



# 2023 ANNUAL REPORT



2023

# AGM NOTICE

THE FRATERNITY BOWLING AND RECREATION CLUB LIMITED  
A.C.N 001 005 545

Notice is hereby given of the Annual General Meeting of the Fraternity Bowling & Recreation Club Ltd to be held at the Club, 11 Bourke Street Fairy Meadow on **Monday, 27th November 2023 at 7:00pm.**

11 Bourke Street, Fairy Meadow NSW 2519

02 4283 3333

[www.fraternityclub.com.au](http://www.fraternityclub.com.au)



# AGENDA

1. Present
2. Apologies
3. Receive the minutes of previous annual meeting
4. Business arising from minutes
5. Adoption of minutes
6. Receive the minutes from EGM meeting
7. Business arising from minutes
8. Adoption of minutes
9. Receive and consider the Director's Report, Auditor's Report and Financial Report for the financial year ending June 30, 2023
10. President's Report
11. Election of Officers - President and 3 Directors
12. To consider and if thought, pass the First and Secondary Resolutions in relation to Director's benefits as set out below
13. To consider and if thought, pass the Third Ordinary Resolution in relation to Life Membership
14. General Business

## **FIRST ORDINARY RESOLUTION**

Pursuant to the Registered Clubs Act, the members hereby approve the following payments and benefits which are not available to members generally but only to those who are members of the Board of the Club and the other persons referred to below:

- a) The reasonable expenses incurred by members of the board for travelling in relation to and from their duties as members of the Board and as approved by the Board from time to time provided such expenses are supported by the production of invoices, receipts or other proper documentary evidence of such expenditure.
- b) The reasonable cost of members of the Board attending the Annual General Meeting and Conference of ClubsNSW and separately the Trade Show of ClubsNSW and such other seminars, lectures, trade displays, online training and other similar training as may be determined by the Board from time to time as being beneficial to the Club or as is required to satisfy the compulsory training required of Directors under the Registered Clubs Act.
- c) The reasonable cost of members of the Board attending other registered Clubs for the purpose of viewing and assessing the facilities of those clubs and methods of operation, provided such attendances are approved by the Board as being necessary in the interests of the Club.
- d) The provision of a suitably inscribed Club blazer and uniform for each member of the Board, as may be required by each new director.
- e) Each Director of the Board being entitled to the use of a designated car parking space provided in the Club's carpark.
- f) The reasonable cost of a meal and refreshments for each Director of the Board immediately before, during, or immediately after a Board or Sub Committee meeting provided such meeting occurs at a normal meal time.
- g) The reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.

# AGENDA

h) The reasonable costs of each member of the Board and their spouse/partner attending a dinner and other Club or Club Industry functions where appropriate and required by the Board to represent the Club.

The above remains unchanged from last year.

## **SECOND ORDINARY RESOLUTION**

That the members hereby approve the payment of the following honorariums for the period between the Annual General Meeting on 27 November 2023 and the Annual General Meeting in 2024:

- a) Sum of \$8,500 to the President of the Board (which is also to cover his mobile phone expenses);
- b) Sum of \$1,000 to each of the other Directors of the Board

## **THIRD ORDINARY RESOLUTION**

That Emilio Felli (membership number 1202), having been recommended by the Board for Life Membership for outstanding service to the Club, be hereby elected as a Life Member to the club.

By order of the Board of Directors

*Glenn Ward*

Chief Executive Officer  
2/11/23



**FRATERNITY BOWLING & RECREATION CLUB LIMITED  
ANNUAL GENERAL MEETING OF MEMBERS  
HELD IN THE CLUB'S AUDITORIUM ON  
Monday 21st November 2022**

---

**PRESIDING:** M. Cuda (President)

**Also:** A. Wang (Club Auditor) G Field (General Manager).  
And Members as per attendance register.

**Meeting declared open at..... 7.10 pm.**

M. Cuda welcomed all the Foundation Members, Life Members & Members to the meeting & acknowledged the Board, Club Auditor, the General Manager & Iris Soldi Sports President.

**Apologies:** Alex Frino (OS), John Akele, Luca Ferrari, Tony Rodrigues (On leave)

**OBITUARY:** M. Cuda called for one-minute silence for Members that have passed away during the year.

**MINUTES:** M. Cuda tabled the Minutes of the Annual General Meeting held on Monday 14<sup>th</sup> December 2021.

**Moved:** M. Cazzolli (10513)  
**Seconded:** E Boscaro (1127)

That the minutes of the AGM held on the Monday 14<sup>th</sup> December 2021 be accepted as a true record. **"Carried"**

**FINANCIAL STATEMENTS:**

A. Wang tabled & gave a summary of the financial statements for the year ending 30<sup>th</sup> June 2022.

**Moved:** E Baggio (100)  
**Seconded:** A Douglas (8819)

That the 2021 Financial Report, Directors Report & the Auditors report be adopted as true records. **"Carried"**

**PRESIDENT REPORT:**

M. Cuda read his annual President's report that was included in the notice of the AGM.

M. Cuda thanked the Board membership for the continued support.

M. Cuda thanked the General Manager Greg Field for good efforts during the year.

M. Cuda outlined the membership numbers that are now over 18,000 and thanked all members.

M. Cuda and G Field went through the financial slide show.

M. Cuda spoke to the Complications of the Covid impact on the business and spoke to a created recruitment policies created over the last 12 months

M. Cuda discussed the various board members and the contributions made by them over the year and the recruitment of a "Financial Controller".

M. Cuda congratulated Mauri and the team the winning of the "Perfect Plate"

M Cuda spoke to the "USI Cycling" Event and gave praise to the entire Team for the organisation and execution of the event. Gave major thanks to all the

Volunteers that made the Event a success and discussed the hurdles suffered because of the event.

M. Cuda then spoke about the Fairy Meadow Sports club Amalgamation, he discussed the process undertaken to date. Discussed the reasoning behind why the Fraternity Club is pursuing the Amalgamation and the complications around expansion of the Fraternity Club Footprint.

M. Cuda thanked Port Kembla Football Club, Wolves Football Club, Corimal Football Club and all the other Sporting clubs that have engaged with the Fraternity Club this year.

#### **NOMINATIONS RESULTS:**

G. Field announced the 3 nomination results and the lack of need to have an election having only 3 Nominees for the period with Mick Cuda, Dario Trevisi and Connie Sacco being elected as directors for the next 3 years "Unopposed".

**Moved:** M. Cazzolli (10513)

**Seconded:** P. Villella (3030)

That the first Ordinary Resolution as per read be accepted.

**"Carried Unanimously"**

G. Field read & put forward the Second Ordinary Resolution for Members consideration.

**Moved:** P. Villella (3030)

**Seconded:** Y. Cappetta (8700)

That the second Ordinary Resolution as per read be accepted.

**"Carried Unanimously"**

#### **Life Membership:**

D. Trevisi discussed the criteria for application and thanked the 2 applicants for their applications. The Board decided that the "Didn't meet the Criteria" and therefore were "denied"

#### **Marketing:**

C. Sacco Discussed the "What's On" Book and related events.

C. Sacco reminded the membership about the various events both short and long term (70<sup>th</sup> Anniversary Gala Ball).

C. Sacco thanked her Family Friends and her fellow board members.

E. Salucci thanked the President Mick Cuda on Behalf of Board Members and members for his efforts

#### **General Business:**

M. Boscaro (11077) asked about "Villa D'oro conversations" with the club.

M. Cuda explained conversations are happening and updates would be made as appropriate

M. Cuda thanked the Membership again and spoke of the growth of the club over the last 10 years

**Meeting declared closed at ..... 7.46 pm.**



**FRATERNITY BOWLING & RECREATION CLUB LIMITED  
EXTRAORDINARY GENERAL MEETING OF MEMBERS  
HELD IN THE CLUB'S AUDITORIUM ON**

**Monday 1<sup>st</sup> MAY 2023**

---

**PRESIDING:** M. Cuda (President)

**Also:** Tony Rodrigues (Interim General Manager)  
& 86 Members as per attendance register.

**Meeting declared open at..... 7.10 pm.**

M. Cuda welcomed all the Foundation Members, Life Members, Members to the meeting & acknowledged the Board, the Interim General Manager & Iris Soldi Sports President.

**APOLOGIES:** Greg Field, Sean Till, Maria Cazzolli, John Akele & John Apolloni

**OBITUARY:** M. Cuda called for one-minute silence for Members that have passed away during the year.

**Procedural Matter:** M. Cuda tabled and summarised the Resolutions to be voted on and declared the "Second Special resolution 3 - To amend the Term of Board Members ". As be "Parked" for now. To be voted on at a latter Meeting with the Membership.

**Ordinary Resolution 1):**  
M. Cuda tabled and summarised the "Ordinary Resolution" to be voted on and gave an overview of the M.O.U process between all parties involved. The club was spoken about in detail and images of the facility shown. Overview of the friction points were discussed, Hydrants, Lease Conditions, Facility, Performance.  
Advised the Membership that there is still a chance that the building negotiation may not succeed, and the ultimate call may bet yet to be made by the Fraternity Board.

**Questions From the Floor:**

S.D.P # 280 - **Is the Club (FMBC) On a Flood Plain?**  
Yes, Most of Fairy Meadow is on a flood plane to varying degrees.

**Membership Is it Declining?**  
Unsure of answer, answered from the floor thought to be declining according to floor but has up ticked slightly of the last month.

**Is the Club intending to extend the building (FMBC)?**  
It's possible – But it's all dependent on lease duration.

M. Di Carlo #10775 - **Is the Club carrying a lot of debt (FMBC)?**  
The Club has no known Debt and has some cash in the bank, but they are eating into that bank balance and have already sold some assets to pay bill in the past.

P. O'Connor #6099 / FMBC - 354 - **No Question asked, just a summation of the Flood plains his view and a summation of the reason for the failing performance of the FMBC (Mostly Bowls and Older Membership) Very appreciative of the Fraternity Club and the Board & Management.**





T. McElroy #9439 -

**How long is the Lease Term WCC is Offering?**

5 Years is the on paper offer mostly due to change to the Policies of WCC with General contracts.

**What is the time expected to reach a result from WCC?**

Without any indication as to the time frame based on WCC current performance with communication has been poor and emails have been unanswered for weeks.

**What about the Skate Park with "Sporting Cross Over"?**

We doubt the Skate Park would have a major impact on the Usage of the FMBC being mostly kids by themselves without families, they are a right full user of the area with all respect just not typical to trade when compared to the team sport opportunities.

P. O'Connor #6094 / FMBC - 354 - **No Question asked**, another summation of another reason for the failing performance of the FMBC (Poor Rules increasing friction to enter, Dress wear, etc) Again very appreciative of the Fraternity Club and the Board & Management.

**Ordinary Resolution 1):**

M. Cuda read out and summarised the "Ordinary Resolution" to be voted on.

**ORDINARY RESOLUTION**

*"That the members hereby approve in principle the amalgamation of The Fraternity Bowling & Recreation Club Limited ACN 001 005 545 ("Fraternity Club") with Fairy Meadow Sports & Social Club Limited ACN 001 028 360 ("Sports Club"), with such amalgamation to be effected by:*

- (a) the continuation of the Fraternity Club as the corporate body of the Amalgamated Club and the dissolution of the Sports Club; and*
- (b) the granting of an application made to the Independent Liquor & Gaming Authority for the transfer of the club licence held by the Sports Club in respect of its premises at 2 Cambridge Ave, Fairy Meadow NSW 2519 to the Fraternity Club for the purpose of such amalgamation; and*
- (c) the transfer of the club licence held by the Sports Club to the Fraternity Club pursuant to the application referred to in paragraph (b)."*

**Moved:** Peter O'Conner (#6099)  
**Seconded:** Annette Martire (#10301)

**VOTE RESULTS:** Voted "YES" - 80+ / Voted "NO" - 03- = YES (86 Attendees) +50% + 1  
"Carried".



### First Special Resolution:

M. Cuda tabled and summarised the "First Special Resolution 2 Constitutional change to allow the Amalgamation in Ordinary Resolution 1" to be voted on and gave an overview.

**FIRST SPECIAL RESOLUTION**

That the Articles of Association of The Fraternity Bowling & Recreation Club Limited be amended by:

(a) **inserting** the following new Article 11(e):

*"(e) Sports Club members."*

(b) **inserting** the following new Article 16(f):

*"(f) Sports Club members*

*Sports Club members shall be those persons who are full members (as defined in the Registered Clubs Act) of the Fairy Meadow Sports & Social Club Limited and who were admitted to membership of the Club pursuant to Article 30A of this Constitution and for the purposes of the amalgamation between the Club and the Fairy Meadow Sports & Social Club Limited. Sports Club members shall have the same rights and membership privileges as Associate members."*

(c) **inserting** the following new Article 30A:

*"30A. (a) Articles 27 to 30 inclusive shall not apply to a person who is admitted as a member of the Club*

*Page | 5*

---

*pursuant to an amalgamation with another registered club and this Article 30A.*

(b) *A person shall be admitted as a member of the Club pursuant to an amalgamation if that person is a full member (as defined in the Registered Clubs Act) of a registered club which has amalgamated with the Club and has agreed to be a member of the Club pursuant to the amalgamation.*

(c) *The agreement referred to in Article 30A(b) must be in writing and to the effect that the person agrees to be a member of the Club and agrees to be bound by the Constitution and By-laws of the Club and in such form as approved by the Board from time to time.*

(d) *Any person who completes and signs the agreement referred to in Article 30A(c) and returns that agreement to the Club shall, (subject to the name of that person being displayed on the noticeboard of the Club for not less than seven (7) days and a period of not less than fourteen (14) days elapsing after the receipt of the acceptance by the Club) be elected by a resolution of the Board to membership of the Club with effect from the date of completion of the amalgamation."*

**VOTE RESULTS:** Voted "YES" - 86+ / Voted "NO" 0 - = YES (86 Attendees) +75%

**"Carried".**



**Second Special Resolution:**

----- **Withdrawn** -----

M. Cuda summarised the "Second Special Resolution 2" and the reason for the withdrawal.

**SECOND SPECIAL RESOLUTION**

That the Articles of Association of The Fraternity Bowling & Recreation Club Limited be amended by:

(a) **inserting** into the definitions in Article 1(a) in alphabetical order:

Page | 6

---

*"Biennial General meeting" means the annual general meeting of the Club held in 2023 and every second annual general meeting thereafter."*

(b) **deleting** from Article 42A the word "Annual" and in its place inserting the word "Biennial".

(c) **deleting** from Article 43(a) the word "annually" in its place **inserting** the word "biennially".

(d) **deleting** from Article 43(b) the word "Annual" in its place **inserting** the word "Biennial".

(e) **deleting** Article 43A and **inserting** the following new Article 43A:  
*"Deleted."*

(f) **deleting** Article 43B and **inserting** the following new Article 43B:  
*"With effect from and for the purposes of the election of the Board and Annual General Meeting held in 2023, and thereafter, the directors will be elected every two years at Biennial General Meetings."*

(g) **deleting** from Article 43C(a) the word "Annual" wherever it appears and in its place **inserting** the word "Biennial".

(h) **deleting** Article 43C(b) and **inserting** the following new Article 43C(b):  
*"The members who are eligible to hold the office of President are those members of the Board who have been nominated for office as director and been declared elected to that office at the Biennial General Meeting and have the qualifications referred to in Article 43D."*

(i) **deleting** Article 43C(c) and **inserting** the following new Article 43C(c):  
*"A member who has been nominated to be elected to office as a director as referred to in paragraph (b) of this Article 43C may be nominated for the office of President, by a written notice of that nomination signed by two (2) Fraternity, Foundation or Life members and by the member nominated and delivered to the Secretary at least fourteen (14) days before the Biennial General Meeting, which shall be the close of nominations for the purposes of this Article 43C."*

(j) **deleting** from Article 43C(e) the word "Annual" wherever it appears and in its place **inserting** the word "Biennial".

(k) **deleting** from Article 43C(f) the word "Annual" wherever it appears and in its place **inserting** the word "Biennial".

(l) **deleting** from Article 43D the word "Annual" wherever it appears and in its place **inserting** the word "Biennial".

(m) **deleting** from Article 43E(a) the word "Annual" and in its place **inserting** the word "Biennial".

(n) **inserting** the following new Article 57A:  
*"Any member appointed to fill a casual vacancy pursuant to Article 57 shall hold office, subject to this Constitution, until the following biennial general meeting."*

**VOTE RESULTS:**

----- **NOT VOTED – WITHDRAWN** -----





**Third Special Resolution:**

M. Cuda tabled and summarised the "Third Special Resolution" Constitutional change to allow the reduction of Board Members from 9 to 8" to be voted on and gave an overview.

**THIRD SPECIAL RESOLUTION**

That the Articles of Association of The Fraternity Bowling & Recreation Club Limited be amended by:

(a) **deleting** Article 42 and **inserting** the following new Article 42:

*"Subject to Article 42A, the Board shall consist of a President, two (2) Vice Presidents and five (5) other Board members."*

(b) **deleting** Article 42A and **inserting** the following new Article 42A:

*"With effect from the election of the Board at the Biennial General Meeting held in 2023 and thereafter, the Board shall consist of eight (8) directors comprising a President, two Vice Presidents and five (5) Ordinary Board members."*

---

**EXPLANATORY NOTES TO MEMBERS ON THE THIRD SPECIAL RESOLUTION**

1. **The Third Special Resolution** proposed to reduce the total number of directors on the Board from a total of nine (9) directors to eight (8) directors.
2. If the Third Special Resolution is passed, the Board shall comprise of a President, two Vice Presidents and five ordinary directors. The reduction in the total number of directors will be affected by reducing the number of ordinary director positions from six (6) to five (5).

**Moved:** Maria Di Carlo (#10775)  
**Seconded:** Warren Douglas (#4631)

**VOTE RESULTS:** Voted "YES" - 86+ / Voted "NO" 0 - = YES (86 Attendees), +75%

**"Carried".**



**Fourth Special Resolution:**

M. Cuda tabled and summarised the "Fourth Special Resolution" Constitutional change to allow the name change of the company as stated below to be voted on and gave an overview.

**FOURTH SPECIAL RESOLUTION**

*"That the name of the Fraternity Bowling & Recreation Club Limited be amended to the "Fraternity Club Limited" and that all references to the name of the company in the Memorandum and Articles of Association be amended accordingly."*

**Moved:** Adriana Douglas (#8819)  
**Seconded:** Luciano Sartor (#118)

**VOTE RESULTS:** Voted "YES" - 86+ / Voted "NO" 0 - = YES (86 Attendees), +75%

**"Carried".**

**Un-Related - Questions From the Floor:**

- M. Boscaro #11077 - **What is the name of the club?**  
Mick Cuda – Restated the Resolution.
- L. Mercahal #16794 - **No Question asked, Statement made, just a summation of the skate Park being part of the "Younger generation" and should be managed and treated as an opportunity for membership.**  
Mick Cuda – Noted
- T. McElroy #9439 - **How much does it cost to change the name?**  
Mick Cuda - Part of the constitutional change Cost Approx +\$2K.
- T. Panetta #844 – **Can the membership be encouraged to voice their opinions to the "Master Plan" thought to the WCC?**  
Mick Cuda – Yes, Keep any eye on the Social & News Papers
- M. Di Carlo #10775 - **Will Our AGM cross over? (FMBC)**  
The Club will cross over after the Formal legal issue are resolved. And there will be only one AGM, with an Advisory committee from the FMBC in its current state that will report to the Board only.

**General Business**

M. Cuda informed the meeting that Greg Field had resigned as General Manager of the Club.

**Meeting declared closed at ..... 8.14 pm.**



**19,606 Members**

**+26.8%\* Profit  
(\$1,170,929)**



**+56.4%\* Revenue  
(\$16,862,746)**

**\$118,577**

**Re-invested into  
local community**

**(ClubGrants, Charities & Donations)**



**74,758  
Pizzas Eaten**



**155 Staff**



**30,484  
Cups of Coffee  
Drank**



**7,368  
Barramundi Fillets  
Meals Sold**

\*compared to 2021/22 financial year





**FRATERNITY BOWLING AND RECREATION  
CLUB LIMITED**

**ABN: 56 001 005 545**

**Financial Report For The Year Ended  
30 June 2023**

# Fraternity Bowling and Recreation Club Limited

ABN: 56 001 005 545

## Financial Report For The Year Ended 30 June 2023

<b>CONTENTS</b>	<b>Page</b>
Directors' Report	1
Auditor's Independence Declaration	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	23
Independent Auditor's Report	24

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2023.

**Directors**

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

		<b>Date Appointed</b>	<b>Occupation</b>
CUDA, Mick	President	25th November 2008	Managing Director
SACCO, Concetta	Vice-President	30th November 2009	Fraud Officer
SALUCCI, Emilio	Vice-President	27th November 2012	Operations Manager
TREVISI, Dario		25th November 2008	Service Project Team Leader
APOLLONI, John		29th November 2011	Chartered Accountant
AKELE, John		28th November 2010	Chartered Accountant
IANNI, James		28th November 2010	Real Estate Agent
FERRARI, Giovanni	Resigned 20/12/2022	30th November 2015	Operations Manager
FRINO, Alessandro	Resigned 28/02/2023	26th May 2020	Deputy Vice Chancellor
SAFFIOTI, Domenic		08th February 2023	Project Manager

	Board Meetings	
	Number attended	Number eligible to attend
CUDA, Mick	12	13
SACCO, Concetta	12	13
SALUCCI, Emilio	11	13
TREVISI, Dario	10	13
APOLLONI, John	11	13
AKELE, John	12	13
IANNI, James	13	13
FERRARI, Giovanni	4	5
FRINO, Alessandro	3	8
SAFFIOTI, Domenic	3	5

Over the course of the year, The Club Directors attended further special meetings of a formal and informal nature to assist in carrying out their portfolio duties, these meetings included but were not limited to the following areas of importance; Strategy, Financial, Operational, Safety, Cultural and Entertainment.

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

**Company Secretary**

The following persons held the position of company secretary during, or since the end of the year:

Gregory Field was appointed company secretary on 29th November 2016 and resigned on 02nd May 2023.

Tony Rodrigues was appointed as an interim company secretary on 02nd May 2023 before Glenn Ward was appointed company secretary on 26th July 2023.

**Review of Operations**

The profit of the company for the financial year after providing for income tax amounted to \$1,170,929.

**Significant Changes in the State of Affairs**

No significant changes in the company's state of affairs occurred during the financial year.

**Principal Activities**

The principal activities of the company during the financial year was that of a registered club. No significant change in the nature of these activities occurred during the year.

**Events Subsequent to the End of the Reporting Period**

Glenn Ward was appointed as Chief Executive Officer of the company on 26th July 2023.

FRATERNITY BOWLING AND RECREATION CLUB LIMITED  
ABN: 56 001 005 545  
DIRECTORS' REPORT

**Future Developments, Prospects and Business Strategies**

The club will continue to focus on delivering exceptional product and service in a family friendly customer service oriented environment. The Board will continue to review strategy and work on the governance model to ensure the club meets and exceeds industry best practice parameters. The club uses industry accepted KPIs to monitor performance in terms of service delivery to members, financial results and liquidity levels.

**Club Amalgamation with Fairy Meadow Bowling Club**

An extra general meeting of members was held at 30th May 2023. The resolution has been passed for the amalgamation of The Fraternity Bowling & Recreation Club Limited with Fairy Meadow Sports & Social Club Limited. The memorandum of understanding was subsequently executed. An application to amalgamate has been lodged with Office of Liquor, Gaming and Racing at the time of signing this financial report.

**Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Indemnification of Officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company with the exception of directors and officers insurance payment of \$5,733 (Inclusive of GST).

**Directors' Entitlements**

No director has received or become entitled to receive, during or since the end of financial year, a benefit because of a contract made by the company or a related body corporate with the director, a firm of which a director is a member or an entity in which a director has a substantial financial interest with the exception of:

- Micon Office National of which Mick Cuda is a director supplied stationery, office furniture and fittings to the Club:  
Total supplies for the year GST inclusive: \$16,240 (2022: \$9,119).

**Members Guarantee**

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$2 each. At 30 June 2023 the number of members was 19,606 (2022: 18,007) as follows:

- Foundation members	23	- Associate members	5,357
- Perpetual members	2	- Life members	3
- Full members	14,221		
		Total members	<u>19,606</u>

**Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

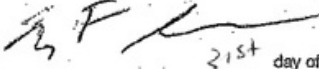
**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director  CUDA, Mick

Director  AKELE, John

Dated this  31<sup>st</sup> day of October 2023




**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF**  
**THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FRATERNITY BOWLING AND RECREATION CLUB**  
**LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Fraternity Bowling and Recreation Club Limited. As the lead audit partner for the audit of the financial report of Fraternity Bowling and Recreation Club Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm O'Donnell Hennessy Taylor

Principal Auditor Angela Wang 

Date 31<sup>st</sup> October 2023

Address CONISTON

\_\_\_\_\_

\_\_\_\_\_

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Sales revenue	2	16,862,746	10,784,154
Other income	2	345,343	700,543
Cost of goods sold		(3,829,267)	(2,159,524)
Employee benefits expense	3(a)	(6,716,138)	(4,257,925)
Depreciation and amortisation expense	3(a)	(1,100,712)	(976,642)
Finance costs	3(a)	(15,981)	(33,564)
Other expenses	3(a)	(4,375,062)	(3,134,064)
<b>Profit before income tax</b>		<b>1,170,929</b>	<b>922,978</b>
Income tax (expense)	4(a)	-	-
<b>Profit for the year</b>		<b>1,170,929</b>	<b>922,978</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Increase on revaluation of land and buildings			3,176,428
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>3,176,428</b>
<b>Total comprehensive income for the year</b>		<b>1,170,929</b>	<b>4,099,406</b>

The accompanying notes form part of these financial statements.

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	3,081,589	3,137,785
Trade and other receivables	7	71,339	122,419
Inventories	8	220,036	208,687
Other current assets	9	195,356	102,499
<b>TOTAL CURRENT ASSETS</b>		<u>3,568,320</u>	<u>3,571,390</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	10	10,750	10,750
Property, plant and equipment	11	25,574,996	24,418,479
Intangible assets	12	400,000	400,000
<b>TOTAL NON-CURRENT ASSETS</b>		<u>25,985,746</u>	<u>24,829,229</u>
<b>TOTAL ASSETS</b>		<u>29,554,066</u>	<u>28,400,619</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	2,079,421	924,460
Borrowings	14	-	1,100,000
Provisions	15	627,234	596,676
Income in advance		30,255	25,903
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,736,910</u>	<u>2,647,039</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	103,026	226,657
Provisions	15	144,786	128,508
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>247,812</u>	<u>355,165</u>
<b>TOTAL LIABILITIES</b>		<u>2,984,722</u>	<u>3,002,204</u>
<b>NET ASSETS</b>		<u>26,569,344</u>	<u>25,398,415</u>
<b>EQUITY</b>			
Reserves		16,633,745	16,633,745
Retained earnings		9,935,599	8,764,670
<b>TOTAL EQUITY</b>		<u>26,569,344</u>	<u>25,398,415</u>

The accompanying notes form part of these financial statements.

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023**

	Retained Earnings	Reserves Revaluation Surplus	Total
	\$	\$	\$
<b>Balance at 1 July 2021 (reported)</b>	7,841,692	13,457,317	21,299,009
<b>Comprehensive income</b>			
Profit for the year	922,978	-	922,978
Other comprehensive income for the year	-	3,176,428	3,176,428
<b>Total comprehensive income for the year</b>	922,978	3,176,428	4,099,406
<b>Balance at 30 June 2022</b>	8,764,670	16,633,745	25,398,415
<b>Balance at 1 July 2022</b>	8,764,670	16,633,745	25,398,415
<b>Comprehensive income</b>			
Profit for the year	1,170,929	-	1,170,929
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	1,170,929	-	1,170,929
<b>Balance at 30 June 2023</b>	9,935,599	16,633,745	26,569,344

The accompanying notes form part of these financial statements.



**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	17,034,398	11,415,420
Payments to suppliers and employees	(14,972,223)	(9,480,624)
Interest received	29,463	-
Finance cost	(15,981)	(33,564)
Net cash provided by operating activities	17(a) <u>2,075,657</u>	<u>1,901,232</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	198,360	-
Purchase of property, plant and equipment	(1,230,213)	(646,648)
Net cash (used in)/provided by investing activities	<u>(1,031,853)</u>	<u>(646,648)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	50,000	-
Repayment of borrowings	(1,150,000)	(600,000)
Net cash provided by/(used in) financing activities	<u>(1,100,000)</u>	<u>(600,000)</u>
Net increase/(decrease) in cash held	(56,196)	654,584
Cash and cash equivalents at beginning of financial year	3,137,785	2,483,201
Cash and cash equivalents at end of financial year	6 <u>3,081,589</u>	<u>3,137,785</u>

The accompanying notes form part of these financial statements.

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

These financial statements and notes represent Fraternity Bowling and Recreation Club Limited. Fraternity Bowling and Recreation Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

**Note 1 Summary of Significant Accounting Policies**

**Basis of Preparation**

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

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

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

**(a) Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**Uncertainty over income tax treatment**

Where there is uncertainty over an income tax event, the Company determines if the uncertain tax position needs to be assessed. The Company assesses the probability that the relevant tax authority will accept the treatment of the uncertain tax event.

In the event that it is not probable that the relevant tax authority will accept the treatment, the Company establishes provisions estimated based on either the expected value method or the most likely amount, depending on which is expected to better predict the resolution of the uncertainty.

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**(b) Fair Value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(c) Inventories**

Inventories are measured at the lower of cost and net realisable value.

**(d) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are charge to the statement of profit or loss.

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 and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Plant and equipment	10-100%
Poker Machines	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(e) Leases (the Company as lessee)**

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs.

The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(f) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.16.

**Classification and Subsequent Measurement**

**Financial Liabilities**

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The *effective interest method* is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).



**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

#### **Financial assets**

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings is documented appropriately, so that the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

#### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

##### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie it has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Impairment**

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

*General approach*

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- if there is no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

*Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* that do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

*Purchased or originated credit-impaired approach*

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Company measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

*Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.



**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**(g) Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(h) Intangible Assets Other than Goodwill**

Intangible assets required separately are initially measured at cost. The cost of an intangible asset acquired is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any scheduled amortisation and impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the profit and loss statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and thus accounted for on a prospective basis.

**(i) Employee Benefits**

**Short-term employee benefits**

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

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

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

**Retirement benefit obligations**

**Defined contribution superannuation benefits**

All employees of the Company receive defined contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution (currently 11% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**(j) Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(k) 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.

**(l) Revenue Recognition**

The Entity has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in this Note.

*Operating grants, donations and bequests*

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

Interest income is recognised using the effective interest method.

**(m) Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(h) for further discussion on determination of impairment losses.

**(n) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

**(o) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(p) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(q) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.



**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**(r) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**Key Estimates**

*(i) Impairment*

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key Judgements**

*(i) Provision for impairment of receivables*

No provision for impairment has been made.

*(ii) Poker machine licences*

The entity holds poker machine licences either acquired through a past business combination or granted at no consideration by the NSW Government. AIFRS requires that licences outside of a pre-AIFRS transaction business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to the profit and loss statement to recognise the grant immediately as income. Prior to new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined that fair value at grant date for licences granted pre-April 2002 was zero. Should licences be granted to the entity post April 2002 they will be initially recognised at their fair value. The entity has determined that the market value for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 2 Revenue and Other Income**

The Company has recognised the following amounts relating to revenue in the statement of profit or loss.

	2023	2022
	\$	\$
<b>(a) Sources of revenue</b>		
Total interest received	29,463	-
Bar sales	2,366,912	1,344,270
Food & catering sales	7,611,660	4,367,307
Poker machine revenue	6,181,964	4,753,544
Members subscriptions	81,391	51,806
Social and entertainment income	264,447	106,573
Sports income	15,506	7,736
Commission & rebate income	311,403	152,918
<b>Total other sources revenue</b>	<b>16,862,746</b>	<b>10,784,154</b>
<b>(b) Other income</b>		
— Gain on disposal of property, plant and equipment	195,308	-
— Rental income	2,000	17,934
— Poker Machine GST compensation	17,180	17,180
— Insurance proceeds	-	47,236
— COVID govt grants	-	567,825
— Other income	130,855	50,368
<b>Total other income</b>	<b>345,343</b>	<b>700,543</b>

**Note 3 Profit before Income Tax**

	2023	2022
	\$	\$
<b>(a) Expenses</b>		
Cost of Sales	3,829,267	2,159,524
Interest expense for financial liabilities not at fair value through profit or loss		
— external entities	15,981	33,564
<b>Total finance costs</b>	<b>15,981</b>	<b>33,564</b>
Employee benefits expense	6,716,138	4,257,925
<b>Other expenses:</b>		
— Auditors remuneration - other	990	1,000
— Auditors remuneration - audit fees	26,040	23,180
— Poker machine tax	1,198,747	858,285
— Advertising & promotional expenses	174,278	121,779
— Donations	118,577	83,447
— Maintenance costs	213,813	206,611
— Entertainment expenses	302,680	158,413
— Members expenses	50,503	32,746
— Bar indirect expenses	10,693	4,976
— Catering indirect expenses	213,256	154,273
— Gaming indirect expenses	235,352	132,953
— Other operating expenses	1,830,133	1,354,141
	<b>4,375,062</b>	<b>3,131,804</b>
<b>(b) Significant Revenue and Expenses</b>		
The following significant revenue and expense items are relevant in explaining the financial performance:		
— Loss on disposal of property, plant and equipment	-	2,260

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 4 Income Tax Expense**

	2023	2022
	\$	\$
(a) The club pays tax on income derived other than from members. The club has accumulated tax losses. The income tax position is as follows: Future income tax benefits not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 occur:		
— tax losses prior years	257,415	186,109
— current year (income tax gain)/tax loss	104,350	71,306
— timing differences	7,938	16,588
	369,703	274,003

**Note 5 Key Management Personnel Compensation**

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

Key management personnel compensation

CUDA, Mick	Director (honorary)
SACCO, Concetta	Director (honorary)
SALUCCI, Emilio	Director (honorary)
TREVISI, Dario	Director (honorary)
APOLLONI, John	Director (honorary)
AKELE, John	Director (honorary)
IANNI, James	Director (honorary)
FERRARI, Giovanni	Director (no honorary)
FRINO, Alessandro	Director (honorary)
SAFFIOTI, Domenic	Director (no honorary)
FIELD, Greg	Secretary/General Manager (Remunerated)
RODRIGUES, Tony (Appointed 2nd May 23)	Acting General Manager (Remunerated)

	2023	2022
	\$	\$
Key management personnel compensation	252,434	184,018
	252,434	184,018

**Other KMP Transactions**

For details of other transactions with KMP, refer to Note 19: Related Party Transactions.

**Note 6 Cash and Cash Equivalents**

	2023	2022
	\$	\$
CURRENT		
Cash at bank and on hand	2,631,589	2,787,785
Cash on hand	450,000	350,000
	3,081,589	3,137,785

An amount of \$517,564 was held for exclusive coverage of employee entitlements only as at 30th June 2023.

**Note 7 Trade and Other Receivables**

	2023	2022
	\$	\$
CURRENT		
Trade receivables	33,779	27,360
Other receivables	37,560	95,059
Total current trade and other receivables	71,339	122,419

**Note 8 Inventories**

	2023	2022
	\$	\$
CURRENT		
At cost:		
Stock on hand	220,036	208,687
	220,036	208,687

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

<b>Note 9</b>	<b>Other Assets</b>	2023	2022
		\$	\$
	<b>CURRENT</b>		
	Prepayments	195,356	102,499
		<u>195,356</u>	<u>102,499</u>
<b>Note 10</b>	<b>Financial Assets</b>	2023	2022
		\$	\$
	<b>NON-CURRENT</b>		
	Shares at cost	10,000	10,000
	Other Investments	750	750
	Total non-current assets	<u>10,750</u>	<u>10,750</u>
<b>Note 11</b>	<b>Property, Plant and Equipment</b>	2023	2022
		\$	\$
	<b>LAND AND BUILDINGS</b>		
	Freehold land at:		
	— independent valuation 2022	5,110,470	5,110,470
	— Freehold land - at cost	879,530	879,530
	— Freehold land 15 Bourke Street - at cost	310,000	310,000
	Total land	<u>6,300,000</u>	<u>6,300,000</u>
	Buildings at:		
	— independent valuation 2022	3,195,108	3,195,108
	— at cost	27,430,728	19,086,067
	Accumulated depreciation	(14,351,230)	(5,781,175)
	Total buildings	<u>16,274,606</u>	<u>16,500,000</u>
	Total land and buildings	<u>22,574,606</u>	<u>22,800,000</u>
	<b>PLANT AND EQUIPMENT</b>		
	Plant and equipment:		
	At cost	3,980,541	3,024,339
	Accumulated depreciation	(2,335,060)	(2,071,722)
		<u>1,645,481</u>	<u>952,617</u>
	Poker machines		
	At cost	3,841,395	3,246,656
	Accumulated depreciation	(2,486,539)	(2,580,862)
		<u>1,354,856</u>	<u>665,794</u>
	Motor vehicles		
	At cost	21,644	21,644
	Accumulated depreciation	(21,591)	(21,576)
		<u>53</u>	<u>68</u>
	Total plant and equipment	<u>3,000,390</u>	<u>1,618,479</u>
	Total property, plant and equipment	<u>25,574,996</u>	<u>24,418,479</u>

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**(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

	Freehold Land \$	Buildings \$	Plant and Equipment, Poker Machines and Motor Vehicles \$	Total \$
Balance at 1 July 2021	5,400,000	14,291,197	1,540,740	21,231,937
Additions	-	358,830	630,186	989,016
Disposals - written down value	-	-	(2,260)	(2,260)
Revaluation increments/(decrements)	900,000	2,276,428	-	3,176,428
Depreciation expense	-	(426,455)	(550,187)	(976,642)
Carrying amount at 30 June 2022	6,300,000	16,500,000	1,618,479	24,418,479
Balance at 1 July 2022	6,300,000	16,500,000	1,618,479	24,418,479
Additions	-	255,692	2,005,674	2,261,366
Disposals - written down value	-	-	(4,137)	(4,137)
Depreciation expense	-	(481,086)	(619,626)	(1,100,712)
Carrying amount at 30 June 2023	6,300,000	16,274,606	3,000,390	25,574,996

**(b) Asset revaluations**

Land and buildings are carried in the balance sheet at fair value less accumulated impairments and applicable depreciation.

Land and buildings were independently valued on 30th June 2022 at market value of \$22,800,000 (Land \$6,300,000 and building \$16,500,000) by Jeff Millar (AAPI) (Certified Practising Valuer No:67391) of Global valuation services. The valuation was determined as an appropriate figure to be used in determining the fair value in accordance with Accounting Standards AASB 116.

**Note 12 Intangible Assets**

	2023 \$	2022 \$
Poker machine entitlements		
Cost	400,000	400,000
Carrying amount	400,000	400,000

The Club purchased 15 poker machine entitlements on 4th March 2019. The purchase price was \$400,000 (exclusive of GST). These poker machine entitlements have been measured at cost. The cost of the entitlements acquired is its fair value at the date of acquisition. The poker machine entitlements are with indefinite useful lives and therefore, will be tested for impairment annually at the cash-generating unit level. The entitlements are not amortised.

**Note 13 Trade and Other Payables**

	2023 \$	2022 \$
<b>CURRENT</b>		
Unsecured liabilities		
Trade payables	1,358,689	169,083
Sundry payables and accrued expenses	415,824	353,192
GST payables	181,277	278,554
Gaming machines payable	123,631	123,631
	<u>2,079,421</u>	<u>924,460</u>
<b>NON-CURRENT</b>		
Gaming Machines payable	103,026	226,657
	<u>103,026</u>	<u>226,657</u>



**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 14 Borrowings**

	Note	2023 \$	2022 \$
<b>CURRENT</b>			
Finance loan secured - CBA Loan		-	1,100,000
Total current borrowings		<u>-</u>	<u>1,100,000</u>
<b>NON-CURRENT</b>			
Finance loan secured - CBA Loan		-	-
Total non-current borrowings		<u>-</u>	<u>-</u>
Total borrowings	20	<u>-</u>	<u>1,100,000</u>
(a) The carrying amounts of non-current assets pledged as security are:			
Freehold land and buildings	11	22,574,606	22,800,000
Floating charge			
— trade receivables	7	33,779	27,360
		<u>22,608,385</u>	<u>22,827,360</u>

(b) On 25th November 2022, Commonwealth bank of Australia approved a change to the terms of club's lending facility to assist with the relocation of gaming room. The bank increased the facility limit from \$2,950,000 to \$3,000,000. The term of the facility is 3 years terminates on 25/11/2025. The repayment arrangements are interest only payments for 18 months followed by principal and interest repayment of \$19,997 per month for the rest of the term. It leaves a residual balance of \$2,864,310 maturing at 04/11/2025. The company's net loan balance was \$0 as at 30th June 2023. This was made of gross loan balance of \$3,000,000 less special repayments of \$3,000,000 which was available to be redrawn as at 30th June 2023.

(c) The above loans were secured under First Registered Mortgage by The Fraternity Bowling and Recreation Club Ltd over Non Residential Real Property located at 11 Bourke St Fairy Meadow NSW 2519 as well as first ranking charge over all present and after acquired property of the company.

**Note 15 Provisions**

	2023 \$	2022 \$
<b>CURRENT</b>		
Provision for annual & RDO leave	426,318	432,136
Provision for long service leave	200,916	164,540
Total current provisions	<u>627,234</u>	<u>596,676</u>
<b>NON-CURRENT</b>		
Provision for long service leave	144,786	128,508
Total non-current provisions	<u>144,786</u>	<u>128,508</u>

**Provision for employee benefits**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

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

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

**Note 16 Contingent Liabilities and Contingent Assets**

(a) The Company has outstanding security deposit guarantees of \$5,000 as at 30 June 2023 (2022: \$5,000).

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 17 Cash Flow Information**

	2023	2022
	\$	\$
<b>(a) Reconciliation of cash flows from operating activities with profit after income tax</b>		
Profit after income tax	1,170,929	922,978
Non-cash flows in profit		
— depreciation	1,100,712	976,642
— net gain on disposal of property, plant and equipment	(195,308)	2,260
Changes in assets and liabilities:		
— (increase)/decrease in trade and other receivables	51,080	(69,277)
— (increase)/decrease in inventories	(11,349)	(13,573)
— (increase)/decrease in other assets	(92,857)	575
— increase/(decrease) in trade and other payables	1,262	23,516
— increase/(decrease) in income in advance	4,352	(6,132)
— increase/(decrease) in provisions	46,836	64,243
Net cash provided by operating activities	2,075,657	1,901,232

**Note 18 Events After the Reporting Period**

Other than the following, the directors are not aware of any significant events since the end of the reporting period. Glenn Ward was appointed as Chief Executive Officer of the company on 26th July 2023.

**Note 19 Related Party Transactions**

The Company's main related parties are as follows:

**(a) Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Compensation.

**(b) Other related parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

**Transactions with related parties:**

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

The following transactions occurred with related parties:

	2023	2022
	\$	\$
<b>i. Purchase of goods and services</b>		
<b>Other Related Parties:</b>		
Micon Office National (Mick Cuda)	16,240	9,119

**Note 20 Financial Risk Management**

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

The total amount for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023	2022
		\$	\$
<b>Financial Assets</b>			
Financial assets at amortised cost:			
— Cash and cash equivalents	6	3,081,589	3,137,785
— Trade and other receivables	7	71,339	122,419
— listed investments	10	10,000	10,000
— unlisted investments	10	750	750
<b>Total Financial Assets</b>		3,163,678	3,270,954
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	13	2,182,447	1,151,117
— Borrowings	14	-	1,100,000
<b>Total Financial Liabilities</b>		2,182,447	2,251,117

**FRATERNITY BOWLING AND RECREATION CLUB LIMITED**  
**ABN: 56 001 005 545**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 21 Reserves**

**a. Revaluation Surplus**

The revaluation surplus records revaluations of non-current assets.

**Note 22 Segment Reporting**

The company operates in one industry. The principal activity being that of a licensed club providing gaming, bar, dining, and entertainment facilities for members and their guests. It derives its income from one geographic location i.e. Fairy Meadow.

**Note 23 Members Guarantee**

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$2.00 each. At 30 June 2023, the number of members was 19,606 (2022: 18,007).

**Note 24 Additional Information Required Under the Registered Clubs Act 1976**

Pursuant to Section 41J (2) of the Registered Clubs Act for the financial year ended 30 June 2023:

The following property is core property of the Club;

(i) Licensed physical premises and land to the North, South and East of the club building at 11 Bourke Street, Fairy Meadow.

The following property is non-core property of the Club;

(i) The club's main carpark to the West of the club building at 11 Bourke Street, Fairy Meadow.

**Note 25 Company Details**

The Company is domiciled and incorporated in Australia. The registered office of the company is:

Fraternity Bowling and Recreation Club Limited  
11 Bourke Street, Fairy Meadow NSW 2519

The principal place of business is:

Fraternity Bowling and Recreation Club Limited  
11 Bourke Street, Fairy Meadow NSW 2519

FRATERNITY BOWLING AND RECREATION CLUB LIMITED  
ABN: 56 001 005 545  
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Fraternity Bowling and Recreation Club Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 22, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards - Simplified Disclosures; and
  - (b) give a true and fair view of the financial position as at 30 June 2023 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.

Director  \_\_\_\_\_  
CUDA, Mick

Director  \_\_\_\_\_  
AKELE, John

Dated this 21<sup>st</sup> day of October 2023



**FRATERNITY BOWLING AND RECREATION CLUB LIMITED ABN: 56 001 005 545  
INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
FRATERNITY BOWLING AND RECREATION CLUB LIMITED**

**Opinion**

We have audited the financial report of Fraternity Bowling and Recreation Club Limited (the Company), which comprises the statement of financial position as at 30 June 2023, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion:

the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards - AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards) (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the Company'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

Auditor's name and signature:

Angela Wang



Name of firm:

O'Donnell Hennessy Taylor

Address:

CONISTON NSW

Dated this

31<sup>st</sup> day of October

2023

# Presidents Report

Dear Members,

On behalf of the Board of Directors, it is a pleasure to present to the members of the Fraternity Club the Annual Report for the financial year ended June 30th, 2023, to be presented at the Annual General Meeting on the 27th of November 2023.

The Club posted a consolidated profit of \$1,170,929 in this financial trading year. When reviewing the result in detail, depreciation increased by over \$124,000K from the previous year, so when you add this back the result is extremely pleasing given the current environment resulting in the Clubs balance sheet being very healthy. The full details are within the Audited Financial accounts to be presented at the AGM.



The Board recently appointed a new CEO due to the previous General Manager Greg Field resigning, wanting to move to work closer to home as he lived outside the area. We thank Greg for his dedication and commitment and for his many contributions.

Following a significant recruiting process with the assistance of Yvonne Walker our HR consultant we are extremely excited to announce the appointment of Mr Glenn Ward to the position. Glenn has been in the Club industry for many years and was previously the General Manager at Norths Collective. We welcome Glenn to the Club. Additionally, we would like to thank Tony Rodrigues our 2IC for admirably filling the acting GM role in the interim period.

As per the EGM held in May this year the Fraternity Club is in the process of taking over the management of the Fairy Meadow Bowling/Sports Club. We expect this amalgamation process to be completed by December. This is an exciting challenge which will allow us to diversify our offerings such as another food and family offering, function facilities and sporting facilities to name a few.

As President it is a privilege to serve you and I would like to acknowledge and thank my fellow Directors for their valued contributions and commitment. Recently we celebrated the Clubs 70th birthday with a gala function. It was an honour to have Robert Brennan and Daniel Perkiss our previous leaders to join us in our celebration.

# Presidents Report

The Board have this year organised the inaugural local Salami Festival which was well received and will get bigger next year. This will compliment Castagne Day which is held in May as community family events.

During the last financial year, the Directors have continued to participate in Clubs NSW training courses, so they continue to fulfil their duties as Directors and be compliant. At the EGM in May the Board numbers was reduced from 9 to 8. There were 2 Board member resignations earlier in the year. The Board appointed Domenic Saffioti to fill the 8th spot until the AGM.

Recently, I was appointed as President of the Regional Clubs Illawarra/Shoalhaven Area. This position represents all Clubs in the district area outlined as a voice to Clubs NSW. I look forward to this challenge.

Our involvement in countless community initiatives through the ClubGrants scheme continued with well over \$100,000 dollars being donated to various community and sporting groups.

Finally, to our staff thank you for your efforts during the year and to all our members and there associations for your ongoing support and patronage. It is well appreciated.

Fraternity Club President

*Mick Cuda*



# CEO REPORT

Dear Members,

I am delighted to introduce myself as the new CEO for the Fraternity Club. Having attended the Club many times over the years for various events I was excited to apply for the CEO position when it became available. I was well aware of the great reputation the Fraternity Club has especially for dining and hospitality in general. Commencing in this role at the end of July, I have initially been busy bringing myself up to speed with the rich history and



all the wonderful things this great Club brings to the community. I look forward to the challenges and building on the success of this great Club.

While Covid shutdowns and the Pandemic are now behind us, the impacts on the financial environment are still being felt. Inflation of between 7 - 8% was a 30-year high in Australia and 13 successive interest rate rises by the reserve Bank to bring down the inflation has caused most people in the community to review their spending on things such as Entertainment and Dining Out. Saying this, the 2022-23 Financial reporting year was still a successful year for your Club, as we grew patronage and revenues coming out of the prior Covid impacted years.

Our net operating profit for the year was \$1,170,929 which was a great result given the impacts on discretionary spending mentioned above.

Our cash position has improved during the period and at 30th June 2023 we have maintained our position of having cash reserves of \$3million as last year, but have completely paid out our loan of \$1.1 million reported last year. The club is in a very strong financial position.

The Fraternity Club is a very important part of the local community and this year we were proud to host our annual Castagne Day once again, which saw great numbers experience the fun environment of this traditional Italian Day for the whole family.

Catering revenue for the year was very strong with over \$7.6 million in sales. Your support of the Club, and specifically the Catering areas was again recognized in the ClubsNSW Perfect Plate awards where, after taking out the Regional and State titles last year, we were awarded a special Award this year for the Most Votes in our category for our Spinach and Ricotta Gnocchi.

# CEO REPORT

This award is not only recognition of a fantastic dish, but also the tremendous support of you, our members.

The club continued its strong support of sporting organisations and local community groups through grants, donations, and in-kind services.

We continued our long-standing support of Greenacres, Multicultural Council of Illawarra and Corrimal Rotary as well as contributing to health initiatives such as Cancer Patients Foundation, Heartkids, and the mental health program run by Port Kembla Football club.

The club also continued to focus on its key initiative of promoting and fostering local sport. We maintained our support for the Wollongong Wolves, Port Kembla FC, Corrimal Rangers and the Port Pumas. We were again the naming rights sponsor of the Illawarra Premier League as part of our ongoing partnership with Football South Coast. We were also able to support other sporting groups including Illawarra Cricket, Tarrawanna Blueys and also sponsoring the NSW Masters Dart Competition.

As the new CEO for the Club, I would like to thank former General Manager, Greg Field, for the work he has done during his tenure to help the Board get the Club to a strong position. I would further like to thank and recognise President Mick Cuda and the Board for their steadfast commitment to the Club and members. Their determined effort to bring the best experiences and facilities to the Club for the local community is unwavering.

Bringing employment opportunities to the local community is important to the Board, and as the Club trading grew over the period, we were very pleased to be able to grow our staff numbers from 114 to now 136, and at the time of writing this report we are sitting at 155 employees of the Club.

I am proud to be able to lead such a wonderful group of staff. The management team and all the staff work very well to provide the members and guests with friendly and efficient service. Your hard work does not go un-noticed and I appreciate each staff member for their contribution. success.

In closing, I would like to thank you, the members, for your continued loyal support without which the club would not be the success it is today.

I look forward to seeing you in the Club again soon.

*Glenn Ward*

Chief Executive Officer