



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the ANNUAL GENERAL MEETING of
Dapto Citizens Bowling Club Limited
Will take place on Sunday 25th September 2022 at 9.30am in the Clubhouse.

AGENDA OF ANNUAL GENERAL MEETING

1. Call for apologies and welcome guests.
2. To Confirm the Minutes of the previous Annual General Meeting.
3. To confirm the Patrons for the ensuing year.
4. To receive and consider the Directors Report and Declaration, Report of the Auditor and Financial Statements.
5. To consider the Ordinary Resolutions set out below.
6. To consider the Special Resolutions set out below.
7. To deal with any business of which due notice has been given.
8. General business.

MEMBERS PLEASE NOTE

Members are requested to advise the Secretary Manager in writing, seven (7) days prior to the date of the Annual General Meeting of any query relating to the Financial Report on which further information may be required. Such information will be extracted from the records and be available at the Annual General Meeting.

ANNUAL REPORT

Members can access a copy of the 2021/2022 Annual Report by going to the Club's website www.citos.com.au or by contacting club administration.

FIRST ORDINARY RESOLUTION

- (a) That the members hereby approve expenditure by the Club until the next Annual General Meeting of the Club for the following:
 - (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
 - (ii) The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.
 - (iii) The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
 - (iv) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.

- (v) The reimbursement of reasonable out of pocket expenses incurred by directors travelling to and from Board meetings or other duly constituted meetings of any committee of the Board.
 - (vi) 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.
 - (vii) The reasonable cost of Club apparel being provided to directors as required.
- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors of the Club.

Notes to Members on First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors in respect of their duties. Included in the First Ordinary Resolution is the reasonable cost for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.

Procedural Matters

2. To be passed, the First Ordinary Resolution must receive votes from not less than a majority of those Life members, Playing members and Social members who, being eligible to do so, vote in person on the First Ordinary Resolution at the meeting.
3. In accordance with the requirements of the Corporations Act 2001, the First Ordinary Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
4. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

SECOND ORDINARY RESOLUTION

That the members hereby approve:

- (a) Subject to (b), (c) and (d) below, the payment of the following honorariums to the following directors for services until the next Annual General Meeting of the Club:

(i)	President	-	\$7,800.00
(ii)	Bowls Secretary	-	\$10,000.00
- (b) Such honorariums to be paid by monthly or such other instalments as the Club and the director may agree from time to time.
- (c) If the director only holds office for part of the term, the honorarium shall be paid on a pro-rata basis.
- (d) If the Club engages a permanent Bowls Co-ordinator then the honorarium paid to the Bowls Secretary will be paid up to the date of commencement of the Bowls Co-ordinator but not after commencement.

Notes to Members on Second Ordinary Resolution

1. The Second Ordinary Resolution is to have the members approve honorariums for the President and Bowls Secretary of the Club for duties to be performed by them until the next Annual General Meeting.
2. The honorariums will be paid on a pro-rata basis which means that if the director only holds office for part of the year the director will only receive part of the honorarium.
3. With regard to the honorarium to the Bowls Secretary, if the Club engages a Bowls Co-ordinator then the honorarium will cease when the Bowls Co-ordinator commences duties.

Procedural Matters

4. To be passed, the Second Ordinary Resolution must receive votes in its favour from a majority (50%+1) of those Life members, Playing members and Social members who, being eligible to do so, vote in person on the Second Ordinary Resolution at the meeting.
5. In accordance with the requirements of the Corporations Act 2001, the Second Ordinary Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
6. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

FIRST SPECIAL RESOLUTION

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

That the Constitution of Dapto Citizens Bowling Club Ltd be amended by:

(e) **inserting** the following new definitions into Rule 3.1 in alphabetical order:

““Director Identification Number” means the number that is referred to by the same words in section 1272C of the Corporations Law that a member of the club must have before that member can be elected or appointed to office as a director of the Club.

“Quarter” means a period of three (3) months ending on 31 March, 30 June, 30 September and 31 December.”

(f) **deleting** from Rule 12.2 the words *“within six (6) weeks from the date of the nomination form being given to the Secretary or should that person’s application for membership be refused (whichever is the sooner)”*.

(g) **inserting** into Rule 12.2(b) after the words *“the nomination”* the words *“(if any)”*.

(h) **inserting** the following new Rule 12.5:

“12.5 The Secretary may refuse an applicant for membership admission to the Club or remove an applicant for membership from the Club’s premises at any time without notice and without having to provide any reason. If the membership of a Provisional member is terminated in accordance with this Rule, the Club must return any joining fee and annual subscription (if any) paid by the Provisional member when applying for membership of the Club.”

(i) **inserting** into the beginning of Rule 14.1 the words *“Subject to any exemptions contained in the Registered Clubs Regulation or any exemptions approved by the relevant regulatory body,”*

(j) **deleting** Rule 15.4(d) and **renumbering** the remaining provisions accordingly.

(k) **inserting** into Rule 15.5(a) after the words *“appropriate subscription”* the words *“(if any)”*.

(l) **inserting** into Rule 15.7 after the words *“class of membership applied for”* the words *“(if any)”*.

(m) **deleting** from Rule 15.8 the words *“and address”*.

(n) **deleting** Rule 16.1 and **inserting** the following new Rule 16.1:

“16.1 For the purposes of section 30(2B) of the Registered Clubs Act, the Board shall determine the joining fees, subscriptions, levies and other payments (if any) payable by members of the Club.”

(o) **deleting** from Rule 16.3 the words:

“provided that it is not less than \$2.00 (excluding Goods & Services Tax) or such other minimum subscription provided from time to time by the Registered Clubs Act.”

(p) **deleting** Rule 18.1(a)(ii) and **renumbering** the remaining provisions of Rule 18.1(a) accordingly.

(q) **inserting** into the beginning of renumbered Rule 18.1(a)(iv) the words *“if applicable,”*.

(r) **deleting** the sub-heading and Rule 19 and **inserting** the following new sub-heading and Rule 19:

“19. NOTIFICATION TO CLUB REGARDING CHANGE IN MEMBER’S DETAILS

19.1 Every member must advise the Secretary of any change to their contact details (including address, email address and telephone number) within seven (7) days of the change to their details.”

(s) **deleting** from Rule 20.2(b) after the words *“in writing by a”* the word *“prepaid”*.

(t) **inserting** the following new Rule 20.2(c)(iii):

“(iii) call witnesses provided that:

(1) if a proposed witness fails to attend the hearing or provide evidence at the hearing, the Board can still hear and determine the charge; and

(2) *the Club cannot and will not force any person (including a member) proposed by the member charged as a witness to attend and provide evidence at the hearing. The member charged must act in an appropriate manner at the meeting (and in particular and without limitation, the member must not act in an offensive or disruptive manner)."*

(u) **inserting** the following new Rules 20.2(cA) and (cB):

"(cA) If the chairperson determines (in their absolute discretion) that the member charged is not acting in an appropriate manner, the chairperson may issue the member charged with a warning regarding the member's conduct and advise the member that if the member fails to comply with the warning, the member may be asked to leave the meeting and the Board will continue to consider and deal with the charge in the absence of the member.

(cB) If the member charged does not comply with the warning given in accordance with paragraph (cA) of this Rule 20.2, the chairperson (in their absolute discretion) may exclude the member charged from the meeting and continue to consider and deal with the charge in his or her absence."

(v) **inserting** into the Rule 20.2(e) the word "may:" after the word "Board", and **deleting** the words "must come to a decision as to whether the member is guilty or not of the charge" and **inserting** the following new Rules 20.2(e)(i) and (ii):

"(i) immediately come to a decision as to the member's guilt in relation to the charge; or

(ii) advise the member that the Board requires additional time to consider the evidence put before it in order to determine whether or not the member is guilty of the charge."

(w) **deleting** Rule 20.2(f) and **inserting** the following new Rule 20.2(f):

"(f) After the Board has come to a decision as to the member's guilt in relation to the charge it must:

(i) in the case of a decision under Rule 20.2(e)(i) of this Rule, immediately inform the member of the Board's decision; or

(ii) in the case of a decision under Rule 20.2(e)(ii), inform the member of the Board's decision in writing within seven (7) days of the date of the decision of the Board."

(x) **deleting** Rule 20.2(g) and **inserting** the following new Rule 20.2(g):

"(g) If the member charged has been found guilty, the member must be given a further opportunity to address the Board in relation to an appropriate penalty for the charge. The Board shall, in its absolute discretion, determine whether or not the member will address the issue of penalty:

(i) at the meeting or afterwards; and

(ii) by way of verbal or written submissions or a combination thereof."

(y) **inserting** the following new Rule 20.2(h) and **renumbering** the remaining provisions of Rule 20.2 accordingly:

"(h) After the Board has made a decision on the issue of penalty, the Board must advise the member of its decision."

(z) **deleting** from Rule 20.3 the words "or for five (5) weeks whichever is the sooner".

(aa) **inserting** the following new sub-heading and Rules 20.7 to 20.11 inclusive:

"ADDITIONAL DISCIPLINARY POWERS OF SECRETARY

20.7 If, in the opinion of the Secretary (or his or her delegate), a member has engaged in conduct that is unbecoming of a member or prejudicial to the interests of the Club, then the Secretary (or his or her delegate) may suspend the member from some or all rights and privileges as a member of the Club for a period of up to twelve (12) months.

- 20.8 *In respect of any suspension pursuant to Rule 20.7, the requirements of Rules 20.1 to 20.2 shall not apply.*
- 20.9 *If the Secretary (or his or her delegate) exercises the power pursuant to Rule 20.7, the Secretary (or his or her delegate) must notify the member (by notice in writing) that:*
- (a) the member has been suspended as a member of the Club; and*
 - (b) the period of suspension;*
 - (c) the privileges of membership which have been suspended; and*
 - (d) if the member wishes to do so, the member may request by notice in writing sent to the Secretary) that the matter be dealt with by the Board pursuant to Rules 20.1 and 20.2.*

20.10 *If a member submits a request under Rule 20.7(d):*

- (a) the member shall remain suspended until such time as the charge is heard and determined by the Board; and*
- (b) the Club must commence disciplinary proceedings against the member in accordance with the requirements of Rule 20.1;*

and the determination of the Board in respect of those disciplinary proceedings shall be in substitution for and to the exclusion of any suspension imposed by the Secretary (or his or her delegate).

20.11 *This Rule 20 applies to Full members only and it does not limit or restrict the Club from exercising the powers contained in Rule 23 of this Constitution and the powers contained in section 77 of the Liquor Act."*

(bb) **inserting** into Rule 23.1(f) after the words "*that the Secretary*" the words "*or an employee exercising this power*".

(cc) **inserting** the following new Rule 27.7:

"27.7 A member shall not be entitled to be elected or appointed to the Board if he or she does not have a Director Identification Number (unless exempted from doing so) on the proposed date of his or her election or appointment to the Board."

(dd) **deleting** Rule 28.1(h) and **inserting** the following new Rule 28.1(h):

"(h) If the full number of candidates for the various positions on the Board is not nominated then those candidates who are nominated shall be declared elected to the relevant positions and the unfilled positions shall be casual vacancies for the purposes of Rule 35.3."

(ee) **inserting** the following new Rule 29.3(q):

"(q) issue requests and directions to members which may be reasonably required for the proper conduct and management of the Club."

(ff) **inserting** into Rule 29.12(a) after the word "*establish*" the words "*and/or dissolve*".

(gg) **deleting** Rule 30.1 and **inserting** the following new Rule 30.1:

"30.1 The Board may meet together in person and/or by electronic means for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided that the Board shall meet at least once in each Quarter for the transaction of business."

(hh) **deleting** Rule 30.4 and **inserting** the following new Rule 30.4:

"30.4 The quorum for a meeting of the Board shall be a majority of the members of the Board provided always that it will not be less than four (4) members of the Board."

(ii) **deleting** Rule 30.9 and **inserting** the following new Rules 30.9 and 30.10:

“30.9 A meeting of the Board may be called or held using any technology available, provided that the technology used for the meeting gives the directors, as a whole, a reasonable opportunity to participate in the meeting, including a reasonable opportunity to exercise the right to speak at the meeting and to vote at the meeting in real time.

30.10 In addition to Rule 30.8, a resolution may be passed by the Board if the proposed resolution is emailed to all directors and a majority of directors agree to the proposed resolution by sending a reply email to that effect. The resolution shall be passed when the last required director sends their email agreeing to the resolution.”

(jj) **deleting** the sub-headings and Rules 31, 32 and 33 inclusive and **inserting** the following new sub-headings and Rules 31, 32 and 33 inclusive:

“31. DECLARATIONS OF INTERESTS BY DIRECTORS

31.1 Any director who has a material personal interest in a matter that relates to the affairs of the Club must, as soon as practicable after the relevant facts have come to the director’s knowledge:

(a) declare the nature of the interest at a meeting of the Board; and

(b) comply with Rule 31.2.

PROHIBITION ON DIRECTORS WITH MATERIAL INTEREST FROM VOTING

31.2 Subject to Section 195 of the Act, a director who has a material personal interest in a matter that is being considered at a meeting of the Board, or of the Directors of the Club:

(a) must not vote on the matter; and

(b) must not be present while the matter is being considered at the meeting.

32. REGISTERED CLUBS ACCOUNTABILITY CODE

32.1 The Club must comply with the requirements of the Registered Clubs Accountability Code (as amended from time to time) and the provisions of this Rule 32. If there is any inconsistency between the Registered Clubs Accountability Code and this Rule 32, the provisions of the Registered Clubs Accountability Code shall prevail to the extent of that inconsistency.

32.2 For the purposes of this Rule 32, the terms “close relative”, “controlling interest”, “manager”, “pecuniary interest” and “top executive” have the meanings assigned to them by the Registered Clubs Act and Registered Clubs Regulations.

CONTRACTS WITH TOP EXECUTIVES

32.3 The Club must ensure that each top executive has entered into a written employment contract with the Club dealing with:

(a) the top executive’s terms of employment; and

(b) the roles and responsibilities of the top executive;

(c) the remuneration (including fees for service) of the top executive;

(d) the termination of the top executive’s employment.

32.4 Contracts of employment with top executives:

(a) will not have any effect until they approved by the Board; and

- (b) *must be reviewed by an independent and qualified adviser before they can be approved by the Board.*

CONTRACTS WITH DIRECTORS OR TOP EXECUTIVES

- 32.5 *Subject to any restrictions contained in the Registered Clubs Act and Rule 32.7, the Club must not enter into a commercial arrangement or a contract with a director or top executive or with a company or other body in which a director or top executive has a pecuniary interest, unless the proposed commercial arrangement or contract is first approved by the Board.*
- 32.6 *A “pecuniary interest” in a company for the purposes of Rule 32.5 does not include any interest exempted by the Registered Clubs Act.*

CONTRACTS WITH SECRETARY AND MANAGERS

- 32.7 *Unless otherwise permitted by the Registered Clubs Act, the Club must not enter into a commercial arrangement or contract with:*
- (a) *the Secretary or a manager; or*
 - (b) *any close relative of the Secretary or a manager;*
 - (c) *any company or other body in which the Secretary or a manager or a close relative of the Secretary or a manager has a controlling interest .*

LOANS TO DIRECTORS AND EMPLOYEES

- 32.8 *The Club must not:*
- (a) *lend money to a director of the Club; and*
 - (b) *unless otherwise permitted by the Registered Clubs Act and Regulations, the Club must not lend money to an employee of the Club unless the amount of the proposed loan is ten thousand dollars (\$10,000) or less and the proposed loan has first been approved by the Board.*

RESTRICTIONS ON THE EMPLOYMENT OF CLOSE RELATIVES OF DIRECTORS AND TOP EXECUTIVES

- 32.9 *A person who is a close relative of a director or top executive must not be employed by the Club unless their employment is approved by the Board.*
- 32.10 *If a person who is being considered for employment by the Club is a close relative of a director of the Club, the director must not take part in any decision relating to the person's employment.*

DISCLOSURES BY DIRECTORS AND EMPLOYEES OF THE CLUB

- 32.11 *A director, top executive or employee of the Club must disclose any of the following matters to the Club to the extent that they relate to the director, top executive or employee:*
- (a) *any material personal interest that the director has in a matter relating to the affairs of the Club; and*
 - (b) *any personal or financial interest of the director or top executive in a contract relating to the procurement of goods or services or any major capital works of the Club;*
 - (c) *any financial interest of the director or top executive in a hotel situated within forty (40) kilometres of the Club's premises;*

- (d) *any gift (which includes money, hospitality and discounts) valued at one thousand dollars (\$1,000) or more, or any remuneration (including any fees for service) of an amount of one thousand dollars (\$1,000) or more, received by the director, top executive or employee from an affiliated body of the Club or from a person or body that has entered into a contract with the Club.*

32.12 *The Club must keep a register in an approved form containing details of the disclosures made to the Club in accordance with this Rule 32.*

TRAINING DISCLOSURES

32.13 *The Club must make available to members:*

- (a) *details of any training which has been completed by directors, the Secretary and managers of the Club in accordance with the Registered Clubs Regulation; and*
- (b) *the reasons for any exemptions of directors, the Secretary or managers from undertaking the training prescribed by the Registered Clubs Regulation.*

32.14 *The Club must indicate, by displaying a notice on the Club's premises and on the Club's website (if any), how the members of the Club can access the information.*

PROVISION OF INFORMATION TO MEMBERS

33.1 *The Club must:*

- (a) *make the information required by the Registered Clubs Regulations available to the members of the Club within four (4) months after the end of each reporting period to which the information relates: and*
- (b) *indicate, by displaying a notice on the Club's premises and on the Club's website (if any), how the members of the Club can access the information."*

(kk) **deleting** Rule 36.4(a) and **inserting** the following new Rule 36.4(a):

"(a) Subject to this Rule 36, the Board must call and arrange to hold a general meeting of the Club on the request of members with at least 5% of the votes that may be cast at the general meeting."

(ll) **deleting** Rule 36.15 and **inserting** the following new Rule 36.15:

"36.15 The President shall be entitled to take the chair at every general meeting. The chairperson:

- (a) *is responsible for the conduct of the general meeting; and*
- (b) *shall determine the procedures to be adopted and followed at the meeting;*
- (c) *may refuse a member admission to a general meeting or require a member to leave a general meeting if in his or her opinion, the member is not complying with reasonable directions and/or is acting in an offensive and disruptive manner at the meeting."*

(mm) **inserting** the following new Rules 36.40 to 36.43 inclusive:

"36.40 The Board may cancel or postpone any general meeting prior to the date on which it is to be held, except where such cancellation or postponement would be contrary to the Act. The Board may give such notice of the cancellation or postponement as it thinks fit but any failure to give notice of the cancellation or postponement does not invalidate the cancellation or postponement or any resolution passed at a postponed meeting. This Rule will not operate in relation to a meeting called pursuant to a request or requisition of members.

- 36.41 *The Board may withdraw any resolution which has been proposed by the Board and which is to be considered at a general meeting, except where the withdrawal of such a resolution would be contrary to the Act.*
- 36.42 *The Club may hold a general meeting (including Annual General Meeting) at two (2) or more venues using any technology that gives the members as a whole a reasonable opportunity to participate at the meeting.*
- 36.43 *If permitted by the Act, the Club may hold virtual only general meetings or Annual General Meetings. The provisions of the Act shall apply to such meetings and to the extent of any inconsistencies between the Act and the Constitution, the provisions of the Act shall prevail.”*

(nn) **deleting** Rules 44.1(b) and (c) and **inserting** the following new Rules 44.1(b) and (c):

“(b) by sending it by any electronic means; or

(c) by notifying the member, either personally, by post, or electronically, that the notice is available and how the member can access the notice.”

(oo) **deleting** from Rule 44.2(c) the words “*nominated by*” and **inserting** the word “*of*”.

(pp) **inserting** the following new Rule 44.5:

“44.5 Where a member is notified of a notice in accordance with Rule 44.1(c), the notice is taken to have been received on the day following that on which the notification was sent.”

(qq) **inserting** the following new sub-heading and Rule 48:

“48. MEETINGS AND VOTING

48.1 In accordance with section 30C(3) of the Registered Clubs Act, the Club, the Board or a committee of the Club may (but is not required to):

(a) distribute a notice of, or information about, a meeting or election of the Club, the Board or a committee of the Club by electronic means, and

(b) hold a meeting at which all or some persons attend by electronic means but only if a person who speaks at the meeting can be heard by the other persons attending;

(c) allow a person entitled to vote at a meeting of the Club, the Board or a committee of the Club to vote in person or by electronic means.

48.2 If there is any inconsistency between Rule 48.1 and any other provision of this Constitution, Rule 48.1 shall prevail to the extent of that inconsistency.”

(rr) **By** making such other consequential amendments necessary to give effect to this Special Resolution including ensuring that the accuracy of all Rule numbers and cross referencing of Rules and paragraphs in the Constitution.

Notes to Members on the First Special Resolution

- The First Special Resolution** proposes a series of amendments to the Club’s Constitution to bring it into line with best practice and the requirements of the Corporations Act, Liquor Act and Registered Clubs Act (RCA).
- Paragraph (e)** inserts new definitions used in the Constitution.
- Paragraphs (f), (g) and (h)** make amendments that relate to Provisional membership including by removing the 6-week time limit on a person’s application for Provisional membership, and clarifying that the Club can refuse an applicant for membership from admission to the Club.

4. **Paragraph (i)** relates to changes to the admission of Temporary members to bring the Constitution into line with the RCA.
5. **Paragraphs (j), (k), (l) and (m)** adopt recent amendments to the RCA which remove the requirement to obtain the details of an applicant for membership's occupation and having to place the address of a new member on the Club's noticeboard.
6. **Paragraphs (n) and (o)** amend the provisions dealing with member subscriptions to remove the requirement to charge an annual subscription fee of no less than a minimum of \$2.00. This requirement has recently been removed from the RCA.
7. **Paragraphs (p) and (q)** update the requirements of the Club to keep a register of members to align with the RCA.
8. **Paragraph (r)** clarifies that members must notify the Club of changes to their contact details.
9. **Paragraphs (s) to (z) inclusive** amend the existing provisions relating to disciplinary matters to bring the Constitution into line with best practice. Paragraph (z) amends the provision dealing with the provisional suspension of membership pending a disciplinary hearing in Rule 20 so that the provisional suspension will last until the hearing of the disciplinary hearing and not end within 5 weeks if the hearing has not taken place.
10. **Paragraph (aa)** inserts new Rules which gives the Secretary the power to issue a suspension of membership for a period up to 12 months if the Secretary is of the view that a member has engaged in conduct unbecoming of a member or conduct that is prejudicial to the interests of the Club. However, the member concerned has the right to request that the matter be referred to the Board to be dealt with in the usual way at a disciplinary hearing.
11. **Paragraph (bb)** clarifies that if an employee suspects that a person in the Club is in possession of a prohibited drug or a prohibited plant, that person can be removed from the premises of the Club.
12. **Paragraph (cc)** inserts a new Rule 27.7 which requires all directors to have a Director Identification Number, as required under the Corporations Act.
13. **Paragraph (dd)** amends Rule 28.1(h) to provide that if there is an insufficient number of nominees for the positions to be elected on the Board, rather than call for further nominations from the floor of the Annual General Meeting, those unfilled positions will be casual vacancies and may be filled by the Board in due course.
14. **Paragraphs (ee) and (ff)** clarifies that the Board has the power to make reasonable requests and directions of members to foster the proper operation of the Club's business, and that the Board has the power to create and dissolve sub clubs of the Club.
15. **Paragraph (gg)** amends the existing Rule to allow the Board to meet whenever required but at least once every 3 months. This reflects a recent change to the RCA which removed the requirement for the Board of a Club to meet at least once a month, and replaced it with a requirement to meet at least once every 3 months.
16. **Paragraph (hh)** clarifies that the Board may meet in person or by electronic means and can pass a resolution by way of email. This is permitted by the Corporations Act.
17. **Paragraph (jj)** amends existing provisions and inserts further Rules relating to corporate governance and accountability to bring the Constitution into line with the RCA and adopt the provisions of the Accountability Code which applies to all registered clubs and is set out in Schedule 2 of the Registered Clubs Regulation.
18. **Paragraph (kk)** updates the Rules that relate to the members' right to call general meetings to align with the requirements of the Corporations Act.
19. **Paragraph (ll)** amends Rule 36.15 which sets out the powers of the chairperson of a general meeting in more detail to reflect the common law.

20. **Paragraph (mm)** updates the Rules relating to general meetings to reflect the Corporations Act by allowing the Club to hold virtual only general meetings and or Annual General Meetings (but only if permitted under the Corporations Act).
21. **Paragraphs (nn), (oo), (pp) and (qq)** amend existing provisions regarding notices to members to bring the Constitution into line with the Corporations Act and add a new Rule 48 which reflects recent changes to the RCA including allowing the Club to send notice of a general meeting and documents relating to a meeting electronically.
22. **Paragraph (rr)** permits any necessary amendments to be made to address any anomaly in Rule numbering or cross referencing and to fix any typographical errors (if any) found in the Constitution.

Procedural Matters for First Special Resolution

23. To be passed, the First Special Resolution must receive votes in its favour from at least seventy five percent (75%) of those Life members and Playing member who, being eligible to do so, vote in person on the First Special Resolution at the meeting.
24. In accordance with the requirements of the Corporations Act 2001, the First Special Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
25. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

SECOND SPECIAL RESOLUTION

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

That the Constitution of Dapto Citizens Bowling Club Ltd be amended by:

- (ss) **inserting** the following new definition into Rule 3.1 in alphabetical order:

“Board Appointed Director” means a person appointed to the Board pursuant to Rule 27.8, the Registered Clubs Act and Registered Clubs Regulations but does not include a person who is appointed to the Board to fill a casual vacancy in accordance with Rule 35.3 of this Constitution.”

- (tt) **deleting** Rules 27.1 and 27.2 and **inserting** the following new Rules 27.1 and 27.2:

“27.1 Subject to Rule 35 and this Rule 27, the Board shall consist of nine (9) directors who shall comprise a President, Vice President and seven (7) ordinary directors, provided that as and from the Annual General Meeting held in 2024 and for the purposes of the election held before that Annual General Meeting, the Board shall consist of seven (7) directors who shall comprise a President, a Vice President, and five (5) ordinary directors.

27.2 The Board shall be elected triennially in accordance with Schedule 4 of the Registered Clubs Act (which is set out below) and the first meeting under the triennial rule will be the Annual General Meeting held in 2024. All directors shall retire from office in accordance with the triennial rule and, subject to this Constitution and the Registered Clubs Act, shall be eligible for re-election.

SCHEDULE 4

Definitions

1. *In this Schedule -*

"general meeting" means a meeting of the members of the club at which members of the governing body are to be elected;

"triennial rule" means the rule of the club that provides for the election of members of the governing body in accordance with this Schedule;

"year" means the period between successive general meetings.

2. *Repealed.*

First general meeting under triennial rule

3.

(1) *The members elected to the governing body at the first general meeting at which the triennial rule applies shall be divided into 3 groups.*

(2) *The groups -*

(a) *shall be determined by drawing lots; and*

(b) *shall be as nearly as practicable equal in number; and*

(c) *shall be designated as group 1, group 2, and group 3.*

(3) *Unless otherwise disqualified, the members of the governing body -*

(a) *in group 1 shall hold office for 1 year; and*

(b) *in group 2 shall hold office for 2 years; and*

(c) *in group 3 shall hold office for 3 years.*

Subsequent general meetings

4. *At each general meeting held while the triennial rule is in force (other than the first such meeting) the number of the members required to fill vacancies on the governing body shall be elected and shall, unless otherwise disqualified, hold office for 3 years.*

Casual vacancies

5.

(1) *A person who fills a casual vacancy in the office of a member of the governing body elected in accordance with this Schedule shall, unless otherwise disqualified, hold office until the next succeeding general meeting.*

(2) *The vacancy caused at a general meeting by a person ceasing to hold office under subclause (1) shall be filled by election at the general meeting and the person elected shall, unless otherwise disqualified, hold office for the residue of the term of office of the person who caused the casual vacancy initially filled by the person who ceased to hold office at the general meeting.*

Re-election

6. *A person whose term of office as a member of the governing body under the triennial rule expires is not for that reason ineligible for election for a further term.*

Revocation of triennial rule

7. *If the triennial rule is revoked -*

(a) *at a general meeting - all the members of the governing body cease to hold office; or*

(b) *at a meeting other than a general meeting - all the members of the governing body cease to hold office at the next succeeding general meeting,*

and an election shall be held at the meeting to elect the members of the governing body."

(uu) **inserting** the following new sub-heading and Rule 27.8:

“BOARD APPOINTED DIRECTORS

27.8 *The Board may appoint up to two (2) Board Appointed Directors to the Board in addition to the directors referred to in Rule 27.1. The following provisions shall apply in respect of Board Appointed Directors:*

- (a) *The provisions of the Registered Clubs Act and Registered Clubs Regulations shall apply in respect of Board Appointed Directors.*
- (b) *A Board Appointed Director only has to satisfy the eligibility requirements of the Registered Clubs Act and Registered Clubs Regulations to be appointed to the Board and does not have to satisfy any eligibility requirement in the Constitution.*
- (c) *The Board cannot appoint a Board Appointed Director if such an appointment would cause the number of directors on the Board to exceed the statutory maximum of nine (9) directors.”*

(vv) **inserting** the following sentence into the beginning of Rule 28.1:

“References to the election of the Board in this Rule 28 refer to positions on the Board to be elected in any one (1) year in accordance with the triennial rule set out in Rule 27.

(ww) **Inserting** the following new Rule 28.3:

“28.3 At the first meeting of the Board following each Annual General Meeting, the Board shall elect from its number a President and Vice President who must each have served as a Director for a cumulative period of 2 years within the 3 years preceding the date of the election.

Notes to Members on the Second Special Resolution

- 26. **The Second Special Resolution** proposes a series of amendments to the Club’s Constitution in relation to the composition and election of the Board.
- 27. Currently, the Board is elected biennially (at every second Annual General Meeting of the Club). The Second Special Resolution proposes to:
 - (a) introduce the Triennial Rule as the process for the election of the Board; and
 - (b) reduce the number of directors from nine (9) to seven (7).

COMPOSITION OF BOARD OF DIRECTORS

- 28. Rule 27.1 currently provides that the Board will consist of 9 directors being a President, a Vice President and 7 ordinary directors.
- 29. If the Second Special Resolution is passed, from the Annual General Meeting held in 2024, the membership will only elect 7 directors and the Board will comprise a President, a Vice President and 5 ordinary directors.
- 30. The Board is of the opinion that having seven directors on the Board will provide the right balance of expertise and efficiency to effectively manage the business and affairs of the Club moving forward.
- 31. The proposed Rule 27.8 refers to the two directors who can be appointed by the Board under special provisions of the RCA and the Registered Club Regulations. Any director so appointed will be in addition to the seven (7) elected positions.

ELECTION OF BOARD – TRIENNIAL RULE

- 32. The Second Special Resolution amends Rule 27.2 to provide that directors will be elected in accordance with the “Triennial Rule” contained in Schedule 4 of the Registered Clubs Act (which is set out below Rule 27.2). This changes from the current system, whereby the entire Board is elected biennially for a two year term.

33. If the Second Special Resolution is passed, the Triennial Rule will take effect from the Annual General Meeting held in 2024 and the directors elected to office at the Annual General Meeting in 2024 will be the first directors elected under the Triennial Rule.
34. The Triennial Rule provides for three (3) year terms of office for directors, with approximately one third of the Board to be elected each year.
35. For this purpose, the directors are divided into three (3) groups. Each group must be as nearly as practicable equal in number. If the Second Special Resolution is passed, the Board will consist of 7 directors when the Triennial Rule is adopted, and accordingly there will be two (2) groups of two directors and one (1) group of three (3) directors to be elected.
36. In each year, a different group retires. Group 1 retires in the first year (ie in 2025), Group 2 retires in the second year (ie in 2026), Group 3 retires in the third year (ie in 2027), and Group 1 retires in the fourth year (ie 2028), Group 2 in the fifth year and so on.
37. The Triennial Rule also contains transitional provisions to allocate the directors elected in the first year of the Triennial Rule's operation. At the Annual General Meeting in 2024, lots are drawn to allocate the directors to the different groups. Those directors allotted to the initial Group 1 will only hold office for one year. Directors allotted to the initial Group 2 will only hold office for two years. Directors allotted to the initial Group 3 will be the only directors who, elected in the first election, are elected to office for three years.
38. Directors whose term of office has come to an end are, subject to the Constitution, eligible for re-election for a further three (3) year term.

Why does the Board recommend the introduction of the Triennial Rule?

39. The Triennial Rule provides for continuity and greater stability on the Board while still allowing for a third of the Board to change each year.
40. The laws relating to registered clubs are becoming far more complex. The Club operates under the provisions of the Corporations Act, Registered Clubs Act, Liquor Act, Gaming Machines Act and their associated regulations as well as many other laws. It is becoming increasingly difficult for a director to acquire the requisite knowledge without guidance from more experienced directors and from educational programs.
41. The Triennial Rule also provides the opportunity to pass valuable knowledge between directors. The Club invests considerable time and resources in training Club directors. Accordingly, the Triennial Rule would allow Club directors to continue to professionally develop and in turn offer their expertise to the Club over a three (3) year term.

Procedural Matters on Second Special Resolution

42. To be passed, the Second Special Resolution must receive votes in its favour from at least seventy five percent (75%) of those Life members and Playing member who, being eligible to do so, vote in person on the Second Special Resolution at the meeting.
43. In accordance with the requirements of the Corporations Act 2001, the Second Special Resolution must be considered as a whole and cannot be amended by motions from the floor of the meeting.
44. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.

Dated 30th August 2022

By direction of the Board

Shaun Parnis- Secretary Manager

GENERAL MANAGERS REPORT

FOR THE YEAR ENDED 31 MAY 2022

Financial year 2021/2022 was meant to see the back of Covid, its restrictions and the chance to move forward, however Covid restrictions forced the club back into shutdown. We were shut for nearly three months of our financial year. The industry as a whole were faced with many challenges upon reopening, looking back, the biggest issue was confidence in the community, and moving back into crowds, the demographic of Citos seemed to be particularly weary and this reflected in trade upon opening. For the board and management it was a balancing act between getting people in the club and maintaining community safety. We worked hard on achieving this goal. High praise must go to the board again who unified and worked with myself, making some selfless and unpopular decisions to ensure the club would make it through to another light at the end of the tunnel in a strong, sustainable position.

As always, the clubs success would not be achievable without the support of the board. I would like to take this chance to thank Noel and the board of directors for the working relationship/environment they have provided me with throughout the year and to thank them for their support, vision and ability to work as a team to achieve these great results for the club.

On the greens, thanks to Michael, Jackson and Max, whose efforts have been tested with the record rainfall this season that the greens have received.

Thanks to Jon Fitzgerald as Bowls Secretary and the team of volunteers who ensure that the social bowls run smoothly, it is a thankless job but it is much appreciated. Thanks to Ian Bailey who volunteered to help out with the Juniors, to keep some stability and training options for them, throughout the year.

To the bar staff, who continually try to pursue to offer a better service for our members and guests, they are the frontline of the club and do a terrific job to create a welcoming atmosphere in the club.

To the volunteers of the club, who there are many, a sincere thankyou and public appreciation, your work behind the scenes is often done without thanks.

The club has seen many aesthetic changes as well as changes that will have great social benefit, we hope you continue to enjoy the amenities.

The club has made numerous and significant contributions to the local community throughout this year. Management and Board are readily mindful of our purpose and commitment to the local community.

Finally, to the members who support this wonderful club day in and day out, thank you. You are the foundation of this club and your support is appreciated.

Shaun Parnis

Secretary/Manager

PRESIDENTS REPORT FOR THE YEAR ENDED 31 MAY 2022

To all Members

I would like to report on the progress of the Club for the period 2021-2022. We are proud to report a profit of \$487k, A great result considering the club had to be closed for a number of months and then recover from this closure due to Covid 19.

I'd like to say congratulations and thank you to our Secretary/Manager Shaun Parnis, you have continued to do an excellent job, with another great result for the club.

I'd also like to take this opportunity to say a big thank you to all staff including administration and bar for all their hard work and dedication to our club over the past twelve months.

I'd like to thank our Head Green Keeper Michael Stead, and his apprentice Jackson, along with the help of Max for the hard work they have done in maintaining our greens and getting our greens ready to the highest order.

In the bowls office thanks to Bowls Secretary Jon Fitzgerald and all the volunteers who help with the running of the bowls on a daily basis. Thanks to Ian Bailey for taking over the Juniors and enabling them to keep structure and continue their development.

To all our championship winners, Congratulations. I would also like to thank all bowlers for your commitment and sportsmanship on and off the green. Well done to the number one pennant side on progressing to the State Finals. Good luck to all our bowlers next year.

To Madam President Chris Ellem and Lady Bowlers, congratulations on your achievements throughout the year.

To all members who have lost loved ones this year I would like to extend to you and your family our deepest sympathy.

In concluding my report I would like to thank all members on the Board of Management for their ongoing support and hard work throughout the year.

**Noel Hawke
President**

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Financial Statements

For the Year Ended 31 May 2022

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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For the Year Ended 31 May 2022

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Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2022

Your Directors present their report on Dapto Citizens Bowling Club Limited ("the Club") for the financial year ended 31 May 2022.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Office Held	Years' Experience	Experience & Qualifications
N D Hawke	President	25	Business owner - Excavations
R Logan	Vice President	25	Coal Miner
D Batey	Director	13	Water Treatment Technician
I Bailey	Director	11	Warehouse Supervisor
S Low	Director	9	Quantity Surveyor
D Coleman	Director	9	Steel Worker
B McCann	Director	7	Service Manager
J Fitzgerald	Director	1	Retired Police Officer
B Bailey*	Director	6	Hospitality

* ceased holding office on 26 June 2021

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

Review of operations

The surplus of the Club for the year amounted to \$ 486,849 (2021: \$1,096,811).

Principal activities

The principal activities of the Club during the financial year were to maintain and conduct a Bowling Club for the accommodation of the members of the Club, to promote the game of Bowls and to encourage social activities between the members of the Club.

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

Short term objectives

The Club's short term objectives are to continue to provide quality facilities for the benefit of members and guests.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2022

Long term objectives

From a long-term perspective, the Club seeks to improve the facilities and services that we can offer to our members and to place the Club in a position that ensures sustainability and viability for the future operations of the Club.

Strategy for achieving the objectives

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

- implement cost cutting measures to areas that are deemed non-value added; and
- to overview current activities of the Club and diversify into different activities that will appeal to many in the local community.

Members' guarantee

Dapto Citizens Bowling Club Limited is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Club, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10, subject to the provisions of the Club's constitution.

At 31 May 2022 the collective liability of members was \$ 19,750.

Non-audit services

The Board of Directors, are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that these services disclosed in the notes to the financial statements did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of services provided does not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Report

31 May 2022

Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
N D Hawke	9	9
R Logan	9	9
D Batey	7	9
I Bailey	9	9
S Low	8	9
D Coleman	9	9
B McCann	9	9
J Fitzgerald	9	9
B Bailey	1	1

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 May 2022 has been received and can be found on page 4 of the financial report.

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

N D Hawke
President

Dated: 23 August 2022



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Dapto Citizens Bowling Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2022, there have been:

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

Daley Audit

Michael Mundt
Partner

Dated: 23 August 2022

Wollongong

4.

Wollongong

PO Box 333
Wollongong NSW 2520

☎ 02 4229 6477

✉ wollongong@daley.com.au

Bowral

PO Box 1032
Bowral NSW 2576

☎ 02 4862 1082

✉ bowral@daley.com.au

Sydney

PO Box 903
Sydney NSW 2001

☎ 02 8236 8177

✉ sydney@daley.com.au

🌐 daley.com.au

ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.



Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 May 2022

	Note	2022 \$	2021 \$
Revenue	4	2,558,380	3,756,812
Other income	4	290,789	436,810
		2,849,169	4,193,622
Direct costs - cost of bar goods sold		(359,235)	(678,988)
Direct costs - gaming		(213,579)	(382,344)
Employee benefits expense		(736,953)	(945,946)
Finance expenses		(157)	(232)
Depreciation expense		(342,666)	(346,524)
Loss on disposal of assets		(45,934)	(32,566)
Promotion expenses		(135,232)	(122,576)
Property costs		(306,619)	(313,450)
Other operating expenses		(221,946)	(274,185)
Result for the year		486,848	1,096,811
Other comprehensive income for the year		-	-
Total comprehensive income for the year		486,848	1,096,811

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Balance Sheet

As at 31 May 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,602,288	1,871,621
Trade and other receivables	7	11,835	5,664
Inventories	8	86,917	61,035
Other assets		38,105	27,364
TOTAL CURRENT ASSETS		<u>2,739,145</u>	<u>1,965,684</u>
NON-CURRENT ASSETS			
Intangible assets	9	568,346	568,346
Property, plant and equipment	10	6,116,018	6,374,679
TOTAL NON-CURRENT ASSETS		<u>6,684,364</u>	<u>6,943,025</u>
TOTAL ASSETS		<u>9,423,509</u>	<u>8,908,709</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	244,586	259,438
Borrowings	12	3,688	3,530
Lease liabilities		-	1,056
Employee benefits	13	276,167	236,365
TOTAL CURRENT LIABILITIES		<u>524,441</u>	<u>500,389</u>
NON-CURRENT LIABILITIES			
Employee benefits	13	20,610	16,711
TOTAL NON-CURRENT LIABILITIES		<u>20,610</u>	<u>16,711</u>
TOTAL LIABILITIES		<u>545,051</u>	<u>517,100</u>
NET ASSETS		<u>8,878,458</u>	<u>8,391,609</u>
EQUITY			
Retained earnings		8,878,458	8,391,609
TOTAL EQUITY		<u>8,878,458</u>	<u>8,391,609</u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Statement of Changes in Equity

For the Year Ended 31 May 2022

	Retained Earnings \$
Balance at 1 June 2021	8,391,609
Result for the year	<u>486,849</u>
Balance at 31 May 2022	<u><u>8,878,458</u></u>
Balance at 1 June 2020	7,294,798
Result for the year	<u>1,096,811</u>
Balance at 31 May 2021	<u><u>8,391,609</u></u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Statement of Cash Flows

For the Year Ended 31 May 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,864,814	4,178,842
Other receipts	273,575	436,331
Interest received	302	479
Payments to suppliers and employees	(2,276,921)	(2,874,723)
Finance costs	(157)	(232)
Net cash provided by operating activities	<u>861,613</u>	<u>1,740,697</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(148,230)	(428,804)
Proceeds from disposal of assets	18,182	24,987
Net cash used by investing activities	<u>(130,048)</u>	<u>(403,817)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(898)	(22,406)
Proceeds from borrowings	-	12,668
Net cash used by financing activities	<u>(898)</u>	<u>(9,738)</u>
Net increase in cash and cash equivalents held	730,667	1,327,142
Cash and cash equivalents at beginning of year	<u>1,871,621</u>	<u>544,479</u>
Cash and cash equivalents at end of financial year	6 <u><u>2,602,288</u></u>	<u><u>1,871,621</u></u>

The accompanying notes form part of these financial statements.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

The financial report covers Dapto Citizens Bowling Club Limited ("the Club") as an individual entity. The Club is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Club is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

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

2. Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

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

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

2. Summary of Significant Accounting Policies

(a) Revenue and other income

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

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

Bar sales and poker machine income

Revenue is recognised at the point the customer purchases the goods and services at the venue. Payment of the transaction price is due immediately at the time of purchase.

Commission income

Commission income is recognised over the period in which the related services are rendered.

Membership subscriptions

Membership services requires the annual subscription payment to be made upfront. A contract liability is recognised on receipt of the payment and recognised on a straight-line basis as revenue as the services are provided.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rental income

Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Government COVID-19 Stimulus income

Income received recognised in the period in which they are incurred. This is generally consistent with when payment is received for the cash flow boost. For Jobkeeper/Job saver payments this is based on when amounts are receivable.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

2. Summary of Significant Accounting Policies

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Income tax

The Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

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

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

2. Summary of Significant Accounting Policies

(g) Leases

At inception of a contract, the Club assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

There were no contracts identified that convey's that a right of use asset is recognisable.

(h) Financial instruments

Financial instruments are recognised initially on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

(i) Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

The Club classifies its financial assets as those measured at amortised cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

2. Summary of Significant Accounting Policies

(h) Financial instruments

(i) Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

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

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment, including forward looking information.

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

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

2. Summary of Significant Accounting Policies

(h) Financial instruments

(i) Financial assets

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

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in bad debt expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

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

Other financial assets measured at amortised cost

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

(ii) Financial liabilities

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

The financial liabilities of the Club comprise trade and other payables and bank loans.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

2. Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

At the end of each reporting period the Club determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

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

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

(j) Property, plant and equipment

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

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

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2 - 4%
Plant and Equipment	5 - 40%
Furniture, Fixtures and Fittings	5 - 20%
Motor Vehicles	22.5%
Poker Machines	22.5%

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

2. Summary of Significant Accounting Policies

(j) Property, plant and equipment

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

(k) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The obligations are presented as current liabilities in the balance sheet if the Club does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(l) Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time during the year, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2022

3. Critical Accounting Estimates and Judgements

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

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

The significant estimates and judgements made have been described below:

Key estimates - impairment of property, plant and equipment

The Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club 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 estimates - useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

Key estimates - employee benefits

As described in the accounting policies, long service leave provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2022

4. Revenue and Other Income

	2022	2021
	\$	\$
Revenue from contracts with customers		
- Poker machine revenue	1,382,638	2,123,738
- Bar sales	937,280	1,382,503
- TAB and Keno revenue	114,621	138,687
- Raffle income	59,252	30,919
- Green fees and raffles	28,666	45,781
- Subscriptions and nominations	24,909	22,609
- Bingo revenue	11,014	12,575
	2,558,380	3,756,812
Other income		
- Rental income	166,409	157,441
- Government COVID-19 stimulus income	92,778	221,000
- Interest income	303	479
- Other revenue	31,299	57,890
	290,789	436,810

Disaggregation of revenue from contracts with customers

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

Timing of revenue recognition

- At a point in time	2,533,471	3,734,203
- Over time	24,909	22,609
	2,558,380	3,756,812

Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2022

5. Result for the Year

	2022	2021
	\$	\$
	Note	
Superannuation contributions	<u>62,100</u>	69,470

6. Cash and cash equivalents

Cash on hand	218,700	218,700
Cash at bank	<u>2,383,588</u>	1,652,921
	<u>2,602,288</u>	<u>1,871,621</u>

7. Trade and other receivables

Trade receivables from contracts with customers	11,835	5,664
Provision for impairment	(a) -	-
	<u>11,835</u>	<u>5,664</u>

(a) Impairment of receivables

The Club applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 May 2022 is determined and incorporates forward looking information.

8. Inventories

Finished goods - at cost	<u>86,917</u>	61,035
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Dapto Citizens Bowling Club Limited

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Notes to the Financial Statements

For the Year Ended 31 May 2022

9. Intangible Assets

	2022	2021
	\$	\$
Gaming machine entitlements - at cost	<u>568,346</u>	<u>568,346</u>

10. Property, plant and equipment

Land and buildings	7,292,611	7,122,126
Accumulated depreciation	(2,052,588)	(1,876,711)
Work in progress	24,639	211,008
	<u>5,264,662</u>	<u>5,456,423</u>
Plant and equipment		
At cost	784,488	743,623
Accumulated depreciation	(335,146)	(281,482)
	<u>449,342</u>	<u>462,141</u>
Furniture, fixtures and fittings		
At cost	393,345	324,222
Accumulated depreciation	(157,883)	(134,932)
	<u>235,462</u>	<u>189,290</u>
Motor vehicles		
At cost	50,335	88,514
Accumulated depreciation	(14,514)	(40,110)
	<u>35,821</u>	<u>48,404</u>
Poker machines		
At cost	1,357,359	1,367,459
Accumulated depreciation	(1,226,628)	(1,149,038)
	<u>130,731</u>	<u>218,421</u>
Total property, plant and equipment	<u>6,116,018</u>	<u>6,374,679</u>

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

10. Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Poker Machines	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	5,456,423	462,141	189,290	48,404	218,421	6,374,679
Additions	48,342	30,765	69,123	-	-	148,230
Transfers	-	9,768	-	-	(9,768)	-
Disposals	(64,225)	-	-	-	-	(64,225)
Depreciation expense	(175,878)	(53,332)	(22,951)	(12,583)	(77,922)	(342,666)
Balance at the end of the year	5,264,662	449,342	235,462	35,821	130,731	6,116,018

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

10. Property, plant and equipment

(b) Core and Non-Core Property

As required under section 41J of the *Registered Clubs Act 1976*, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises and car park from which the Club operates at Fowlers Road, Dapto.

The properties located at 30, 32, 34 and 36 Craig Crescent Dapto, 16 Toronto Avenue Dapto and 10 Rink Road Dapto are not considered to be core properties of the Club given that they are not the defined premises of the Club, nor facilities provided by the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the Club.

(c) Security held

The property located at 102-106 Fowlers Road Dapto is given as security under a Registered Mortgage to ANZ Bank Limited. Refer note 12 (a) for details of the loan.

11. Trade and other payables

	2022	2021
Note	\$	\$
Trade and other payables	235,972	255,411
Contract liabilities - deferred income	8,614	4,027
	<u>244,586</u>	<u>259,438</u>

12. Borrowings

Secured liabilities:

Interest bearing bank loans	(a) <u>3,688</u>	<u>3,530</u>
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(a) Securities pledged

The loan is secured by a registered mortgage over the licensed Club premises situated at 102-106 Fowlers Road, Dapto. Refer to note 10(c).

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

13. Employee benefits

	2022	2021
	\$	\$
CURRENT		
Annual and long service leave	<u>276,167</u>	<u>236,365</u>
NON-CURRENT		
Long service leave	<u>20,610</u>	<u>16,711</u>

14. Interests of Key Management Personnel

Total remuneration paid to key management personnel of the Club was \$ 221,507 (2021: \$232,782).

15. Related Party Transactions

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

Key Management Personnel often participate in bowling activities whereby they can receive prize monies and vouchers. These prizes are received under the normal terms and conditions applicable to all members participating in such activities and are not considered to be remuneration and hence have not been included in the disclosures of note 14.

Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Club's business. These costs are not considered to be remuneration and hence have not been included in this disclosure.

16. Fair Value Measurement

The Club does not hold any classes of assets or liabilities that are measured at fair value in the statement of financial position after initial recognition.

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Notes to the Financial Statements

For the Year Ended 31 May 2022

17 Contingencies

(a) Capital Commitments

The Club entered into a capital commitment for building upgrades for \$52,241 (2021: Nil).

(b) Lease Receivables

	2022	2021
	\$	\$
Operating lease rentals receivable	<u>28,756</u>	<u>50,300</u>

The above includes property lease commitment receivables for properties owned by the Club with terms varying with a maximum of 12 months.

18. Events after the end of the Reporting Period

The financial report was authorised for issue on 23 August 2022 by the Board of Directors.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial periods.

19. Statutory Information

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

102 -106 Fowlers Road
Dapto NSW 2530

Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 5 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 May 2022 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

N D Hawke
President

Dated: 23 August 2022

Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Dapto Citizens Bowling Club Limited ("the Club"), which comprises the balance sheet as at 31 May 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of the Club is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Club's financial position as at 31 May 2022 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Accounting 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 Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Wollongong

PO Box 333
Wollongong NSW 2520

☎ 02 4229 6477

✉ wollongong@daley.com.au

Bowral

PO Box 1032
Bowral NSW 2576

☎ 02 4862 1082

✉ bowral@daley.com.au

Sydney

PO Box 903
Sydney NSW 2001

☎ 02 8236 8177

✉ sydney@daley.com.au

🌐 daley.com.au

ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.



Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 31 May 2022, 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 on the other information obtained prior to the date of this auditor's report, 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 Directors for the Financial Report

The Directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

These Directors are responsible for overseeing the general purpose financial statements - reduced disclosure requirements's financial preparation process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



Independent Audit Report to the members of Dapto Citizens Bowling Club Limited

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Daley Audit

Michael Mundt
Partner

Wollongong

Dated: 23 August 2022

Liability limited by a scheme approved under Professional Standards Legislation.