in the crisis that came with the Covid-19 Pandemic. As a result, the Board & CEO felt that we needed to do everything we could to ensure our Club would make it through the next two years. We fully understand that whilst we have successfully re-opened, we are not through the financial crises yet.

Therefore, we have scaled back many areas of our business to save on costs. As a result, we have not reported on our GRI indicators this year and we will not be applying for NCOS certification on our carbon neutrality.

However, we will still make the commitment to calculating, self-auditing and purchasing of carbon credits equal to the carbon we have produced within our scope. This year we purchased 2350 credits at \$1.25 in a Hydropower facility in India.

Our community contribution this year was \$600,391. These contributions are vital for our beneficiaries to support their interests and endeavours.

We are proud that our responsibilities of holding a community gaming license are being fulfilled to a point that is best practice amongst our local clubs. Simply, we believe we contribute a higher percentage of our income to the community and society than any other club in the Illawarra.

Participating in team sports is such a valuable experience, and we are proud to support local teams such as Sailability, Basketball Illawarra, Greater Illawarra Cricket Association, The Illawarra Academy of Sport, Railway Greys Hockey Club, and South Coast District Cricket Club.

In addition, we have donated cash and in-kind support to help community and welfare groups in their endeavours. The beneficiaries include: McKeon Swim School, St Vincent de Paul Society, The Top Blokes Foundation, Oak Flats Rural Fire Brigade, Greenacres, Rotary Club of Fairy Meadow, Shellharbour City Baptist Church, Illawarra Police Charity Ball, Illawarra RFS Cadets, Five Islands Secondary College, Southern Illawarra Mens Shed Inc, Help 2 Help, Warrawong Residents Forum, View Club, and Lions Club.

At the time of writing this report I am confident our Club is well positioned to make it through the current crisis.

Matt O'Hara
Chief Executive Officer

Adjusted Income Statement

For the Year Ended 30 June 2020

			2019/20	2018/20
	OFBRC	IYC	Company	Company
Operating Activities				
Revenue	6,794,815	4,969,931	11,764,746	14,035,108
Other	806,705	461,894	1,268,599	833,628
Total Revenue	7,601,520	5,431,825	13,033,345	14,868,736
EXPENSES				
Advertising	(13,234)	(11,149)	(24,383)	(29,319)
Cleaning	(99,335)	(155,030)	(254,365)	(328,861)
Depreciation	(778,192)	(792,057)	(1,570,249)	(1,657,065)
Donations	(98,750)	(38,963)	(137,713)	(204,191)
Employee Benefits	(2,704,922)	(1,959,644)	(4,664,566)	(4,841,563)
Entertainment and Promotions	(647,506)	(395,960)	(1,043,466)	(1,317,594)
Equipment Hire	(17,572)	(3,555)	(21,127)	(22,791)
Insurance	(213,109)	(185,011)	(398,120)	(317,281)
Profit (Loss) on Disposal of Equipment	55,133	36,004	91,137	114,876
Poker Machine Duty	(873,634)	(371,492)	(1,245,126)	(1,490,519)
Postage, Printing and Stationery	(79,144)	(52,274)	(131,418)	(138,512)
Cost of Goods Sold	(833,888)	(1,017,113)	(1,851,001)	(2,232,879)
Repairs and Maintenance	(210,041)	(204,552)	(414,593)	(462,763)
Security	(72,517)	(89,497)	(162,014)	(192,029)
Rates and Utilities	(199,726)	(159,667)	(359,393)	(376,290)
Finance Cost	(20,210)	(76,948)	(97,158)	(146,113)
Green and Bowling Expenses	(15,630)	0	(15,630)	(22,880)
Poker Machine Monitoring	(66,821)	(50,535)	(117,356)	(145,073)
Sub Club Expenses	(5,000)	0	(5,000)	(9,800)
Computer and Software Expenses	(19,102)	(6,884)	(25,986)	(22,961)
Sailing Club Expenses	0	(77,099)	(77,099)	(114,228)
Subscriptions and License	(60,019)	(9,686)	(69,705)	(96,362)
Consulting Fees	(4,500)	0	(4,500)	(8,872)
Womens Bowling Expenses	(41,504)	0	(41,504)	(35,300)
Courtesy Bus	(64,760)	(5,557)	(70,317)	(86,742)
Mens Bowls	(67,169)	0	(67,169)	(86,220)
Other	(143,429)	(41,988)	(185,417)	(243,894)
Profit for the Year	306,939	(236,832)	70,107	353,510
Gain (Loss) on Revaluation OFBRC Club Land and Buildings			0	875,778
Gain (Loss) on Revaluation of Investment Properties			0	0
Total Comprehensive Income attributable to members	306,939	(236,832)	70,107	1,229,288
Bowls and Sailing Commitments	Bowls	Sailing	Combined	Combined
Revenue	46,284	25,425	71,709	87,247
Expenses	(361,637)	(100,951)	(462,588)	(549,430)
Total Commitment to Sports - Bowling and Sailing	(315,353)	(75,526)	(390,879)	(462,183)
Operational EBITDARD - OFBRC - Excluding Bowls	1,024,216			
Operational EBITDARD - IYC - Excluding Sailing		378,183		
Operational EBITDARD - Company Exc Bowls & Sailing			1,402,399	2,544,127
Operational EBITDARD as a % of Revenue	14.41%	7.32%	17.28%	19.92%
Company EBITDARD	711,444	326,507	1,037,951	2,116,403
Company EBITDARD as a % of Revenue	9.94%	6.29%	8.41%	14.29%

* Note - for EBITDARD Calculations the \$636,000 Government Grant has been excluded



Notice of Annual General Meeting & Resolutions

The Sixty Second Annual General Meeting Of The Oak Flats Bowling & Recreation Club Limited
Will Be Held At The Oak Flats Clubhouse On Sunday 25 October 2020 At 9:30am
Only Financial Members Are Permitted To Attend The Annual General Meeting.

IMPORTANT NOTE: Due to the restrictions associated with the Covid-19 Pandemic, there are restrictions on the number of members who can attend the AGM.

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, rather to allow the Club to safely plan and provide for those members present in a manner consistent with Covid-19 regulations.

In the unlikely event that the NSW State Government issues an order or direction which prevents any personal attendance at the AGM, all members will need to attend the AGM by Zoom. If this occurs details will be published on the Clubs website and sent to member email addresses not less than 7 days prior to the scheduled date of the meeting.

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 2019-2020.
6. To consider the Ordinary Resolutions set out below.
7. To consider the Special Resolution 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.

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.
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 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) One hundred & fifty dollars (\$150) per month; or
 - (b) Four hundred dollars (\$400) 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, Building Committee, Bowls Committee, Sustainability 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):
 - (a) Men's President One thousand three hundred dollars (\$1,300) per annum
 - (b) Men's Welfare Officer Two hundred dollars (\$200) 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) Women's President One thousand three hundred dollars (\$1,300) per annum
 - (e) Women's Secretary Eight hundred dollars (\$800) per annum
 - (f) Women's Treasurer Eight hundred dollars (\$800) per annum
 - (g) Women's Vice President (2 positions) Two hundred dollars (\$200) each per annum
 - (h) Women's Chair of Match Committee Three hundred dollars (\$300) per annum
 - (i) Women's Match Committee (2 positions) One hundred dollars (\$100) per annum
 - (j) Women's Chair of Social Committee Three hundred dollars (\$300) per annum
 - (k) Women's Social Committee (2 positions) One hundred and fifty dollars (\$150) each per annum
 - (l) Women's Chair of Selectors One hundred and fifty dollars (\$150) per annum
 - (m) Women's Selector (2 positions) Seventy Five dollars (\$75) each per annum
 - (n) Women's Welfare Officer Two hundred dollars (\$200) per annum
6. That pursuant to the *Registered Clubs Act 1976*, the members hereby approve the Club operating the following incentive schemes until the next Annual General Meeting:
 - (a) Bowling Incentive Scheme limited to one hundred and twenty five thousand dollars (\$125,000) in respect of:
 - (i) Pennant Bowls;
 - (ii) Tournaments;
 - (iii) Club Championships;
 - (iv) Representative Games.
 - (b) Yachting Incentive Scheme limited to fifty thousand dollars (\$50,000) in respect of:
 - (i) Club Championships;
 - (ii) Representative Events;
 - (iii) Grants for skills, equipment and boat Improvements.

and the members further acknowledge that the specific benefits available through the Bowling and Yachting Incentive Schemes are displayed on the Club's Notice Board and that the benefits are not available to members generally but only those members who participate in games or events that are covered by the Bowling and Yachting Incentive Schemes.

SPECIAL RESOLUTION (Changes to the Clubs Constitution)

Procedural matters for Special Resolution

1. To be passed, a Special Resolution must receive votes in its favour from not less than three quarters (75%) of those members who being eligible to do so in person vote on the Special Resolution at the meeting.
2. The Special Resolution should be read in conjunction with the notes that follow the Special Resolution.
3. Only Life members and financial Bowling members are eligible to attend and vote at the meeting.
4. Under the Registered Clubs Act, members who are employees of the Club are not entitled to vote and proxy voting is prohibited.
5. Amendments to the Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.
6. The Board of the Club recommends the Special Resolution to members.

SPECIAL RESOLUTION

That the Articles of Association of Oak Flats Bowling & Recreation Club Limited be amended by:

- (a) **inserting** at the end of Article 5.1 the words “The nomination form shall contain such particulars as determined by the Board from time to time”.
- (b) **inserting** the following new Articles 27D and 27E:
 - 27D. Notwithstanding anything contained in these Articles:
 - 27D.1 A Multi-Member shall not be entitled to nominate for or be elected or appointed to the Board.
 - 27D.2 A Prescribed Person shall not be entitled to nominate for or be elected or appointed to the Board.
 - 27D.3 There shall be no more than one (1) Former Prescribed Person on the Board from an individual Prescribed Bowling Club at any time.
 - 27D.4 The majority of directors on the Board at all times must not be Former Prescribed Persons.
 - 27E.5 Subject to Article 27E.6, a member will cease to be a Prescribed Person and become a Former Prescribed Person after the Club (which includes the sub-clubs of the Club) has been the member’s sole Home Club (as defined in Article 27A.3) for a continuous period of five (5) years.
 - 27E.6 A Former Prescribed Person will cease to be a Former Prescribed Member and automatically become a Prescribed Person if he or she nominates or declares another registered club (including any related sub clubs) as their “home club” for the purposes of their membership with the Royal New South Wales Bowling Association or the New South Wales Womens’ Bowling Association
 - 27E. For the purposes of Article 27D:
 - 27E.1 “Former Prescribed Person” means a member who was previously a Prescribed Person.
 - 27E.2 “Multi Member” means a member who is registered with two (2) clubs (ie the Club and another registered club or its sub-clubs) for the purposes of their membership with Royal New South Wales Bowling Association or the New South Wales Women’s Bowling Association.
 - 27E.3 “Prescribed Bowling Club” means any registered club (including any related sub clubs) which:
 - (a) is a bowling club (as determined by the Board in its absolute discretion); and
 - (b) is located within a fifty (50) kilometre radius of the Club’s premises located at David Avenue, Oak Flats or such other radius determined by the Board in its absolute discretion.
 - 27E.4 “Prescribed Person” means any member who has nominated or declared a Prescribed Bowling Club as their “home club” for the purposes of their membership with the Royal New South Wales Bowling Association or the New South Wales Womens’ Bowling Association at any time during the preceding five (5) years.
 - (c) **inserting** the following new Article 31.9:
 - “31.9 If his election or appointment to the Board would result in the Club not complying with one or more of the restrictions contained in Article 27D”.

NOTES TO MEMBERS ON SPECIAL RESOLUTIONS

1. The Board understands the precarious financial position that Clubs are faced with in light of the CoVID-19 Pandemic and anticipates not all Clubs will survive these unprecedented times.
2. The Board has reviewed the risks to the business in light of the CoVID-19 Pandemic and feels it necessary to recommend to members changes to the Club Constitution that ensure the traditional members of Oak Flats retain the majority of Director positions on the Board and hence, retain the governance of the Club.
3. The recommended changes to the Club Constitution will ensuring the majority of the Board will always be the traditional Oak Flats Bowling members and therefore protect the Clubs governing body (The Board) from being taken over from new members formally from another Club.
4. The Board is proposing changes to the Club Constitution that will result in:
 - 4.1 a new bowling member who is formally from another Club being restricted from nominating and being elected to the Board for a period of five (5) years; and
 - 4.2 ensuring only one (1) director is allowed on the Board who is formally from another individual Club; and
 - 4.3 restrict the number of directors formally from another Club, to a minority of the Board.

DATED AT OAK FLATS THIS 14TH DAY OF SEPTEMBER 2020.

BY DIRECTION OF THE BOARD OF DIRECTORS

MATT OHARA // CHIEF EXECUTIVE OFFICER

Minutes of Annual General Meeting 2019

The Sixty-first Annual General Meeting Of The Oak Flats Bowling & Recreation Club Limited
held At The Oak Flats Clubhouse On Sunday 10 November 2019 At 9.30am

OPENING STATEMENTS

Wolfgang Coen as the Vice Chairman of the Board opened the meeting and welcomed members in attendance.

Wolfgang also extended a welcome to Club Solicitor Bruce Gotterson, Zone 16 Bowling Representative Ken Forbes and his fellow Board members.

Wolfgang asked all members to stand and observe a one minutes silence in memory of those members who have passed away during the previous 12 months before commencing the meeting proper.

Wolfgang commenced the meeting by acknowledging the traditional owners of the land:

ACKNOWLEDGEMENT OF COUNTRY

“On behalf of the Members of the Board of Oak Flats Bowling & Recreation Club Ltd, I would like to acknowledge the Traditional Owners and Custodians of the Land on which we are gathered on, in particular the D’harawal Nation and pay my respects to Elders past and present.”

Apologies

1. Werner Steyer, Christine Coen, Janet Pettit, Leanne Smith, Frank Brownlee, William Walton, Mary Clemmett.
2. **To adopt and confirm the Minutes of the previous Annual General Meeting.**

Motion:	The Minutes of the previous Annual General Meeting held November 2018 to be adopted as a true and correct record.
Moved:	Phil Buckley
Seconded:	Bill Lazar
Carried:	

Wolfgang Coen asked if there was any business arising from the minutes of the previous meeting: Nil

3. **To receive the Director’s Report to members.**

Motion:	The Directors Report to be declared received as presented in 2018-19 Annual Report.
Moved:	Jim Richardson
Seconded:	Margaret Rewko
Carried:	

Wolfgang Coen asked if there was any business arising from the 2018-19 Directors Report: Nil

4. **To receive the Audit Risk & Finance Committee’s Report to members.**

Wendy Steyer drew the members attention to the 2018 ARFC Report.

Motion:	The 2018-19 ARFC Report to members is adopted as presented in the Annual Report.
Moved:	Bob Jago
Seconded:	Trevor Smith
Carried:	

Wolfgang Coen asked if there are any questions relating to the ARFC Report: Nil

5. **To receive and consider the Income Statement, Balance Sheet, Financial Statement(s) and the Auditor’s Report for the period of 2018-2019.**

Motion:	The 2018-2019 Income Statement, Balance Sheet, Financial Statement(s) and the Auditor’s Report is adopted as presented in the 2018-19 Annual Report.
Moved:	Don Brown
Seconded:	Lilias McLaughlin
Carried:	

Wolfgang Coen stated the Board would like CEO Matt OHara to address two financial matters from the 2018-19 financial accounts:

CEO Matt OHara outlined an error printed on p26 of the Annual Report. This report is a management report and there is a mistake in the line item 18/19 Cost of Good Sold. The correct figure should be \$2,232,878. The figures shown in the totals of this column are not affected.

Matt OHara also addressed the meeting that wages had increased by 4.9% for the year which was 1.4% or \$67,000 over the expected Fairwork increase of 3.5%. The main areas that incurred an increase was Bowls Wages \$10,000; Yacht Club Bar \$25,000; Yacht Club Catering \$50,000 and Yacht Club Gaming \$23,000. These increases had been offset by reductions in other area of the business, however were still \$67,000 more than the previous year.

6. To consider the Ordinary Resolutions set out below.

Wolfgang Coen asked the members to refer to the Ordinary Resolutions as presented in the 2019 Notice of the AGM in the Annual Report.

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.

6.1 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.

Wolfgang Coen asked if there was anyone who would like to speak on behalf of the Resolution: Nil

Wolfgang Coen asked if there was anyone who would like to speak against the Resolution: Nil

Wolfgang Coen asked for a mover and seconder for the Resolution.

Motion:	To approve the ORDINARY RESOLUTION #1 as presented in the 2018-19 Annual Report.
Moved:	Dierdre Wilcox
Seconded:	Jim Richardson
Carried:	44 for 1 against 98% majority

6.2 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.

Wolfgang Coen asked if anyone would like to speak on behalf of the Resolution: Nil

Wolfgang Coen asked if anyone would like to speak against the Resolution: Nil

Wolfgang Coen asked for a mover and seconder for the Resolution.

Motion:	To approve the ORDINARY RESOLUTION #2 as presented in the 2018 Annual Report and Notice of Resolutions.
Moved:	John Ryan
Seconded:	Peter Mead
Carried:	100% majority

- 6.3 **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.**

Wolfgang Coen stated that as the next resolution possibly relates to Jessie Pill if she was re-elected, that could she please leave the meeting whilst this resolution was discussed and considered.

Wolfgang Coen asked if there was anyone who would like to speak on behalf of the Resolution: Nil

Wolfgang Coen asked if there was anyone who would like to speak against the Resolution: Nil

Wolfgang Coen asked for a mover and seconder for the Resolution.

Motion:	To approve the ORDINARY RESOLUTION #3 as presented in the 2018 Annual Report and Notice of Resolutions.
Moved:	Phil Buckley
Seconded:	Bill Lazar
Carried:	100% majority

Jessie Pill to re-joined the meeting.

- 6.4 **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) One hundred & fifty dollars (\$150) per month; or
- (b) Four hundred dollars (\$400) 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, Bowls Committee, Sustainability 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.

Wolfgang Coen asked if there was anyone who would like to speak on behalf of the Resolution: Nil

Wolfgang Coen asked if there was anyone who would like to speak against the Resolution: Nil

Wolfgang Coen asked for a mover and seconder for the Resolution.

Motion:	To approve the ORDINARY RESOLUTION #4 as presented in the 2018-19 Annual Report and Notice of Resolutions.
Moved:	Peter Mead
Seconded:	Trevor Smith
Carried:	100% majority

- 6.5 **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 (\$200) 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) Women's President | One thousand three hundred dollars (\$1,300) per annum |
| (e) Women's Secretary | Eight hundred dollars (\$800) per annum |
| (f) Women's Treasurer | Seven hundred dollars (\$700) per annum |
| (g) Women's Vice President (2 positions) | Two hundred dollars (\$200) each per annum |
| (h) Women's Chair of Match Committee | Three hundred dollars (\$300) per annum |
| (i) Women's Match Committee (2 positions) | One hundred dollars (\$100) each per annum |
| (j) Women's Chair of Social Committee | Three hundred dollars (\$300) per annum |
| (k) Women's Social Committee (2 positions) | One hundred and fifty dollars (\$150) each per annum |
| (l) Women's Chair of Selectors | One hundred and fifty dollars (\$150) per annum |
| (m) Women's Selector (2 positions) | Seventy Five dollars (\$75) each per annum |
| (n) Women's Welfare Officer | Two hundred dollars (\$200) per annum |

Wolfgang Coen asked if there was anyone who would like to speak on behalf of the Resolution: Nil

Wolfgang Coen asked if there was anyone who would like to speak against the Resolution:

Member John Ryan being the current Men's President spoke against the reduction in his Honorarium. John read a statement of the many and varied tasks that he was required to perform in the role of Men's President and he felt that the Honorarium should be increased back to the same amount being \$3000 as per the previous year.

CEO Matt OHara stated that the following items were considered by the Board in the allocating of the Honorariums of the Men's and Women's Bowling Club Officers:

As a Club we must be aware and comply to gender equality and that the new honorarium is equal to that of the Women's President;

- The total amount of honorariums recommended to the Men's Club was now equal to that of the Women's Club;
- The Men's Bowling Club also have a part time bowls co-ordinator to cover the administration of Men's Bowls whilst the Women's Club cover these duties with honorariums;
- During the past 12 months there was \$1700 paid to volunteers to complete tasks that should have been covered by the Men's President;
- In a self-audit capacity, management has become concerned that the amount paid to volunteers in points was nearing what should be a wage and therefore continuing to pay volunteers in this fashion is not acceptable moving forward.

Member Robert Smith stated that the Men's President honorarium should be higher than the Women's Club because it's the Men's Club.

Robert Smith proposed a resolution as follows:

The that Men's Bowls President Honorarium be increased to \$3000 for this coming year.

At this time the Club's Solicitor Bruce Gotterson informed the members that changes of this nature are not immaterial and that the resolution would be invalid as this amount has not been advertised to the members who may have chosen to attend the meeting to vote if the resolution was different. Further, Bruce stated that the members could vote for the Board to consider a resolution, but the Board would not be bound by such a vote.

Bruce stated that the Club is bound by the Registered Clubs Act and the equality rule which govern these types of resolutions.

Member Robert Smith intervened stating that we don't have to follow the RCA and we can make our own rules and further that the Board was breaking the law.

Solicitor Bruce Gotterson stated this was not the case, the Club must comply to the various Acts of Legislation.

Director John Noble stated to the members that in voting for Resolution #5 that if the resolution was defeated then no Honorariums will be paid to those Officers shown in Resolution 5.

Member John Ryan felt that this was in a way blackmailing the members to vote for the resolution.

Wolfgang Coen asked for a Resolution with mover and seconder for a request to the Board to consider changes in this area.

Motion:	The Board consider increasing the Men's Presidents honorarium to \$3000.
Moved:	Robert Smith
Seconded:	Robert Jago
Carried:	5 against / 25 in favour – Carried 83% majority
Motion:	To approve the ORDINARY RESOLUTION #5 as presented in the 2018-19 Annual Report.
Moved:	Bill Lazar
Seconded:	Don Brown
Carried:	7 against / 32 in favour – 82% majority

6.6 That pursuant to the *Registered Clubs Act 1976*, the members hereby approve the Club operating the following incentive schemes until the next Annual General Meeting:

- (a) Bowling Incentive Scheme limited to one hundred and twenty five thousand dollars (\$125,000) in respect of:
 - (i) Pennant Bowls;
 - (ii) Tournaments;
 - (iii) Club Championships;
 - (iv) Representative Games.
- (b) Yachting Incentive Scheme limited to fifty thousand dollars (\$50,000) in respect of:
 - (i) Club Championships;
 - (ii) Representative Events;
 - (iii) Grants for skills, equipment and boat Improvements.

and the members further acknowledge that the specific benefits available through the Bowling and Yachting Incentive Schemes are displayed on the Club's Notice Board and that the benefits are not available to members generally but only those members who participate in games or events that are covered by the Bowling and Yachting Incentive Schemes.

Wolfgang Coen asked if there was anyone who would like to speak on behalf of the Resolution: Nil

Wolfgang Coen asked if there was anyone who would like to speak against the Resolution: Nil

Wolfgang Coen asked for a mover and seconder for the Resolution.

Motion:	To approve the ORDINARY RESOLUTION #6 as presented in the 2018-19 Annual Report.
Moved:	Phil Buckley
Seconded:	Mal Pearson
Carried:	100% majority

7. To receive the declaration of Ballot from the Returning Officer for the election of Directors.

Wolfgang Coen stated that as there were three positions vacant and only three nominations for those positions, that the nominees were declared elected unopposed.

Wolfgang asked the new Directors Lyn Wilke, Don Brown and Neil Dawson if they could stand and make themselves known to the members.

A draw was conducted to determine the terms of office, the result being:

Lyn Wilke – 2 year term; Don Brown and Neil Dawson – 3 year term each.

Wolfgang Coen called for nominations from the floor for the position of Returning Officer and assistant Returning Officers for the 2020 AGM Elections – noting this covers the Men's and Women's Bowling Clubs also.

Motion:	Mary Clemmett to be elected as Returning Officer for the 2020 AGM Elections; Alice Grkinic and Phil Buckley to be elected as Assistant Returning Officers.
Moved:	Robert Smith
Seconded:	Adele Bartolo
Carried:	100 % majority

8. To deal with any other approved business of which due notice has been given.

Wolfgang Coen stated that there has been no other notice of approved business and he invited Club CEO Matt for an update on a few Club items.

At this time Men's Bowls President John Ryan wanted item 5 (n) of the Resolutions discussed. Wolfgang stated that this item had already been voted upon. John Ryan stated that he would like the Men's Welfare Officer paid more to carry out the duties of the Welfare Officer as they have the petrol costs, maintenance of their car and other expenses to consider.

Motion:	The Board consider increases to the honorarium for the Men's Welfare Officer.
Moved:	John Ryan
Seconded:	Robert Smith
Carried:	100 % majority

CEO Matt OHara paid tribute to outgoing Director John Noble. Matt highlighted that John was the longest serving Board member in the Clubs history being in his 22nd year of service. During this time John had served in the capacity of the Chairman of the Club, President of the Men's Bowling Club, Treasurer and Director. John had been a wonderful mentor to many Directors and the CEO during his time on the Board and had experienced his fair share of highs and lows. However, John always did what was in the best interests of the Club.

Matt stated that the members had bestowed upon John the highest honour of life membership and that it was fitting that the Board announce on the day of John's retirement that he was being honoured with a dedication of the #3 Bowling Green to be named in his honour.

Matt OHara & George Cowling unveiled a sign that read "Life Member, Board Director 1998-2019 The John Noble Number 3 Bowling Green, dedicated 10 November 2019"

John Noble thanked the Board and the members for such an honour. He then paid tribute to his fellow Board members who he had served with over the years. John also took the occasion to pay particular thanks to his wife Peg for her support over many years.

MEETING CLOSED: 10:20am





CLUB REPORTS

Audit Risk & Finance Committee Report



by **Jessie Pill**
*Chairperson of the Audit,
Risk & Finance Committee*

What can I say about FY20! This hasn't exactly been the year any of us ever saw coming. We started out in a fantastic position with a very strong first half, with several Top 10 Weekly trading results. We were also in a strong cash position, well ahead on our market rate loan with significant additional redraw up to \$1,350,000.

Things started to turn in February with the impacts of a challenging economic environment evolving then in March Covid-19 restrictions hit our Club very quickly followed by mandatory closure. This mandatory closure continued up until June when we were able to re-open under restricted trading conditions. We have seen an encouraging return to business since re-opening but it is still a challenging road ahead as we re-build and focus on the future.

While we have finished the year significantly behind the financial results of last year, we are still in a strong position overall considering the impacts of Covid-19 restrictions and from all we have heard, ahead of the market. We finished FY2020 with a group profit of \$70,107. This would be significantly lower if we were not beginning this crisis from such a strong position.

Our financial performance is summarised in Table 1 (on page 17).

Business Operations

Catering, Bar and Gaming represent the main revenue drivers for the clubs and they provided profits/losses as shown in Table 2 (on page 17).

Overall the profitability of our bars decreased by \$157,651 which is largely related to the Covid-19 mandatory closure.

Gaming is still the key income source for the Club and we have continued to make improvements in our loyalty programs, gaming offerings and marketing. Given the reliance on gaming income the Covid-19 mandatory closure was felt hardest in this area.

The main expenditure items are summarised in Table 3 (on page 17).

Whilst we started off the year quite strong and we took considerable measures to pull back on costs and capital expenditure wherever possible, the impact of several months of restricted and nil trading could not be offset as some costs are fixed and unavoidable.

Balance Sheet

While our profits have not been as strong as the prior year, our balance sheet has maintained the strength shown in the prior year, finishing with Net Equity of \$21,855,729.

As at the 30 June 2020 our loan facility was \$1,660,577 which includes investment housing loans of \$162,658. This represented a gearing ratio of 19%. This ratio highlights the amount of our assets we have exposed to cover our borrowings. The first half of the year we again made a conscious effort to use excess cash to make additional repayments to our market rate loan to assist in reducing interest accruing on the loan and fees. This amounted to a total value of \$1,350,000 and helped to afford a cash safety net when we needed to pause trading in the second half. We moved these funds back into our general cash account in March to have available to meet our day to day cash needs.

Our assets include cash and bank accounts of \$2,196,399 and we have an overdraft facility of \$500,000 for working capital requirements if required. The cash and bank account balances show an increase of \$1,120,087 compared to last year but this is mainly attributed to the redraw noted above.

All loan repayments were met as they fell due and

Table 1. Financial Performance Summary

	OFBRC	IYC
Operational EBITDARD (before Bowling & Sailing Expenses)	Decreased by \$797,385 to \$1,024,216	Decreased by \$344,343 to \$378,183
Operational EBITDARD %	14.41% decreased from 21.05% (2019)	7.32% decreased from 11.90% (2019)
Bowling & Sailing Commitments	Decreased by \$39,498 to \$315,353	Decreased by \$38,230 to \$75,526
Profit / (Loss)	\$306,939	(\$236,832)
Profit / (Loss) on sale / revaluation of assets	(\$55,133)	(\$36,004)
Total	\$251,808	(\$272,838)
	(\$14,974)	

Table 2. Bar, Catering and Gaming Profit and Loss Summary

Bar	2019-20	2018-19	Var
OFBRC	\$233,078	\$322,023	(\$88,945)
IYC	\$187,258	\$255,963	(\$68,706)
Total	\$420,336	\$577,986	(\$157,651)
Catering	2019-20	2017-18	Var
OFBRC	(\$32,013)	(\$4,638)	(\$27,375)
IYC	\$214,344	\$337,710	(\$123,366)
Total	\$182,331	\$333,072	(\$150,741)
Gaming	2019-20	2018-19	Var
OFBRC	\$2,659,836	\$3,236,568	(\$576,732)
IYC	\$1,217,178	\$1,332,588	(\$115,411)
Total	\$3,877,014	\$4,569,156	(\$692,142)

Table 3. Summary of Main Expenditure Items

Area	2019-20	2018-19	Var
Employee Benefits	\$4,664,568	\$4,841,563	(\$176,995)
Cost of Raw Materials	\$1,851,002	\$ 2,232,879	(\$381,877)
Depreciation	\$1,570,249	\$1,657,065	(\$86,816)
Poker Machine Duty	\$1,245,126	\$1,490,519	(\$245,393)
Entertainment and Promotions	\$1,043,466	\$1,317,594	(\$274,128)
Repairs and Maintenance	\$414,593	\$462,763	(\$48,170)
Rates and Utilities	\$359,394	\$376,290	(\$16,896)
Cleaning	\$254,364	\$328,861	(\$74,497)
Insurance	\$398,121	\$317,281	\$80,840
Security	\$162,014	\$192,029	(\$30,015)
Donations	\$137,713	\$204,191	(\$66,478)
Postage, Printing etc	\$131,419	\$138,512	(\$7,093)

“

Our balance sheet has maintained the strength shown in the prior year, finishing with Net Equity of \$21,855,729.

none are in arrears. There are reasonable grounds to believe that the club will be able to pay its debts when and as they fall due.

Audit

As I write this report the Club's auditors are still in the process of auditing our financials for FY20. This year the auditors have taken a different approach to the audit in working remotely. They are taking a particularly strong review of the Clubs payroll and position as a going concern which is expected in light of the Covid-19 situation. Our team are working with the auditors to ensure they have all required information to successfully complete the audit. We have not been made aware of any significant items of concern during the Audit period.

Risk

As a Board we must adequately identify and quantify risk and employ appropriate mitigation strategies. We consider the major risks to our business each Board meeting and at our Audit, Risk and Finance Committee meetings.

Our main risk at present comes from the changing Covid-19 environment from a regulatory and consumer confidence perspective. We must continue to monitor new advice as it comes to hand and ensure we comply with all regulations. I am pleased with our Clubs response to the evolving situation and also optimistic on financial recovery.

Our financial results since re-commencing operations has been encouraging however it is going to be a significant challenge to re-coup our losses and future proof our business. We have been fortunate to weather this storm better than many other Clubs due to being financially responsible in the past and while ever Jobkeeper remains this will help offset costs but we may face some difficult decisions in coming months. We have been discussing options for actions if business does not return to required levels and we must reduce spending wherever possible.

Governance

It is always important to emphasise the application

of the Principles of Good Corporate Governance. One strategy we follow to do so is education of the Board and the Management team of the Principles of Good Corporate Governance and the active pursuit of implementing strategy derived from these principles. Investment and education of key personnel and the Board ensures the Board is exercising their duties as a Director responsibility, ethically and in the best interests of the Club as a whole. Details of educational courses attended is detailed in the annual report. Unfortunately training like many other things has been impacted by Covid-19 restrictions but we have been able to utilise technology to connect and adapt.

Strategy and Planning

As part of our function as a Board of Directors and Audit, Risk and Finance Committee, we need to be continually planning to ensure the ongoing financial viability of our Club and to maintain the relevance and long term sustainability of the Club in the Community to sustain us into the future to continue to meet the needs of our communities and members. Annually we work on a strategic plan to set priorities, focus energy and resources, strengthen operations and ensure we are all working towards common goals. While Covid-19 has meant we needed to change the way we do this it hasn't been all bad.

While it is a risky time to make big decisions on cash flow and capital commitments, it is also the perfect time to plan for the future. We have continued to work with our Development partners from Indesco throughout the year on a month by month basis. It was fantastic to be able to travel to Nelsons Bay Golf Club to see what can be achieved with a similar budget and objectives to ours. It is important that we continue to investigate options for our Clubs future while maintaining a sound check on our cash position.

General

Compared to FY19 we are significantly behind in our financial results but while our result is concerning I believe that we are in the best position possible to weather the storm of Covid-19 as a benefit of



prudent financial management in prior years.

The world has significantly changed these past few months and we have not been immune. The evolution of Covid-19 has brought many challenges to the world not limited to our health and the economy. It has brought out the best in us uniting Nations and bringing us together to tackle this pandemic. We are in a very fortunate position to be part of an industry that works closely together and with regulatory bodies to find solutions and support our communities. The Australian Federal and State Governments have really stepped up to support our Nation with protective measures and stimulus packages, including support for our business and our people. Our bank has generously helped minimise risk to our cash flow with our loans. Our suppliers have also greatly assisted with contractual cash flow risks.

While we have had a strong return to trading the risk from the changing Covid-19 environment remains and we cannot become complacent. We have continued to make a fantastic effort to pull back on costs where possible and we continue to have the Jobkeeper wage offset \$48,500 per week however it is likely this will only last until September-20. We are fortunate to still have deferrals in regulatory payments for now which assist with cash flow. We continue to recognise these as a liability required to be paid at a later date and provide for the payments when required. We must continue to monitor new advice as it comes to hand and ensure we comply with all regulations and continue to maintain a close eye on our costs and cash position as we may still face some difficult decisions in coming months. We continue to discuss options for actions if business does not return to required levels and we must reduce spending wherever possible. In the year ahead we need to focus on re-building the financial position of both our Clubs whilst also considering the redevelopment. As part of this we are looking at potential new revenue streams and ways to ensure we remain competitive and relevant to our members and guests.

I am extremely proud to be part of an organisation

that works together to respond to a crisis with strength, resilience and kindness. We have a very strong balance sheet but most importantly we have the best Board of Directors, management team and staff that will continue to work to support each other and do our best to ensure that we have a business to come back to on the other side of the pandemic.

The Audit Finance and Risk Committee continue to meet regularly to closely monitor our risk and financial performance and I would like to thank my fellow members: Neil and Wendy for their input and contribution.

I would like to take the opportunity to commend our team for their extremely hard work in doing what they can to put us in the best position possible to not only survive this crisis but thrive once we return to full trading capacity. In particular we would like to express our appreciation to our CEO, Matt OHara, and all our staff for your efforts at both our Clubs to ensure we comply with Covid-19 restrictions, remain financially viable to trade and provide a safe place for our staff to come to work and our members and guests to enjoy.

Finally, I would also like to take this opportunity to thank all our members for your contribution to another successful year. We understand that this has been a challenging time for you as well and continue to appreciate your support and patience as we work through the regulatory requirements and work towards providing a safe, compliant and solvent Club for us all to return to.

We are all in this together, we all contribute in our own ways and we will come out the other side stronger together.

I am excited for our future, working together towards the long term sustainability of our Club in achieving our strategic vision and remaining relevant for years into the future.

Directors' Report



by The Board
of Directors
*Oak Flats
Bowling &
Recreation
Club*

The Board of Directors of the Club Limited are delighted to present to the Members the Director's Report for 2019/2020.

What a year we have had!

We started off the year in record territory with strong financial performance across both Clubs in all trading arms. Then the event nobody saw coming, Covid-19, snuck up on the world and we were unfortunately not immune to its effects.

We are in a very fortunate position to be part of an industry that works closely together and with regulatory bodies to find solutions and support our communities. Our incredible team need to be commended for their extremely hard work in doing what they can to put us in the best position possible to not only survive this crisis but thrive once we reopen and we were also fortunate to be in the strongest financial position possible to weather the storm due to prudent financial management in the past.

And just as we thought we were starting to get back to normal we were shocked with the loss of our Chairman George. This saddened us immensely and at the time of writing this report we are still coming to terms with his passing. Matt has more on George's achievement in his report.

During Covid-19 we also lost our Mens President, John Ryan. John was a stalwart of our Club and held in high regard by many of our bowling members. His contribution to our bowling fraternity will be enduring.

Throughout these tough times we are also fortunate to have such a supportive and understanding membership standing by us. We are all in this together, we all contribute in our own ways and we are confident that Our Clubs will come out the other side stronger together.

We look forward to serving our members over the next 12 months.

CEO Report



by Matt O'Hara
Chief Executive Officer

On reflecting on the purpose of the Annual Report I realised this year that in many ways these reports serve as the history of our Club. And this year was one of the most notable on record.

We saw the retirement from the Board of a wonderful mentor and Club father figure John Noble. He was deservedly honoured with the naming of the #3 Green in honour of his service and contribution to our Club.

We were deeply saddened by the loss of our Club Chairman George Cowling, one of the most decent human beings we will ever meet.

And we were confronted with the most stressful and confronting times in the wake of the Covid-19 pandemic.

Through these troubled times all businesses and their leaders had the chance to show the true meaning of the line in their employee handbooks that states:

“Our employees are our #1 asset”.

In this regard, I feel we can hold our head high with the way we have conducted ourselves.



Sailing Club Commodore's Report



by **Richard Nardone**
Sailing Club Commodore

Firstly on behalf of all sailors and members of IYC our thoughts are with the Cowling family. In the short time that we got to know our recently deceased Chairperson he was a great supporter of sailing. He was helpful, always had a positive vibe and a story to tell. George will be sadly missed by us at IYC. May George Cowling rest in peace.

We find ourselves at the completion of what was an unusual end to our sailing season. Our season was cut short by three weeks because of Covid-19. To the sailing committee, race officials, volunteers, club staff, Board of Directors and our CEO Matt O'Hara a big thank you to all. It is because of all your effort, time and help that our sport happens.

In what was a busy January we hosted 3 National Titles. A big thank you to the volunteers who made those regattas such a great success.

Most sailing divisions saw growth in fleet numbers this season. The Flying Ants numbers have dropped but we retained the juniors from the previous season who either went into the intermediate fleet or the open class in the afternoon. The 16ft fleet had 3 more boats and we had a few new boats in the TYs.

The Learn to Sail Program under the guidance of head coach Phil Bower and his team have done another fantastic job. Their ability to progress these children from Learn to Sail to the Green Fleet, then Intermediate and onto the Flying Ant class is outstanding.

Congratulations to our Club Champions winners. These were:

Flying Ant: *Misguided Missile* Jack Markey and Zoe Bower.

13ft Skiff: *Evadeck* Isaac Marney and Dylan Haig.

Open Triangle: *A Frayed Knot* Boudy De Haas, who also won the Open Triangle pointscore.

Open Windward Leeward: *Barra* Neil Tasker and Makayla Nardone. They also won the pointscore.

Trailable Yachts: *Suffa In Ya Jocks* Keith Middleton, Adam Middleton, Kate Middleton, Kevin Middleton and Derek Sheppard.

Windsurfers: Neil Dewey. He also won the pointscore.

16ft Skiff First State Lending: Phil Bower, Shane McDonald and Richard Nardone.

Congratulations to our Pointscore winners.

Flying Ants: *Hornet* Jade Bower and Abby Clark.

13ft Skiff: *Odyssey* Maddison Markey and Micah Sullivan.

Trailable Yachts: *Shifts Happen* Alan Grant, Jeff Shepard, Caroline Hickling, Phil Lowe and Scott Haig.

16ft skiff: *TTR Dante* Olivieri Ryan Lindsay and Jack Middleton.

A big thank you again to our club members, staff, Board of Directors and our CEO for all of their support and help with our club hosting these regattas. All your efforts made these events very successful.

Matt, the Board of Directors and sailors will endeavour to work with you all to ensure we get through these Covid-19 times and that our club can still operate and we can still sail. We are sure that through your knowledge, skills and judgement our Club will be operating for many more years.

I'm looking forward to another exciting sailing season at our club and I hope to see you all there.

Finally, remember if you're not well stay home, wash hands and stay 1.5m apart.

Bowls Coodinator's Report



by Kay Moran
*Bowls Coordinator Oak
Flats Mens Bowling Club*

Well what a year we have had. Between droughts, bushfires and Covid-19 it's fair to say it has been very trying for the club as a whole on many levels. I believe we have shown tolerance to uncertainty, change and learned how important the club is in giving people a sense of community.

We have become more of a club than ever before by keeping in touch, reaching out to each other, and sharing the love, something all members should be proud of.

On the bowling front, we have had consistent numbers throughout all social bowls sessions and gained more members from surrounding clubs. This has seen an addition of a 7th pennant side with a thank you to the selectors for taking on such a mammoth task of picking these sides. Unfortunately, we only managed to play 3 or 4 games before the club was closed due to Covid. I'm sure our club will come back bigger and better next year.

Our championships are on track to be completed in the year despite the loss of a few months with thanks to Match (Trevor Smith) for your diligent efforts keeping all championships going.

This year saw the inclusion of female members into the Men's Club through Bowls NSW Association accepting women as members and leading the way to unification. This has boosted our numbers playing on Saturdays and our men have been respectfully accepting of the situation showing the great culture our Men's Club has at Oak Flats Bowling Club.

In this difficult time I must thank the Board and Matt O'Hara for their efforts in getting bowls back as soon as we have and with much resemblance to pre Covid-19 conditions. It is a mammoth task being responsible for members safety and on behalf of the bowlers we thank you for the role you have played.

To our greenkeepers, great job on keeping the greens in tip top condition for us, you are a very valued team to our members and we thank you.

To Annette and Trevor our Assistant Bowls Secretaries, great job for the work you have completed in my absence, it's much appreciated.

Finally, I would like to thank the Management Committee & umpires for all their hard work and to all volunteers throughout the year; the club and I value your contribution so much.

Let's hope this coming year is a much better one for everyone.



Men's Bowling Club Report

by The Men's Management Committee
Oak Flats Bowling Club

In light of the passing of our Men's President John Ryan, the Men's Management Committee offer this report to the members.

This year has been very trying for all of us and we would like to begin by thanking the Board and Matt O'Hara for their hard work during this difficult time. It is wonderful to have our club up and running again without too many changes.

As a committee we would like to acknowledge all the members that we have lost throughout this tragic year, they will be sorely missed.

We would like to make mention of two stalwarts of the club, our President John Ryan and Chairman George Cowling. Both men had great loyalty and commitment to their beloved club and their passing is felt greatly.

As a committee we would like to thank the green keepers for continuously turning out top quality greens for us to play on. To our Umpires, excellent job throughout the year and to the volunteers for all your hard work marking, working tournaments and serving up tucker for our bowlers, we appreciate you.



Ladies Bowling Club President Report



Christine Coen
Ladies President
Oak Flats Bowling Club

What a different year. I firstly want to thank everyone for keeping me in their thoughts during my personal health issues in November.

Again I would like to thank everyone involved in our running of the Ladies Bowls. CEO, Matt O'Hara, and the Board for all your valued assistance and support. The staff for looking after us and catering to our needs.

We are lucky to have the great greens that we do courtesy of Scotty and his team, and the knowledge and support of Kay Moran. Thank you.

Our 2020 Season has been totally disrupted with the Covid-19 outbreak. Lots of championships and events have either had to be postponed or cancelled. We are very thankful to be back on the greens here at Oak Flats and hopefully will be allowed to continue. Our Ladies are continuing to be very diligent in keeping us safe in this pandemic time.

Thank you especially my Executives, Annette and Maxine, my Management Team and Committee members for all your dedicated hard work in helping me run the Ladies Bowls. I appreciate it.

Thank you to our Welfare Officer, Colleen, for your continued update of all our Ladies during this trying time.

Lastly to anyone that has suffered an illness or has lost a loved one this year, my thoughts are with you.

Enjoying bowls.



Head Greenkeeper's Report



by **Scott Fackender**
Head Greenkeeper

In this year of unprecedented events to also lose our Chairman George Cowling and Bowls President John Ryan is very sad indeed. Both men were so very respected and loved by our members and staff. The fact that their passing has happened in times of Covid-19 restrictions is such a shame because they can't be given the send-off they deserve. Both men were part of the fabric that make up this club and were very active in the running of bowls and a great help to the Greenkeeping team. Their presence around the club will be sorely missed by us.

With Covid-19 putting an end to the 2020 pennant season, championships and social bowls for all of Autumn our greens sat idle awaiting the return of our bowlers to the club. I thank the Board and management for prioritizing that the greens be kept in playing condition through this period for when the return to bowls would be allowed to happen.

When bowls did restart it was great to see our bowlers and the greens being used again. I would like to thank our bowlers for understanding and co-operation through this period.

With still a fair amount of uncertainty around the Covid-19 pandemic no renovation plans for the greens have been finalized at this stage. Only options to take depending on the situations that

could arise. Our members can be confident that no matter what the circumstances the Greenkeeping team will be striving to produce the best possible bowling surfaces we can deliver and which our bowlers can be proud of.

I would like to thank Kay Moran for the great job she has done throughout the year and over this trying time in co-ordinating the bowls at our club, she is definitely an asset to all of us.

Special thanks to Wendy Steyer for the work she does in making the windsocks for our greens, the time she spends is very much appreciated.

A big thankyou also to Paul Rowdy, John Woods and Greg Wyatt for their consistent effort throughout the year in the maintenance of both the Oak Flats Bowling and Recreation Club and the Illawarra Yacht Club.

In these times of so much uncertainty our members can be certain that the Greenkeeping team will be striving to deliver first class facilities for our members. Thanks again to Matt O'Hara and the Board of Directors for their support in making this happen.

We can only hope that there is some return to normality in the not-too-distant future and we can all enjoy our great Clubs as we would like to.

Directors Training Report 19/20

	John Noble	George Cowling	Don Brown	Neil Dawson	Harry Mitchell	Risden Knightley	Lyn Wilke	Wolfgang Coen	Wendy Steyer	Jessie Pill	Description
Aug 19	Y	Y			Y	Y		N	Y	N	Clubs NSW - Qtr Meeting
Feb 20		Y	Y	Y	Y	Y	Y	N	Y	Y	Clubs NSW - Qtr Meeting
	N	Mar-20	Sep-20	Mar-20	N	Sep-20	Sep-20		Sep-20	Mar-20	Barringtons - AML/CTF Compliance
RCA Mandatory Training #	Sep-16	Sep-17	Sep-18	Sep-19	Jul-18	Jul-18	Jul-18	Sep-18	Sep-17	Aug-17	Clubs NSW Director Foundation & Management Collaboration
RCA Mandatory Training #	Sep-16	Sep-17	Sep-19	Sep-19	Jul-18	Jul-18	Jul-18	Sep-18	Sep-17	Aug-17	Clubs NSW Finance for Club Boards
Board Mandatory Training #	May-18		Sep-19	Sep-19	Aug-18	Aug-18	Aug-18	Sep-18	May-18	May-18	Governance Institute - Duties of Officers and Directors
Election Nomination Mandatory Training #		Aug-17	Sep-19	Jul-18	Jul-18	Jul-18	Jul-18	Sep-18	Aug-17	Aug-17	CEM - Work Health and Safety Fundamentals (Online)
Election Nomination Mandatory Training #		Aug-17	Sep-19	Jul-18	Jul-18	Jul-18	Jul-18	Sep-18	Aug-17	Aug-17	CEM - Bullying and Harrassment for Employees (Online)

* The Board send only a delegation to the various conferences, not the entire Board. This is in the interests of individual Director development and costs.
Only required on election year.



Carbon Report

<i>Emission source</i>	<i>18/19 tonnes of CO₂-e</i>	<i>19/20 tonnes of CO₂-e</i>	<i>Carbon Savings</i>
Scope 1			
Purchased E10 for company vehicle and ute	6.54	10.4	3.86
Purchased diesel for OFBRC courtesy bus	20.84	11.6	-9.24
Purchased ULP for greens equipment- stationary	0.84	0.89	0.05
Purchased LPG	0.03	0	-0.03
Purchased natural gas	118.63	100.83	-17.8
Leakage of refrigerants	112.81	112.99	0.18
Total Scope 1	259.69	236.71	-22.98
Scope 2			
Purchased electricity	1191.01	989.09	-201.92
Total Scope 2	1191.01	989.09	-201.92
Scope 3			
E10 and ULP extraction and transport	0.35	0.55	0.2
Diesel extraction and transport	1.06	0.59	-0.47
ULP extraction and transport- stationary	0.04	0.05	0.01
LPG extraction and transport	0	0	0
Natural gas extraction and transport	29.47	25.05	-4.42
Electricity Consumption for Street lights at the IYC	8.65	8.65	0
Extraction, transport, transmission and distribution losses for purchased electricity	132.33	109.9	-22.43
Air travel	6.55	0	-6.55
Waste going to landfill	97.74	77.42	-20.32
Composting of Organic Waste		0.34	0.34
Green Waste	0.73	0.53	-0.2
Construction and Demolition Waste	0	0	0
Purchased paper	0.66	0.03	-0.63
Employees commuting	89.99	78.4	-11.59
Taxi Travel	0.01	0	-0.01
Water	5.72	5.11	-0.61
Food and Catering	2129.78	449.75	-1680.03
Beverages	1312.51	256.62	-1055.89
Total Scope 3	3815.59	1012.99	-2802.60
<i>Total Emissions</i>	<i>5,266.29</i>	<i>2,238.79</i>	<i>-3,027.50</i>

The total emissions for both Club's total carbon footprint has been calculated to be 2,238.79 tonnes CO₂-e, consisting of the Scope 1, Scope 2 and Scope 3 emissions.



Financial Statement

For the Year Ended 30 June 2020

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Directors' Report

For the Year Ended 30 June 2020

The directors present their report on Oak Flats Bowling and Recreation Club Limited for the financial year ended 30 June 2020.

Directors

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

<i>Names</i>	<i>Appointed/Resigned</i>
Don Brown	Appointed 10 November 2019
George Cowling	Deceased 5 August 2020
Wolfgang Coen	Resigned 5 February 2020
Neil Dawson	Appointed 10 November 2019
Risden Knightley	
Harry Mitchell	Resigned 13 March 2020
John Noble	Resigned 10 November 2019
Jessie Pill	
Wendy Steyer	
Lyn Wilke	Appointed 10 November 2019

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

Company Secretary

Matthew O'Hara held the position of Club Secretary at the end of the financial year.

Matthew O'Hara has worked in the Club industry for 27 years, eighteen years of which have been with the Oak Flats Bowling and Recreation Club. Matthew O'Hara is the Clubs NSW State Councilor for the Illawarra Shoalhaven region and a member of the CMA (Club Managers Association). Matthew O'Hara also holds a Bachelor of Business in Club Management from the Southern Cross University, an Executive Certificate in Event Management, an Executive Certificate in Corporate Governance and a Diploma in Property Development. Matthew O'Hara is also CEO of the Club.

Principal Activities

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

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

Short Term Objectives

The Club's short term objectives are to:

- Achieve the key company goals in the areas of People, Planet and Profit.
- Ensure the ongoing financial viability of the Club, remaining solvent and complying with the loan covenants required by the Commonwealth Bank.
- Adequately identify and quantify risk and employ appropriate mitigation strategies.

Long Term Objectives

The Club's long term objectives are to:

- Continue application of the Principles of Good Corporate Governance.
- Maintain relevance and long term sustainability of the Club in the Community.

Strategy For Achieving The Objectives

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

- Education of Board and Management of the Principles of Good Corporate Governance and the active pursuit of implementing strategy derived from these principles.
- Investment and education of key personnel and the Board ensuring the Board is exercising their duties as a Director responsibly, ethically and in the best interests of the Club as a whole.
- Maintaining and nurturing a Club culture focused on our customers our staff and our Community.

Information on Directors

Down Brown	Director
Qualifications	Retired Electrical Technician
Experience	Director of Club for 7 months
George Cowling	Director/ Chairman of the Board / Chairman Disciplinary Committee
Qualifications	Retired Foreman
Experience	Director of Club for 19 years
Wolfgang Coen	Director
Qualifications	Retired Logistics Supervisor
Experience	Director of Club for 1 year and 3 months
Neil Dawson	Director
Qualifications	Retired Small Business Owner (smallgoods)
Experience	Director of Club for 7 months
Risden Knightley	Director/ Chairman Building Committee
Qualifications	Engineer and Property Developer
Experience	Director of Club for 1 year and 10 months
Harry Mitchell	Director
Qualifications	Former CEO Australian Aerial Patrol
Experience	Director of Club for 1 year and 7 months
John Noble	Director
Qualifications	Retired Bank Manager
Experience	Director of Club for 21 years and 9 months
Jessie Pill	Director / Chairperson Audit Risk & Finance Committee
Qualifications	Commercial Manager, BlueScope
Experience	Director of Club for 5 years and 2 months
Wendy Steyer	Director
Qualifications	Retired Library Technician
Experience	Director of Club for 2 years and 8 months
Lyn Wilke	Director
Qualifications	Retired Project Manager
Experience	Director of Club for 7 months

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 members that are corporations and \$2 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$36,408 (2018: \$37,124).

Meetings of Directors

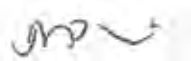
During the financial year, 35 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Other Committee Meetings		Other Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Don Brown	9	9	2	2	1	1
George Cowling	13	13	7	7	2	2
Wolfgang Coen	6	7	4	4	2	-
Neil Dawson	9	9	8	8	1	1
Risden Knightley	13	13	14	14	2	2
Harry Mitchell	6	9	2	3	2	2
John Noble	4	4	6	6	1	1
Wendy Steyer	13	13	18	22	2	2
Jessie Pill	12	13	15	19	2	2
Lynette Wilke	9	9	5	6	1	1

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 2020 has been received and can be found on page 31 of the financial report.

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

Director: 
Jessie Pill

Director: 
Wendy Steyer

Dated: 14.09.2020

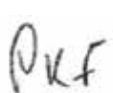
Dated: 14.09.2020

Auditors 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 2020, 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
Chartered Accountants
Level 8, 1 O'Connell Street, Sydney NSW 2000


Kym Reilly
Partner
Dated: 14.09.2020

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	5	11,764,746	14,035,108
Other income	5	1,268,599	833,628
Gain on disposal of assets	6	91,137	114,876
Cost of sales		(1,851,001)	(2,232,879)
Advertising expense		(24,383)	(29,319)
Donations		(137,713)	(204,191)
Equipment hire		(21,127)	(22,791)
Security		(162,014)	(192,029)
Repairs and maintenance		(414,593)	(462,763)
Rates and utilities		(359,393)	(376,290)
Depreciation	6	(1,570,249)	(1,657,065)
Postage, printing and stationery		(131,418)	(138,512)
Poker machine duty		(1,245,126)	(1,490,519)
Insurance expenditure		(398,120)	(317,281)
Entertainment and promotions		(1,043,466)	(1,317,594)
Employee benefits	6	(4,664,566)	(4,841,563)
Cleaning expenditure		(254,365)	(328,861)
Finance costs	6	(97,158)	(146,113)
Computer and software expenses		(25,986)	(22,961)
Subscriptions and licences		(69,705)	(96,362)
Sub-club expenses		(5,000)	(9,800)
Men's bowling club expenses		(67,169)	(86,220)
Women's bowling club expenses		(41,504)	(35,300)
Poker machine expenses		(117,356)	(145,073)
Green and bowling expenses		(15,630)	(22,880)
Courtesy bus		(70,317)	(86,742)
Consulting fees		(4,500)	(8,872)
Other expenditure		(185,417)	(243,894)
Sailing club expenses		(77,099)	(114,228)
Profit from continuing operations		70,107	353,510
Income tax expense	1. (k)	-	-
Profit for the year		70,107	353,510
Other comprehensive income			
Revaluation of land and buildings		-	875,778
Total comprehensive income for the year		70,107	1,229,288

Statement of Changes In Equity

For the Year Ended 30 June 2020

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	17,740,647	4,044,975	21,785,622
Profit attributable to members of the entity	70,107	-	70,107
Balance at 30 June 2020	17,810,754	4,044,975	21,855,729
	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	17,387,137	3,169,197	20,556,334
Profit attributable to members of the entity	353,510	-	353,510
Revaluation of land and buildings	-	875,778	875,778
Balance at 30 June 2019	17,740,647	4,044,975	21,785,622

The accompanying notes form part of these financial statements.

Statement of Financial Position

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Assets			
CURRENT ASSETS			
Cash and cash equivalents	7	2,196,399	1,076,309
Trade and other receivables	8	255,738	14,783
Inventories	9	98,498	113,154
Other assets	10	65,784	147,973
TOTAL CURRENT ASSETS		2,616,419	1,352,219
NON CURRENT ASSETS			
Property, plant and equipment	12	20,115,544	20,516,269
Investment property	13	1,695,000	1,695,000
Intangible assets	11	1,671,375	1,671,375
TOTAL NON-CURRENT ASSETS		23,481,919	23,882,644
TOTAL ASSETS		26,098,338	25,234,863
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	14	1,183,442	935,322
Borrowings	16	1,677,751	538,608
Employee benefits	15	708,415	664,545
Other liabilities	17	82,209	85,873
TOTAL CURRENT LIABILITIES		3,651,817	2,224,348
NON CURRENT LIABILITIES			
Borrowings	16	409,876	1,051,261
Employee benefits	15	143,772	173,632
Other provisions		37,144	-
TOTAL NON CURRENT LIABILITIES		590,792	1,224,893
TOTAL LIABILITIES		4,242,609	3,449,241
NET ASSETS		21,855,729	21,785,622
Equity			
Reserves	18	4,044,975	4,044,975
Retained earnings		17,810,754	17,740,647
TOTAL EQUITY		21,855,729	21,785,622

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities:			
Receipts from customers		13,626,897	15,531,806
Receipts from government grants		441,000	-
Payments to suppliers and employees		(12,270,081)	(13,726,585)
Interest received		62	1,433
Finance costs		(97,158)	(146,113)
Net cash provided by/(used in) operating activities		1,700,720	1,660,541
Cash Flows from Investing Activities:			
Purchase of property, plant and equipment		(1,200,317)	(1,319,329)
Proceeds from sale of property, plant and equipment		121,929	118,000
Net cash used by investing activities		(1,078,388)	(1,201,329)
Cash Flows from Financing Activities:			
Proceeds from /(repayment of) borrowings		(497,758)	(684,050)
Net cash provided by/(used in) financing activities		(497,758)	(684,050)
Net decrease in cash and cash equivalents held		1,120,090	(224,838)
Cash and cash equivalents at beginning of year		1,076,309	1,301,147
Cash and cash equivalents at end of financial year	7	2,196,399	1,076,309

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

The financial statements are for Oak Flats Bowling and Recreation Club Limited as a not-for-profit individual entity.

1. Basis of Preparation

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

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

2. Change in Accounting Policy

Lease -Adoption of AASB 16

On adoption of AASB 16, the entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019.

The Club has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss and other comprehensive income on a straight line basis.

Revenue from Contracts with Customers -Adoption of AASB 15

The Club has adopted AASB 15 Revenue from Contracts with Customers for the first time in the current year with a date of initial application of 1 July 2019.

The key changes to the Company's accounting policies and the impact of these on the financial statements from applying AASB 15 are described at Note 3(b).

The Club has applied AASB 15 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118 and related interpretations.

Income of Not for Profit Entities -Adoption of AASB 1058

In the current year, the Club has applied AASB 1058 Income of Not for Profit Entities which is effective for an annual period that begins on or after 1 January 2019. AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously AASB 1004 Contribution. The timing of income recognition depends on whether such transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

The Club's accounting policies for its revenue streams are disclosed in detail in Note 3(b). Apart from providing more extensive disclosure for the Club's revenue transactions, the application of AASB 15 and AASB 1058 has not had a significant impact on the financial position and/or financial performance of the Club.

3. Summary of Significant Accounting Policies

(a) Impact of COVID-19 and temporary Club closure

The Club was forced to temporarily close at 12pm on Monday 23 March 2020 by order of the Federal Government in line with the stage one restrictions of a lockdown to reduce the spread of COVID-19. The Cafe, the Gaming Room and Bowls opened on 3 June 2020. Bar and TAB followed on 9 June 2020 and Club Bingo opened on 15 June 2020.

The Club is currently in the process of assessing and implementing their business continuity plan along with availing in any government offered support available to them. Future cash flow forecasts are also being revisited to assess the ability of the Club to sustain future activity and cashflows for normal operations, however management is confident that the Club can adapt to the

changing environment as necessary and is confident the going concern assumption remains appropriate at 30 June 2020.

(b) Revenue and other income

For prior year

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.

Revenue from contracts with customers - from 1 July 2019

For current year

The core principle of AASB15 is that revenue is recognised on a basis that reflects the transfer of promised goods and services to customers at an amount that reflects the consideration of the Company expects to receive in exchange for those goods and 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 of the performance obligations
5. Recognise revenue as and when control performance obligations is transferred.

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 of 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.

Interest revenue

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as 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).

Government Grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by COVID-19.

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

(c) 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.

(d) 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 three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the standard costs basis and are net of any rebates and discounts received.

Net realisable value is estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(f) 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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Freehold land and buildings are shown at their fair value based on periodic (at least triennial) valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

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

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

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

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

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

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.

(g) Investment property

Investment property is zldings 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 items directly in the statement of profit or loss and other comprehensive income.

(h) Intangibles

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.

(i) Financial Instruments

Initial recognition and management

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

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured 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 model 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 and 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 provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or 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) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset 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.

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 realising security (if any is held); or
- the financial assets is more than 90 days past due.

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 have 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 expense. 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 or 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 cost using the effective interest rate method.

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

(j) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an 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 cashgenerating 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 cashgenerating 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.

(k) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*. The income tax exemption has been claimed based on self-assessment by the Club.

(l) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Leases

Lease liabilities are measured at the present values of the payments to be made over the lease term at the commencement of the lease are discounted using the lessee's incremental borrowing rate. The incremental borrowing rate is the rate that the Club would have to pay to borrow funds necessary to obtain an asset of similar value to the Right-Of-Use asset (ROU) in a similar economic environment, with similar terms, security and conditions. Application of the incremental borrowing rate is adopted where the interest rate implicit in the lease cannot be readily determined from the contract, which is generally the case for leases in the Club.

Lease payments due within 12 months are recognised within current lease liabilities; payments due after 12 months are recognised within non-current lease liabilities. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance cost and is presented in the statement of profit and loss.

The short-term exemption will be applied to leases that are less than 12 months. These leases are recognised on a straight-line basis as an expense. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

(n) Employee benefits

Provision is made for the Company'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 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) Borrowings

Secured and unsecured loans have been obtained. While some loans are interest free, these have not been discounted to present values. Carrying amounts therefore represent amount expected to be repaid at settlement. Unsecured loans are considered to be repayable at call and therefore presented as current liabilities.

(p) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

4. Critical accounting estimates and judgments

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 the most recent valuations and movements in the market.

The Illawarra Yacht Club Land and Building were revalued at 30 June 2019 by independent valuers, with a net gain of \$875,778 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 have reviewed the assumptions adopted in the 2019 independent valuation, with consideration for the impact of COVID-19 on local property prices and believe the carrying value of land and buildings at the Illawarra Yacht Club Land and Building correctly reflects the fair value at 30 June 2020.

The Oak Flats Clubhouse Land and Building was independently valued at 30 June 2018. The valuation was based on active liquid value. The critical assumption adopted in determining the valuation was based on the same methodology as the Illawarra Yacht Club above.

The Directors have reviewed the assumptions adopted in the 2018 independent valuation, with consideration for the impact of COVID-19 on local property prices and believe the carrying value of land and buildings at the Oak Flats Clubhouse Land and Building correctly reflects the fair value at 30 June 2020.

Key estimates - fair value of investment property

The investment properties were independently valued at 30 June 2018 by independent valuers, with a gain on revaluation of \$460,000 recorded in the statement of profit and loss. The valuation was 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 2018 independent valuation, with consideration for the impact of COVID-19 on local property prices and believe it correctly reflects the fair value at 30 June 2020.

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 COVID-19 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 2021 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 2020, as a Sporting Club in accordance with Section 5045 of the *Income Tax Assessment Act 1997*.

	2020	2019
	\$	\$
5. Revenue and Other Income		
Sales revenue		
- Bar income	1,687,941	2,102,736
- Poker machine income	7,111,581	8,248,134
- Catering income	2,841,370	3,543,198
- Rental income	53,383	53,158
- Sub-club income	(1,239)	636
- General bowls income	11,707	20,328
- Women's bowling club income	10,915	11,175
- Men's bowling income	23,662	29,295
- Sailing income	25,426	26,448
	11,764,746	14,035,108
Other income		
- Commissions received	245,889	320,202
- Donation and sponsorship income	76,544	152,491
- Interest received	62	1,433
- Membership income	59,697	58,562
- GST compensation	34,360	34,360
- Social and entertainment income	209,229	259,383
- Other income	6,818	7,197
- Government grants	636,000	-
	1,268,599	833,628
	2020	2019
	\$	\$
6. Result for the Year		
(a) The result for the year includes the following specific expenses		
Raw materials and consumables used	1,851,001	2,232,879
Employee benefits	4,664,566	4,841,563
Finance costs	97,158	146,113
Depreciation	1,570,249	1,657,065
(b) The result for the year includes the following significant revenue and expenses		
Net gain on disposal of non-current asset	91,137	124,672
	2020	2019
	\$	\$
7. Cash and cash equivalents		
Cash on hand	409,762	398,757
Cash at bank	1,786,637	677,552
	2,196,399	1,076,309
	2020	2019
	\$	\$
8. Trade and other receivables		
CURRENT		
Trade receivables	60,738	14,783
Government grant receivable	195,000	-
	255,738	14,783
	2020	2019
	\$	\$
9. Inventories		
CURRENT		
At cost:		
Stock on hand	98,498	113,154
	2020	2019
	\$	\$
10. Other Assets		
CURRENT		
Prepayments:	33,039	102,214
Other assets	32,745	45,759
	65,784	147,973

11. Intangible Assets	2020	2019
	\$	\$
Poker machine entitlements		
Cost	1,671,375	1,671,375
12. Property, plant and equipment	2020	2019
	\$	\$
LAND AND BUILDINGS		
Land		
At fair value	6,431,100	6,431,100
Buildings		
At fair value	10,458,600	10,420,936
Accumulated depreciation	(685,481)	(199,480)
	9,773,119	10,221,456
Total land and buildings	16,204,219	16,652,556
CAPITAL WORKS IN PROGRESS		
At cost	339,052	117,140
PLANT AND EQUIPMENT		
At cost	4,987,524	4,892,285
Accumulated depreciation	(3,876,999)	(3,660,360)
	1,110,525	1,231,925
MOTOR VEHICLES/SAILING VESSELS		
At cost	372,252	418,471
Accumulated depreciation	(225,346)	(339,695)
	146,906	78,776
RIGHT-OF-USE ASSETS		
At cost	7,100,147	6,807,384
Accumulated depreciation	(4,785,305)	(4,371,512)
	2,314,842	2,435,872
Total property, plant and equipment	20,115,544	20,516,269

The Illawarra Yacht Club land and building were revalued at 30 June 2019 by independent valuers, with a net gain of \$875,774 recorded in the asset realisation reserve and recognised as other comprehensive income. The valuation was based on market value. The Directors have reviewed the assumptions adopted in the independent valuations of the Land and Building held by Illawarra Yacht Club and believe the carrying value correctly reflects the fair value at 30 June 2020.

The Oak Flats Clubhouse Land and Building was independently valued at 30 June 2018. The valuation was based on an active liquid market. The Directors have reviewed the assumptions adopted in the independent valuations of the Land and Building held by Oak Flats Clubhouse and believe the carrying value correctly reflects the fair value at 30 June 2020.

(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:

Year ended 30 June 2020	Capital Works in Progress	Land	Buildings	Plant and Equipment	Motor Vehicles / Sailing Vessels	Right-of-use Assets	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	117,140	6,431,100	10,221,456	1,123,925	78,776	2,435,872	20,516,269
Additions	221,912	-	37,664	135,931	116,510	688,300	1,200,317
Disposals	-	-	-	(27)	(591)	(30,175)	(30,793)
Depreciation expense	-	-	(486,001)	(257,304)	(47,789)	(779,155)	(1,570,249)
Balance at the end of the year	339,052	6,431,100	9,773,119	1,110,525	146,906	2,314,842	20,115,544

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. Core Property is also specified for the Arraying club house - first floor area; lower ground floor areas of administration; cellar; sailors storage and change rooms; walkways to these lower ground floor areas from main stairs to first floor; car park, boat storage facilities, Yacht shop and property contained in the consolidated Arraying club house land title under which these areas are held. These are classified as property, plant and equipment in the Statement of Financial Position.

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.

13. Investment Property	2020	2019
	\$	\$
Balance at the beginning of the year	1,695,000	1,695,000
	1,695,000	1,695,000
Amounts recognised in statement of comprehensive income for:		
Rental income from investment properties	53,158	53,158
Direct operating expenses arising from investment properties that generated rental income	(7,567)	(7,567)
Repairs and maintenance expenses	(13,573)	(13,450)
	32,253	32,141

"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 Valuers.

14. Trade and other payables	2020	2019
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	701,975	279,731
Other payables	438,613	406,734
GST payable	42,854	248,857
	<u>1,183,442</u>	<u>935,322</u>

15. Employee Benefits	2020	2019
	\$	\$
Current liabilities		
Long service leave	271,025	221,350
Provision for employee benefits	437,390	443,195
	<u>708,415</u>	<u>664,545</u>
NON-CURRENT		
Long service leave	66,212	102,632
Provision for employee benefits	77,560	71,000
	<u>143,772</u>	<u>173,632</u>

16. Borrowings	2020	2019
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability	157,680	-
Bank loans	1,520,071	538,608
	<u>1,677,751</u>	<u>538,608</u>
NON-CURRENT		
Secured liabilities:		
Lease liability	269,370	-
Bank loans	140,506	1,051,261
	<u>409,876</u>	<u>1,051,261</u>

The carrying amounts of non-current assets pledged as security are:

First Mortgage:		
- freehold land and buildings	17,889,219	18,347,556
Floating charge:		
- other assets	8,199,119	6,887,307
	<u>26,088,338</u>	<u>25,234,863</u>

Bank overdraft and loans are secured by registered equitable mortgages over the Club's assets (including investment properties) and undertakings.

As at 30 June 2020 the bank loans are classified as current. This is due to a loan covenant breach as at 30 June 2020. The loan covenant breached was in respect of Poker Machine Revenue for the 2020 financial year, which was impacted by the shut down of the Club through the COVID-19 government restrictions in place during the year. The Club have been advised by the Club's financial institution that the bank has no intention of calling on the clubs loan facilities.

Bank loan facilities

Unrestricted access was available at reporting date to the following lines of credit:

Bank loan facilities	2020	2019
	\$	\$
Market rate loan	3,600,000	3,600,000
Bank overdraft	500,000	500,000
Used at balance date	(1,660,577)	(1,589,869)
Unused at balance date	<u>2,439,423</u>	<u>2,510,131</u>

17. Other liabilities	2019	2018
	\$	\$
CURRENT		
Unsecured		
Members subscriptions in advance	82,209	85,873

18. Reserves	2020	2019
	\$	\$
Asset realisation reserve		
Opening balance	4,044,975	3,169,197
Revaluation of land and buildings	-	875,778
Closing Balance	<u>4,044,975</u>	<u>4,044,975</u>

19. Capital and Leasing Commitments	2020	2019
	\$	\$
Operating leases		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	14,736	9,824
- between one year and five years	21,304	36,040
	<u>36,040</u>	<u>45,864</u>

The Club has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss and other comprehensive income on a straight line basis

Other operating leases have been reclassified as lease liabilities from 1 July 2019 in accordance with AASB 16. Refer Note 16 for further information on lease liabilities.

Capital Commitments

As of 30 June 2020, there were no capital commitments (30 June 2019: Nil)

20. 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 Company'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:

		2020	2019
		\$	\$
Financial Assets			
Cash and cash equivalents	7	2,196,399	1,076,309
Trade and other receivables	8	255,738	14,783
Total financial assets		<u>2,452,137</u>	<u>1,091,092</u>
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	14	1,183,442	935,322
Borrowings	16	2,087,627	1,589,869
Other liabilities	17	82,209	85,873
Total financial liabilities		<u>3,353,278</u>	<u>2,611,064</u>

21. Contingent Liabilities and Contingent Assets

Contingent liability - Casual employee entitlements

The Club employs casual employees as part of its normal operations. The Federal Court of Australia's recent ruling in the case of WorkPac Pty Ltd v Rossato [2020] FCAFC 84, provided further clarity around how the courts would define a casual worker and pointed to circumstances where there was a firm advance commitment from the employer and as a result the employee had an expectation of continuing and indefinite work.

Management have performed a review of how they engage with their casual employees and has determined that the outcomes of this case will have limited implications for the Club as the pattern of employment of the majority of the Clubs casual work force is irregular and there is no expectation on behalf of the worker of continuing and indefinite work.

However, given the broad application and the number of casuals employed by the Club, there is a potential that an obligation may arise in the future should the courts judgment be more broadly interpreted.

Contingent liability - Security deposits

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.

No other contingent liabilities or assets are held at 30 June 2020.

22. Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$456,689 (2019: \$446,273).

23. 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.

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

24. Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Land and buildings
- Investment property

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the club:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2020				
Recurring fair value measurements				
Property, plant and equipment - land and buildings	-	16,204,219	-	16,204,219
Investment Property	-	1,695,000	-	1,695,000
Total financial assets	-	17,899,219	-	17,899,219
30 June 2019				
Recurring fair value measurements				
Property, plant and equipment - land and buildings	-	16,652,556	-	16,652,556
Investment Property	-	1,695,000	-	1,695,000
Total financial assets	-	18,347,556	-	18,347,556

25. Events Occurring After the Reporting Date

The financial report was authorised for issue on 14 September 2020 by the Board of Directors.

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

26. Impact of Coronavirus (COVID-19) on Continuing Operations

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

We have seen a significant impact on our business. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and the duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition. We have received the JobKeeper and Cashflow boost grants from Government to support our business during this challenging time.

It is not possible to estimate the impact of the outbreak's near-term and longer-term effects or the Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide quantitative or qualitative estimate of the potential impact of this outbreak on the Club at this time.

The Club is currently in the process of assessing and implementing their business continuity plan along with availing in any government offered support available to them. Future cash flow forecasts are also being revisited to assess the ability of the Club to sustain future activity and cashflows for normal operations, however management is confident that the Club can adapt to the changing environment as necessary and is confident the going concern remains appropriate at 30 June 2020.

27. Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 18,204 (2019: 18,562).

28. Company Details

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

DIRECTOR'S DECLARATION

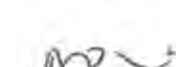
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 32-39, are in accordance with the *Corporations Act 2001* and:

- a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
- b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.

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.

Director: 
Jessie Pill

Director: 
Wendy Steyer

Dated: 14.09.2019

Dated: 14.09.2019

INDEPENDENT AUDIT 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 Club), which comprises the statement of financial position as at 30 June 2020, 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 a summary of significant accounting policies, and the declaration by the directors.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of the Club as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

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.

Independence

We are independent of the Club in accordance with 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 30 June 2020 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.

Responsibilities of Management and the Directors for the Financial Report

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.

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements², and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Directors are responsible for overseeing the Club's financial reporting process.

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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Club'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 Club 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 management 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, actions taken to eliminate threats or safeguards applied.

PKF

Chartered Accountants
Level 8, 1 O'Connell Street,
Sydney NSW 2000

Kym Reilly
Partner

14.09.2020





JOHN RYAN

Men's Bowling President

FAREWELL JOHN

by Kay Moran

John joined OFBRC in February of 1982 and was a strong supporter of all bowls such as Club championships, Pennants and Social.

John became more involved in the club over the years and became Selector in 1985 and went on to be elected selector and head Selector for the next 17 years.

He then became Bowls Secretary from 2001 to 2003 and served as the club delegate for Zone 16 meetings for 3 years and was the first Bowls Secretary to be appointed by the Board in February 2009 which he held for the next 3 years.

John was an accomplished bowler winning numerous club titles and pennant flags. He was particularly proud of the 2011 and 2017 flag wins, given he was a member of the team in 2011 and in 2017 he was the Mens President at the time.

John's proudest moment was when he was given Life Membership of the club in 2015 of which he richly deserved.

Over the last 4 years John served as President of the Men's Bowling Club representing the club with great passion. John was big on making people feel welcome to the club making special presentations to newcomers and leaving a lasting impression on everyone.

He loved this Club and will be sadly missed and thought of with fond memories.

ILLAWARRA
YACHT CLUB



OAK FLATS
BOWLING & RECREATION CLUB

