



ANNUAL REPORT

year ended 30 June 2025



Annual financial report for the year ended 30 June 2025

Contents

	~ Page
Chairman's report	2
CEO's report	3
A Glimpse of 2025 financial year	4-5
Directors' report	6-7
Auditor's independence declaration	8
FINANCIAL STATEMENTS	9
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13-23
Consolidated entity disclosure statement	24
Directors' declaration	25
Independent auditor's report to the members	26-28

These financial statements are the financial statements of East Cessnock Bowling Club Ltd. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 23 September 2025. The Directors have the power to amend and reissue the financial statements.

Chairman's report

East Cessnock Bowling Club (ECBC Sports) – For the Year Ending 2025

It gives me great pleasure to present the Chairman's Report for East Cessnock Bowling Club (ECBC Sports) for the year ending 2025.

This year marks a significant milestone in the history of our club — the successful completion of the extensive renovations and rebuild project. The transformation has delivered on our strategic vision of creating a modern, open, family-friendly and vibrant space that reflects our club's values and meets the needs of our growing community.

Our Mission and Values

ECBC Sports continues to proudly promote the game of lawn bowls within the Cessnock LGA. Beyond the sport itself, our club remains dedicated to fostering healthy family and community values — inclusivity, openness, friendliness and understanding are the foundations on which we operate.

Our purpose is simple yet profound: to develop and strengthen positive community connections through genuine in-person interaction, ensuring that every member and guest enjoys a safe, welcoming, and entertaining experience each time they visit.

Community and Sponsorship

Our community focus remains a cornerstone of who we are. Throughout the year, ECBC Sports has proactively supported local junior sporting organisations and encouraged disability and inclusion groups to use our facilities. These partnerships not only strengthen our community bonds but also affirm our club's role as a community hub that provides opportunities for everyone.

Strategic Leadership and Governance

The board, in close consultation with our CEO, has worked diligently to deliver the vision set out in the Club's Strategic Business Plan. The success of this plan relies on our ongoing commitment to evidence-based decision-making, continuous process improvement, and adaptability to an ever-changing social and economic environment.

Our CEO's expertise in project management, business acumen, contractual law, and human resource structuring has been instrumental in achieving the club's transformation and positioning ECBC Sports for sustained success.

Board and Management Collaboration

Your board continues to operate with unity, professionalism, and a steadfast commitment to acting in the best interests of the club and its members. Governance remains a key priority — ensuring our operations are accountable, transparent, and compliant with all legislative and regulatory standards, particularly within the evolving NSW Liquor and Gaming framework.

Looking Ahead

As we look to 2026 and beyond, our focus will remain on delivering the objectives of our strategic plan, maintaining strong governance practices, and ensuring that ECBC Sports continues to provide a safe, inclusive, and enjoyable environment for all. We will continue to monitor our performance, adapt to changing community expectations, and build on the strong foundations now in place.

Acknowledgements

I wish to extend my sincere thanks to our CEO for her exceptional leadership and professionalism, my deep appreciation to my fellow directors for their ongoing support, commitment and dedication, our management team and staff for their dedication and commitment, and our members for their ongoing loyalty and support. Together, we have created not only a beautiful new venue, but a thriving community space that we can all be proud of.

On behalf of the Board, thank you for your continued trust and confidence. ECBC Sports is well positioned for a strong and exciting future.

Steve Davies
ECBC Sports - Chairman

CEO's report

This year has been one of important progress and hard won resilience for East Cessnock Bowling Club. We strengthened the Club's foundations while completing the improvements our members have long been expecting. That progress required careful stewardship of our finances, disciplined operational focus and the continued commitment of our staff, volunteers and Board.

Financial performance

- **Revenue increased** to \$7.49 million, reflecting stronger trading across our core operations and specialised activities.
- **EBITDA improved significantly** to \$1.35 million, demonstrating that operational changes and cost controls are delivering better underlying trading performance.
- **Reported net result** was a small loss of \$80,315 after depreciation and one off items, driven largely by the scale of capital investment and other non recurring costs recorded this year.
- **Balance sheet and cashflow** remain robust with cash reserves of \$1.83 million and committed bank facilities to support ongoing priorities.

Operational highlights

- The Club's internal refurbishment program is now complete, delivering modernised member spaces, improved accessibility and upgraded back of house facilities.
- Completion of the works has already enhanced the member experience and operational efficiency.
- We continued to invest in staff training and wellbeing to protect service standards and support retention.

Community and membership

- The Club remains firmly committed to bowls and the broader sporting and community groups that call ECBC Sports home.
- Membership feedback helped shape our updated five year Strategic Plan focused on governance, infrastructure, bowls development, membership growth and responsible electronic gaming.

Outlook and priorities

In the year ahead we will focus on:

1. Maximising the benefit of the completed refurbishments to grow member engagement and venue use.
2. Converting improved EBITDA into sustainable cashflow and managing borrowings prudently.
3. Continuing targeted community programs and memberships initiatives to drive participation and retention.
4. Strengthening governance, communication and member engagement to protect the Club's positive culture.

Thank you to the Board for their guidance and to every member, volunteer and staff member for their dedication. Your support enabled stronger trading results and the successful completion of our internal refurbishment program.

With appreciation,

Ellie O'Meley
ECBC Sports - CEO

**A GLIMPSE
2025
FINANCIAL YEAR**

\$1,064,168

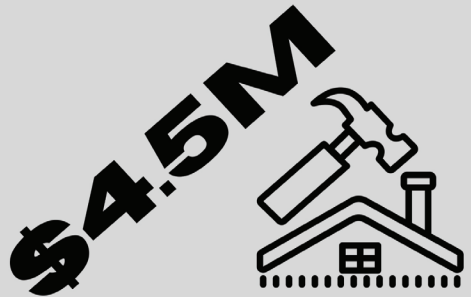
**MEMBERS AMENITIES
INVESTMENT**



\$89,487

**SPENT ON
ENTERTAINMENT**

**COMPLETION
OF CLUB
FACILITY
UPGRADES**



\$235,000

**INVESTMENT
IN MORE SOLAR
PANELS**

\$30,000

**DONATED
TO LOCAL
SPORTING
TEAMS**





EBITDA
1,349,580,
UP FROM
- 746,429



\$209,246

TOTAL
INVESTMENT
INTO LAWN
BOWLS



\$20,997,823

TOTAL
ASSETS



\$45,000

DONATED
TO LOCAL
CHARITY'S

Directors' report

Your Directors' present their report on East Cessnock Bowling Club Ltd (the Club) for the year ended 30 June 2025.

Directors details

The following persons were Directors of East Cessnock Bowling Club Ltd during the financial year, and up to the date of this report:

Mr Steven Davies

Chairperson
Director since 2019

37 years in Government Service – Defence, NSW Police and Department of Justice.

Mr William Bright

Director
Director since 2021

40 years experience in Local Government. 15 years as Senior Manager and 25 years as Executive Manager (following portfolios - Insurance & Risk Management liaising with local Police, Accounts, Procurement & materials management).

Qualifications: Associate Fellow Institute of Procurement & Materials Management, Qualified in Senior Procurement & Materials Management with additional passes in psychology & sociology.

Ms Penelope Hyde

Director
Director appointed June 2024

Varied industry experience from banking through to hospitality and electrical maintenance

Company secretary

Mr Steven Fairfull has been the Company Secretary of East Cessnock Bowling Club Ltd since August 2023 and has over 15 years experience in the Club Industry.

Directors' meetings

The number of meetings the Directors held during the year and the number of meetings attended by each Director is as follows:

Board members	Board meetings	
	A	B
Mr Steven Davies	6	6
Mr Michael Gates	6	6
Mr William Bright	6	6
Mr Matthew Harrison	6	5
Ms Penelope Hyde	6	6

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

Mr Michael Gates

Vice Chairperson
Director since 2019

22 years for Sydney Trains as a Signal Electrician. Current team leader for Network Maintenance Division, Hamilton Signals. 30 years playing cricket in various roles from captain of 1st/2nd grade and representative teams, selector, Committee member & Current Vice President of KWMCC. Junior and Senior soccer coach.

Mr Matthew Harrison

Director
Director appointed June 2024

25 years in various management roles in the Hunter Valley at some of the regions most established wineries. Matthew has been part of and overseen the development and redevelopments of facility upgrades of restaurants, function centres and outdoor dining areas. He has also had oversight of property development in South Australian vineyards attached to Hunter Valley brands.

Directors' report

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2025, the following land and buildings are considered to be core and non-core property:

Core - 6 to 12 Victoria Street, Cessnock NSW 2321.

Non-Core - Properties a 20 and 22 Koree Street Cessnock, 1, 3 5 and 7 Shalimah Street Cessnock, 1 and 3 Victoria Street Cessnock, 253 and 255 Maitland Road Cessnock.

Principal activities

During the year, the principal activities of the Club were running of a licensed Club for the benefit of its members and to meet the Club's objectives under its constitution.

There have been no significant changes in the nature of these activities during the year.

Short and long-term objectives

The Club's short-term objectives are to:

- provide the best facilities available to members and their guests, including the promotion of the game of bowls.

Strategy for achieving short and long-term objectives

To meet objectives, the Club aims to increase existing revenue levels and control costs to improve profitability which will allow the Club's premises and bowling greens to be continually improved.

Performance measurement

The Club measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as bar and gaming. The Club also uses EBITDA to measure the financial performance of the Club overall.

	2025	2024
Revenue and Income	7,488,427	7,070,340
Expenses	<u>(7,568,742)</u>	<u>(7,417,110)</u>
Profit before income tax	(80,315)	(346,770)
Income tax	-	-
Net profit	<u>(80,315)</u>	<u>(346,770)</u>
Depreciation and amortisation	1,155,360	1,088,414
Interest expense	128,291	56,649
Loss on disposal	157,578	-
Interest income	<u>(11,334)</u>	<u>(51,864)</u>
EBITDA	<u>1,349,580</u>	<u>746,429</u>

Contribution in winding up

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$8.40 each towards meeting any outstanding obligations of the Club. At the total amount that members of the Club are liable to contribute if the Club wound up is \$72,047 (2024: \$52,189).

Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

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 5 and forms part of this Directors' report.

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



Steven Davies - Chairperson



Penelope Hyde - Director

Auditor's independence declaration

To the Directors' of East Cessnock Bowling Club Ltd

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief, in relation to the audit of the financial report of East Cessnock Bowling Club Ltd for the year ended 30 June 2025, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.



Kirsty Porteous - Partner



Pitcher Partners NH Partnership
Chartered Accountants

Dated: 23 September 2025
Newcastle West, NSW

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

		2025	2024
	Notes	\$	\$
Revenue from continuing operations	2	7,051,283	6,777,353
Other income	3	437,144	292,987
Bar cost of goods sold		(711,140)	(778,360)
Bar direct expenses		(693,632)	(744,893)
Rental property direct expenses		(59,848)	(44,939)
Gaming direct expenses		(1,816,182)	(1,472,232)
Clubhouse operations		(1,197,351)	(1,242,401)
Members amenities		(1,064,168)	(1,081,249)
Bowling expenses		(209,246)	(271,803)
Administration expenses		(1,688,884)	(1,724,584)
Finance costs		(128,291)	(56,649)
		<u>(7,568,742)</u>	<u>(7,417,110)</u>
Profit / (loss) before income tax		<u>(80,315)</u>	<u>(346,770)</u>
Income tax expense	1(e)	<u>-</u>	<u>-</u>
Profit / (loss) for the year		<u>(80,315)</u>	<u>(346,770)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year		<u>(80,315)</u>	<u>(346,770)</u>

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Statement of financial position

For the year ended 30 June 2025

	Notes	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,825,469	1,631,204
Trade receivables	5	5,145	30,470
Inventories	6	86,806	114,321
Financial assets at amortised cost	7	236,630	62,672
Other assets	8	262,785	184,637
Total current assets		2,416,835	2,023,304
Non-current assets			
Financial assets at amortised cost	7	1,585,158	1,663,384
Financial assets at fair value through profit or loss	9	17,454	17,550
Property, plant and equipment	10	13,090,369	9,431,266
Investment properties	11	2,561,080	2,712,784
Intangible assets	12	425,000	425,000
Lease assets	13	901,927	666,662
Total non-current assets		18,580,988	14,916,646
Total assets		20,997,823	16,939,950
LIABILITIES			
Current liabilities			
Trade and other payables	14	378,482	380,467
Financial liabilities	15	229,727	6,021
Lease liabilities	13	71,173	55,357
Provisions	16	179,963	156,585
Other liabilities	17	13,942	16,632
Total current liabilities		873,287	615,062
Non-current liabilities			
Lease liabilities	13	831,135	609,470
Financial liabilities	15	4,087,220	427,014
Provisions	16	36,447	40,623
Other liabilities	17	11,919	9,651
Total non-current liabilities		4,966,721	1,086,758
Total liabilities		5,840,008	1,701,820
Net assets		15,157,815	15,238,130
MEMBERS FUNDS			
Retained profits		15,157,815	15,238,130
Total members funds		15,157,815	15,238,130

The above *statement of financial position* should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2025

	Retained profits	Total
	\$	\$
Balance at 1 July 2023	15,584,900	15,584,900
Profit / (loss) for the year	(346,770)	(346,770)
Other comprehensive income	-	-
Total comprehensive income for the year	(346,770)	(346,770)
Balance at 30 June 2024	15,238,130	15,238,130
Profit / (loss) for the year	(80,315)	(80,315)
Other comprehensive income	-	-
Total comprehensive income for the year	(80,315)	(80,315)
Balance at 30 June 2025	15,157,815	15,157,815

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2025

	2025	2024
Notes	\$	\$
Cash flows from operating activities		
Receipts from members and customers	8,177,193	7,712,565
Payments to suppliers and employees	(7,019,762)	(7,034,706)
Interest received	11,334	51,864
Interest paid	(128,291)	(56,649)
Net cash inflow (outflow) from operating activities	1,040,474	673,074
Cash flows from investing activities		
Payments for property, plant and equipment	(4,736,766)	(916,899)
Payments for investments properties	-	(1,474,785)
Proceeds from sale of property, plant and equipment	7,954	15,000
Proceeds from sale of shares	-	-
Proceeds from sale of investment properties	-	570,000
Proceeds from loans receivable	70,000	37,579
Transfer to/from interest bearing deposit	10,048	-
Net cash inflow (outflow) from investing activities	(4,648,764)	(1,769,105)
Cash flows from financing activities		
Proceeds from borrowings	4,633,314	440,000
Repayment of borrowings	(749,402)	(6,965)
Repayment of lease liabilities	(81,357)	(52,926)
Net cash inflow (outflow) from financing activities	3,802,555	380,109
Net increase in cash and cash equivalents	194,265	(715,922)
Cash and cash equivalents at the beginning of the financial year	1,631,204	2,347,126
Cash and cash equivalents at the end of the financial year	1,825,469	1,631,204

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2025

1 Summary of material accounting policies

(a) Information about the entity

- East Cessnock Bowling Club Ltd is a Company limited by guarantee, incorporated and domiciled in Australia.
- East Cessnock Bowling Club Ltd is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is Neath Street, Cessnock NSW 2325.
- The principal place of business of the Club is Neath Street, Cessnock NSW 2325.

(b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with *Australian Accounting Standards - Simplified Disclosures*, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

(c) Material accounting policy information

The material accounting policies applied in the preparation of this financial report are consistent with the previous period unless otherwise stated.

(d) Statement of compliance

This financial report complies with *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs except for financial assets at fair value through profit and loss, unless otherwise stated. The financial report is presented in Australian Dollars.

(e) Income taxes

The Club is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the 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.

(g) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(f) Comparative information

Comparative information has been adjusted to reflect current year disclosures where applicable.

Notes to the financial statements

For the year ended 30 June 2025

2 Revenue**(a) Disaggregation of revenue from contracts with customers**

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Beverage revenue	Raffles and Housie revenue	Gaming revenue	Other revenue	Total
2025	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,581,268	628,046	4,561,521	182,854	6,953,689
Other revenue (not covered by AASB15)	-	-	17,180	80,414	97,594
	<u>1,581,268</u>	<u>628,046</u>	<u>4,578,701</u>	<u>263,268</u>	<u>7,051,283</u>

Timing of revenue recognition

At a point in time	1,581,268	628,046	4,561,521	244,399	7,015,234
Over time	-	-	17,180	18,869	36,049
	<u>1,581,268</u>	<u>628,046</u>	<u>4,578,701</u>	<u>263,268</u>	<u>7,051,283</u>

	Beverage revenue	Raffles and Housie revenue	Rental revenue	Other revenue	Total
2024	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,522,334	615,949	4,403,028	169,229	6,710,540
Other revenue (not covered by AASB15)	-	-	17,180	49,633	66,813
	<u>1,522,334</u>	<u>615,949</u>	<u>4,420,208</u>	<u>218,862</u>	<u>6,777,353</u>

Timing of revenue recognition

At a point in time	1,522,334	615,949	4,403,028	201,156	6,742,467
Over time	-	-	17,180	17,706	34,886
	<u>1,522,334</u>	<u>615,949</u>	<u>4,420,208</u>	<u>218,862</u>	<u>6,777,353</u>

(b) Accounting policies and significant judgements

The Club recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Club is or expects to be entitled in exchange for those goods or services.

The Club considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Sale of goods - beverages

The Club sells a range of beverages. Revenue from the sale of goods is recognised with the Club sells a product to the customer.

(ii) Provision of services - raffle and housie revenue

Raffle and housie revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle or housie game has been conducted as at this point the performance obligations have been satisfied.

(iii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the Club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission revenue where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

(iv) Other revenue

The Club recognises other revenue at a point in time when the performance obligation has been satisfied.

Notes to the financial statements

For the year ended 30 June 2025

3 Other income and expense items

	2025	2024
	\$	\$
(a) Other income		
Interest income	11,334	51,864
Insurance recoveries	344,097	110,068
Wages subsidies	73,315	14,905
Profit on sale of plant and equipment	7,954	116,150
Other income	444	-
	<u>437,144</u>	<u>292,987</u>

(i) Insurance recoveries

The Club recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

(b) Other expenses

Employee benefits expense	2,129,726	2,110,096
Loss on disposal of plant and equipment	157,578	-
Interest costs	128,291	56,649
Amortisation and depreciation	1,155,360	1,088,414

4 Cash and cash equivalents

	2025	2024
	\$	\$
Current		
Cash and cash equivalents	1,825,469	1,631,204
	<u>1,825,469</u>	<u>1,631,204</u>

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (if any).

5 Trade receivables**Current**

Trade receivables	<u>5,145</u>	<u>30,470</u>
	5,145	30,470

6 Inventories**Current**

Stock on hand - bar	32,810	52,512
Stock on hand - bowls	53,996	61,809
	<u>86,806</u>	<u>114,321</u>

Notes to the financial statements

For the year ended 30 June 2025

7 Financial assets at amortised cost**Current**

Loans - Secured (i)	41,774	33,548
Term Deposits	-	10,048
GST receivable	152,705	-
Other receivables	42,151	19,076
	<u>236,630</u>	<u>62,672</u>

Non - Current

Loans - Secured (i)	1,585,158	1,663,384
	<u>1,585,158</u>	<u>1,663,384</u>

(i) Secured Loans

The loan provided is secured via a first registered mortgage over Lot 1 on DP841518 also known as 300 & 302 Maitland Road, Cessnock, NSW, 2325.

Accounting policy

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

8 Other assets

	2025	2024
	\$	\$
Current		
Prepayments	262,785	184,637
	<u>262,785</u>	<u>184,637</u>

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

9 Financial assets at fair value through profit or loss**Current**

Shares	17,454	17,550
	<u>17,454</u>	<u>17,550</u>

Accounting policy

Equity instruments are measured at fair value with changes in fair value recognised through profit or loss. Dividends received on these investments are recognised in the statement of profit or loss and other comprehensive income unless the distribution clearly represents a recovery of part of the cost of the investment.

Notes to the financial statements

For the year ended 30 June 2025

10 Property, plant and equipment

	Building improvements	Plant and equipment	Poker machines	Capital WIP	Total
	\$	\$	\$	\$	\$
Non-current assets					
At 1 July 2024					
Cost	11,964,929	3,255,270	2,860,157	264,780	18,345,136
Accumulated depreciation	(5,688,365)	(1,592,799)	(1,632,706)	-	(8,913,870)
Net book amount	<u>6,276,564</u>	<u>1,662,471</u>	<u>1,227,451</u>	<u>264,780</u>	<u>9,431,266</u>
Year ended 30 June 2025					
Opening net book amount	6,276,564	1,662,471	1,227,451	264,780	9,431,266
Additions	-	390,100	4,000	4,342,666	4,736,766
Disposals	(27,705)	(48,512)	(179)	-	(76,396)
Transfers	-	36,515	24,500	(18,515)	42,500
Depreciation charge	(309,297)	(364,313)	(370,157)	-	(1,043,767)
Closing net book amount	<u>5,939,562</u>	<u>1,676,261</u>	<u>885,615</u>	<u>4,588,931</u>	<u>13,090,369</u>
At 30 June 2025					
Cost	11,924,686	3,499,527	2,888,357	4,588,931	22,901,501
Accumulated depreciation	(5,985,124)	(1,823,266)	(2,002,742)	-	(9,811,132)
Net book amount	<u>5,939,562</u>	<u>1,676,261</u>	<u>885,615</u>	<u>4,588,931</u>	<u>13,090,369</u>

Accounting policy**(a) Building Improvements**

Building Improvements are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines

Plant and equipment and poker machines are carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings	40 years
Plant & Equipment	5 - 20 years
Poker Machines	4 - 10 years

(d) Impairment

Property, plant and equipment are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependent on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Significant accounting estimates and judgements

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

Notes to the financial statements

For the year ended 30 June 2025

11 Investment properties

	2025	2024
	\$	\$
Non-current assets - at cost		
Opening balance at 1 July	2,712,784	1,348,406
Additions	-	1,474,785
Transferred to Capital WIP	(42,500)	-
Disposals	(81,184)	(90,156)
Depreciation	(28,020)	(20,251)
Closing balance at 30 June	<u>2,561,080</u>	<u>2,712,784</u>

Accounting policy

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are continued to be carried at cost.

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

12 Intangible assets

	Poker machine entitlements	2025	2024
	\$	\$	\$
Non-current assets			
As at 30 June 2025			
Cost	425,000	425,000	425,000
Net book amount	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>
Reconciliation			
Opening net book amount	425,000	425,000	425,000
Closing net book amount	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost. The useful lives of these intangible assets are assessed to be indefinite as there is no indication that gaming machines will become obsolete. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The value shown for the poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

Notes to the financial statements

For the year ended 30 June 2025

13 Lease assets and lease liabilities**2025**
\$ **2024**
\$

The Club leases land where the Clubhouse is situated from Crown Lands, Clubhouse plant & equipment and a number of poker machines.

a) Lease assets**Non-current**

Carrying amount of lease assets, by class of underlying asset:

Land lease			622,840	600,000
Plant & Equipment			265,784	-
Poker Machines			13,303	66,662
			<u>901,927</u>	<u>666,662</u>

Reconciliation of lease assets	Land	Plant & Equipment	Poker Machines	Total	Total
	\$	\$	\$	\$	\$
Carrying amount at the beginning of the year	600,000	-	66,662	666,662	801,441
Additions	22,840	295,998	-	318,838	-
Restatements	-	-	-	-	(81,420)
Amortisation	-	(30,214)	(53,359)	(83,573)	(53,359)
Carrying amount at the end of the year	<u>622,840</u>	<u>265,784</u>	<u>13,303</u>	<u>901,927</u>	<u>666,662</u>

b) Lease liabilities**Current**

Lease liabilities	-	61,703	9,470	71,173	55,357
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Non-current

Lease liabilities	622,840	208,295	-	831,135	609,470
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Total	<u>622,840</u>	<u>269,998</u>	<u>9,470</u>	<u>902,308</u>	<u>664,827</u>
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Reconciliation of lease liabilities	Land	Plant & Equipment	Poker Machines	Total	Total
	\$	\$	\$	\$	\$
Carrying amount at the beginning of the year	600,000	-	64,827	664,827	799,173
Additions	22,840	295,998	-	318,838	-
Restatements	-	-	-	-	(81,420)
Interest expense	31,142	9,466	1,571	42,179	34,002
Lease payments	(31,142)	(35,466)	(56,928)	(123,536)	(86,928)
Carrying amount at the end of the year	<u>622,840</u>	<u>269,998</u>	<u>9,470</u>	<u>902,308</u>	<u>664,827</u>

Maturity analysis of future lease payments

			Total	Total
			\$	\$
Not later than 1 year		77,019	9,488	86,507
Later than 1 year and not later than 5 years		236,089	-	236,089
Lease payments		<u>313,108</u>	<u>9,488</u>	<u>322,596</u>
				<u>66,416</u>

The future lease commitment relating to the land lease in perpetuity has been recognised at the net present value of the current annual lease payment being \$31,142 and discounted using the incremental borrowing rate noted below.

Accounting policy

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Notes to the financial statements

For the year ended 30 June 2025

13 Lease assets and lease liabilities (continued)

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 4.8%.

Lease assets are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

Significant accounting estimates and judgements

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

Accounting for Lease in Perpetuity with Crown Lands NSW - The accounting treatment of the Club's lease in perpetuity with Crown Lands NSW involves judgement and estimates in determining whether the contract grants rights that result in transfer of control of the asset to the and therefore results in the in-substance purchase of the Land. The Directors have determined that control of the asset does not transfer to the Club and as such the contract has been treated as a lease in accordance with AASB16 Leases.

14 Trade and other payables

	2025	2024
	\$	\$
Current		
Trade payables	120,677	84,803
Other payables and accruals	257,805	282,555
GST payable	-	13,109
	<u>378,482</u>	<u>380,467</u>

Accounting policy

Trade and other payables, including accruals, are non-interest bearing and are generally due for payment within 30 days of the invoice date.

Notes to the financial statements

For the year ended 30 June 2025

15 Financial liabilities

	2025	2024
	\$	\$
Current		
<i>Secured</i>		
Bank loans (i)	70,014	6,021
Total secured financial liabilities	<u>70,014</u>	<u>6,021</u>
<i>Unsecured</i>		
Other loans	159,713	-
Total unsecured financial liabilities	<u>159,713</u>	<u>-</u>
	<u>229,727</u>	<u>6,021</u>
Non-current		
<i>Secured</i>		
Bank loans (i)	4,087,220	427,014
Total secured financial liabilities	<u>4,087,220</u>	<u>427,014</u>

(i) Secured liabilities

The bank loans and undrawn facilities are secured over the following properties:

- A First Registered Mortgage by East Cessnock Bowling Club over 1 Shalimah Street Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 3 Shalimah Street Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 5 Shalimah Street Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 7 Shalimah Street Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 20 Koree Street Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 22 Koree Street Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 1 Victoria Street Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 3 Victoria Street Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 253 Maitland Road Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 255 Maitland Road Cessnock NSW 2325
- A First Registered Mortgage by East Cessnock Bowling Club over 6-12 Victoria Street Cessnock NSW 2325

The Club has the following financing facilities with Regional Australia Bank:-

	<i>Total Facility</i>	<i>Undrawn \$</i>	<i>Monthly repayments</i>	<i>Interest Rate</i>	<i>Facility expiry</i>
Facility 1	440,000	7,009	Interest only	6.38%	Jan 2028
Facility 2	4,970,000	1,315,771	Interest only	7.25%	Jan 2028
Facility 3	200,000	129,986	Interest only	7.25%	Jan 2026

The Club facilities are interest only for the initial period of the facility, on expiry the facilities will convert to principal and interest repayments over a new negotiated period.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the financial statements

For the year ended 30 June 2025

16 Provisions

Current

Employee entitlements (i) & (ii)	118,777	85,760
Jackpots	3,860	5,596
Other	57,326	65,229
	<u>179,963</u>	<u>156,585</u>

Non-current

Employee entitlements (ii)	36,447	40,623
	<u>36,447</u>	<u>40,623</u>

Accounting policy

(i) *Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) *Long service leave*

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 recognised in the provision for employee benefits and 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 levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

17 Other liabilities

Current

Contract liabilities - membership income	13,747	16,211
Other liabilities	195	421
	<u>13,942</u>	<u>16,632</u>

Non-current

Contract Liabilities - membership income	11,919	9,651
	<u>11,919</u>	<u>9,651</u>

18 Contingent liabilities

	2025	2024
	\$	\$
Bank guarantee substituting for a security deposit for TAB facilities	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

19 Commitments

(i) *Capital commitments*

	1,420,678	-
	<u>1,420,678</u>	<u>-</u>

The capital commitment for the current year pertains to outstanding progress claims associated with the Club's renovation, which have been contractually agreed upon with Club Projects for the completion of the remaining works not completed as at 30 June 2025.

Notes to the financial statements

For the year ended 30 June 2025

20 Related parties

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

(a) *Key management personnel compensation*

Total key management personnel benefits	246,451	221,816
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(b) *Transactions with other related parties*

Troy O'Meley and Emma O'Meley who are relatives of the CEO Ellie O'Meley were employed by the Club under normal terms and conditions.

Prior to the employment of Ellie O'Meley, the Club entered into a sale agreement in 2019 with O'Lange Pty Ltd (of which a member of the Key Management Personnel, Ellie Lange is a Director). Interest is charged between 1.1% and 5% p.a.

Amount receivable by the Club	1,626,933	1,696,933
Interest received	8,226	16,452

Cotter Smart Pty Ltd (related entity of CEO Ellie O'Meley) purchased 6 Anstey St from the Club.	-	570,000
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During the year, the Club entered into a rental agreement with Energy Lease Pty Ltd t/as Smart Ease for the rental of solar panels. The rental agreement is for a period of 7 years with monthly repayments of \$2,448 per month. The solar panels were supplied by MJJ's Electrics Pty Ltd. Director Matthew Harrison is employed as a Manager of MJJ's Electrics Pty Ltd.

21 Remuneration of auditors

Auditor of the Club

Audit of the financial statements	25,000	24,500
Other services - consulting services	28,430	28,141
	<u>53,430</u>	<u>52,641</u>

East Cessnock Bowling Club Ltd

Consolidated entity disclosure statement

For the year ended 30 June 2025

East Cessnock Bowling Club Ltd is not required by Australian Accounting Standards to prepare consolidated financial statements.

Accordingly, in accordance with subsection 295 (3A) of the *Corporations Act 2001*, no further information is required to be disclosed in this consolidated entity disclosure statement.

Directors' declaration

In the Directors' opinion:

- (a) The financial statements, notes and consolidated entity disclosure statement set out on pages 6 to 21 are in accordance with the the *Corporations Act 2001* , including:
 - (i) complying with *Accounting Standards - Simplified Disclosures* , the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Club's financial position as at 30 June 2025 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement required by subsection 295 (3A) of the *Corporations Act 2001* is true and correct.

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



Steven Davies - Chairperson



Penelope Hyde - Director

23 September 2025
Cessnock, NSW

Independent auditor's report to the members of East Cessnock Bowling Club Ltd

Opinion

We have audited the financial report of East Cessnock Bowling Club Ltd (the Club) which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other 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 material accounting policies, the consolidated entity disclosure statement, and the Directors' declaration.

In our opinion, the accompanying 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 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of section 307C of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Directors' Report.

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 further to report in this regard.

Independent auditor's report (cont)

Responsibilities of the Directors for the financial report

The directors of the Club are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the '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 or to cease operations, or have no realistic alternative but to do so.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Club for the year ended 30 June 2025 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent auditor's report (cont)

Auditor's responsibilities for the audit of the financial report (cont)

- 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 Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Kirsty Porteous - Partner



Pitcher Partners NH Partnership
Chartered Accountants

23 September 2025
Newcastle West, NSW



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