



Scotts Head Bowling & Recreation Club Ltd

ABN: 85 001 056 775

Annual Report

For the year ended 30 June 2026

Scotts Head Bowling & Recreation Club Ltd

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Scotts Head Bowling & Recreation Club Ltd

Chairperson's Report

30 June 2026

Dear Members,

Firstly, I would like to thank all members and guests for their ongoing patronage and support during the past year.

As in these difficult times of increased costs of living , higher interest rates and increased fuel costs, the Club has seen a slight improvement in its financial position but still has a long way to go.

This past year has seen the Club alter some of the floor layout, moving poker machines and opening the Club up to promote a more welcoming atmosphere and ensure compliance with gaming regulations.

Mark our Secretary Manager, continues to be innovative with trying different activities to improve our Clubs offerings to members and guests. Paint and Sip, NRL Tipping comps, Trivia, Beer & Braids, Disco Glow bowls to name a few, well let's say not all great ideas can be instant winners.

This past year we have welcomed new Bistro operators, Tony and Stewart and I would like to thank Jordan our previous operator and her staff for their service over the past years.

The Clubs management & staff strive to provide excellent service to all, and the Board wish to thank you for all your efforts.

I would also like to thank my fellow members of the Board, who volunteer their time and effort to assist in the continual operation of the Club.

Like many small Clubs operating in NSW, there is an ongoing struggle to keep small Clubs viable and their doors open. As we are a seasonal holiday town, the services we provide must adapt and change in line with these highs and lows in patronage.

The ongoing support of locals and visitors is paramount to the Clubs survival. The Board and Management welcome any suggestions/feedback or support in improving ongoing operations and services to members and visitors.

Julie Kay

Chairperson

Scotts Head Bowling & Recreation Club Ltd

Secretary Manager's Report

30 June 2026

Dear Members,

Firstly, I would like to thank all of our members for their continued support of myself, our management team and all the staff here at Club Scotts.

I would also like to thank our Board of Directors for their continued support, advice and guidance as we work together to move the Club in the best possible direction for our members and our community.

While the end result for the financial year was not exactly what we had hoped for, there are certainly some encouraging signs that we are turning in the right direction.

I have used this analogy a few times over the past year – running a club can sometimes be a bit like turning a container ship. You cannot turn it 90 degrees overnight. It takes a lot of small changes, made consistently over time, before you begin to see the ship heading in a different direction. I believe we are starting to see the results of some of those changes.

One of the most positive areas has been our bar performance. Compared with the previous financial year, bar sales increased by approximately 11%, while gross profit increased by around 14%. This has not only come from increased sales, but also from building stronger relationships with our suppliers and negotiating better pricing and arrangements wherever possible.

Our other major revenue stream is, of course, gaming, and members would have noticed some significant changes in this area over the past 12 months.

Removing the internal wall and opening up the middle of the Club has created a much more open and inclusive environment for members and guests, while also allowing us to consolidate our gaming machines into one room and improve the overall gaming experience.

We purchased the CRT in December, renegotiated a better arrangement with our ATM supplier and invested in two new gaming machines. Through a great connection made through ClubsNSW, we were also fortunate enough to obtain second-hand gaming chairs from Drummoyne Sailing Club, which provided another improvement to the area without the expense of purchasing them new.

These changes have contributed to gaming turnover increasing by approximately 13% year-on-year, with gaming net profit improving by around \$22,000, or approximately 4%.

Another significant change during the year was the transition to new kitchen caterers.

I would like to thank Jordan and everyone from the Swell Bistro team for the service they provided to Club Scotts and everything they contributed during their time here.

I'd like to welcome Stewart & Tony from Stoney's by the Beach and am excited to see what they can bring to the table for our members and guests.

Scotts Head Bowling & Recreation Club Ltd

Secretary Manager's Report

30 June 2026

Although our new caterers only commenced in May, the new arrangement has already provided an improved financial benefit to the Club. We have also continued investing in our kitchen facilities, including the purchase of a new grill, new fryer and a new pre-rinse tap for the kitchen scullery area.

Across the Club, we have continued to invest in assets and improvements that will benefit our members well into the future.

This has included the purchase of our new glow bowls, as well as new scoreboards for the bowling greens at a cost of just over \$7,000. We upgraded our PA and sound system, giving us greater capability to provide entertainment and create a better atmosphere for major sporting events and functions.

From a staff safety perspective, we purchased a new CO₂ monitoring system for the cellar area. We also made the significant decision to buy back our solar system from Origin, an investment which should provide substantial savings to the Club over the longer term.

While the financial side of the Club is extremely important, a community club also needs to be a place where people want to come, enjoy themselves and try something different. Over the past 12 months, we have certainly tried to do that.

Our Paint & Sip events with our resident artist Kristen have been fantastic and continue to be very well supported.

We also took a chance on something completely different with International Dachshund Day, and what an amazing success that turned out to be. Apart from being a great day at the Club, it generated some fantastic publicity and positive exposure for Club Scotts.

Our Beers, Braids & BBQ event was another example of trying something outside the normal club calendar. It was certainly something a little different, and it was great to see people come along and support it.

Our traditional annual events also continued to be extremely well received. Australia Day was a fantastic day with plenty of people enjoying themselves around the Club. ANZAC Day was once again one of the major highlights of our calendar, and our Easter Egg Hunt for the kids was brilliant, with a great response from local families.

St Patrick's Day was another big success this year – so much so that Guinness has now earned itself a permanent spot on tap and has proven to be a very solid seller.

Our State of Origin promotion returned again, and somehow lightning managed to strike twice. Congratulations to Paul Martin, who incredibly won the promotion for the second year in a row.

We also saw some terrific support around major sporting events throughout the year. One of the more memorable examples was seeing members coming down to the Club at 5am to watch Australia take on the USA in the FIFA World Cup. It is moments like these that show what a community club can be – somewhere people can come together and share an experience

Scotts Head Bowling & Recreation Club Ltd

Secretary Manager's Report

30 June 2026

Another area I am particularly pleased to see growing is our involvement with and support of local sporting clubs and community groups.

Rather than our sponsorship simply being a cheque or a logo on a jersey, we have been trying to create stronger relationships with the organisations we support by giving them opportunities to use the Club to raise funds of their own.

Over the past year, the Spanish Mackerels Cricket Club, Sharks Soccer Club and Scotts Head Primary School P&C have all had the opportunity to come into the Club and run raffles on Thursday nights or Sunday afternoons.

These raffles have provided those groups with the opportunity to raise significant funds for their clubs and organisations, while at the same time bringing their members, families and supporters into Club Scotts.

For us, that is what community sponsorship should be about – not simply providing financial support but creating a genuine partnership that benefits both the Club and the wider community.

There is still plenty of work ahead of us. We know there are areas where we need to improve, costs we need to continue managing and opportunities we need to explore. But I believe the changes made over the past 12 months have given us a stronger platform to build from.

I am genuinely excited about what the next 12 months, and hopefully many more after that, can bring for Club Scotts.

Most importantly, I encourage our members to keep talking to us. If you have an idea, suggestion or even something you think we could be doing better, please let us know.

At the end of the day, this is your Club.

It is a club for our members, a club for our community, and somewhere that we should all be proud to call our local.

My goal is simple – to keep working with our Board, our staff, our members and our community to make Club Scotts the best little club it can be.

Thank you again for your continued support, and I look forward to what we can achieve together over the coming year.

Mark Singh
Secretary Manager
Club Scotts

Scotts Head Bowling & Recreation Club Ltd

Directors' report

30 June 2026

The directors present their report on Scotts Head Bowling & Recreation Club Ltd for the financial year ended 30 June 2026.

Information on directors

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

Julie Kay

Qualifications	Administrator
Experience	Previous Director
Special responsibilities	Chairperson from 29 December 2023
Appointed	12 November 2023

Michael Reardon

Qualifications	Retired State Government Executive
Special responsibilities	Deputy Chairperson from 12 November 2023
Appointed	12 November 2023

Victor Mankin

Qualifications	Business Owner
Experience	Previous Director
Appointed	23 October 2016

Lynette Narris

Qualifications	Retired Accountant
Experience	Previous Director
Appointed	3 October 2023

Gregory Herbert

Qualifications	Retired Concrete Developer
Experience	Previous Director
Appointed	3 October 2023

John Palmer

Qualifications	Retired Marine Engineer
Experience	Previous Director
Appointed	12 November 2023

Scotts Head Bowling & Recreation Club Ltd

Directors' report

30 June 2026

Information on directors (continued)

Neil Graham

Qualifications	Builder
Experience	Previous Director
Appointed	17 November 2024

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

Meetings of directors

During the financial year, 11 meetings of directors were held.

Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Julie Kay	11	10
Michael Reardon	11	10
Victor Mankin	11	7
Lyn Narris	11	10
Greg Herbert	11	11
John Palmer	11	10
Neil Graham	11	9

Principal activities

The principal activity of Scotts Head Bowling & Recreation Club Ltd during the financial year was to operate as a Registered Sporting and Recreation Club.

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

Scotts Head Bowling & Recreation Club Ltd

Directors' report

30 June 2026

Principal activities (continued)

Objectives and strategies

The Company's short term and long term objectives focus on:

- The delivery and development of profitable, desirable facilities and services to members and guests; and
- The growth and development of the profitability of the Club's operating areas and Sub-Clubs; and
- The growth of membership and the number of guests.

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

- Grow the existing business and increase revenue on operating activities whilst controlling and minimising related expenses; and
- Defend market share by investing in appropriate technology available within expenditure constraints; and
- Monitor cash flows to enable funding of forecast business activity and plans; and
- Enable staff to maintain up to date capabilities and qualifications.

Performance measures

The following measures are regularly used within the Company to monitor performance:

- The level of commercial activity of the key operating areas and Sub-Clubs; and
- The level of profit/(loss) generated by each of the key operating areas and Sub-Clubs; and
- EBITDA and working capital, solvency and liquidity ratios; and
- Improvement to the Club's facilities and services.

Operating results

The (loss)/profit of the Company amounted to (\$58,812) (2025: (\$114,570)).

Property Classification

In accordance with the Registered Club's Amendment Regulations 2007, the Board has previously determined that the Club's entire property is considered core property as defined in the relevant Acts and Regulations.

Scotts Head Bowling & Recreation Club Ltd

Directors' report

30 June 2026

Operating results (continued)

Members Guarantee

Scotts Head Bowling & Recreation Club Ltd is a company limited by guarantee. In the event of, and for the purpose of, winding up the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up is limited to \$2, subject to the provisions of the Company's constitution.

At 30 June 2026 the collective liability of members was \$3,922 (2025: \$3,274).

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2026 has been received and can be found on page 10 of the financial report.

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

Julie Kay
Chairperson

Michael Reardon
Deputy Chairperson

Dated: 22 September 2026



22 September 2026

Auditor's independence declaration under Section 307C of the *Corporations Act 2001*

To the directors of Scotts Head Bowling & Recreation Club Ltd:

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026, there have been:

- no contraventions of the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

HLV Audit Pty Ltd

Angela Holladay

HLV Audit Pty Ltd, Director

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Liability limited by a Scheme approved
under Professional Standards Legislation.

Scotts Head Bowling & Recreation Club Ltd

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue	5	1,920,856	1,772,249
Finance income	7	1,422	-
Other income	5	149,182	144,319
Total income		2,071,460	1,916,568
Raw materials and consumables used		(517,778)	(529,913)
Depreciation and amortisation		(293,034)	(295,001)
Employee benefit expenses		(759,777)	(625,866)
Finance expenses	7	(7,045)	(10,033)
Impairment losses on receivables		-	(1,490)
Other expenses		(552,638)	(568,835)
Total expenses		(2,130,272)	(2,031,138)
Income tax	3.a	-	-
Profit (loss) from continuing operations		(58,812)	(114,570)
Total comprehensive income for the year		(58,812)	(114,570)

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

Statement of financial position

As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	8	408,251	375,626
Trade and other receivables	10	23,040	20,457
Inventories	11	53,360	73,495
Other assets	12	6,082	57,855
Total current assets		490,733	527,433
Non-current assets			
Property, plant and equipment	13	4,438,861	4,566,319
Total assets		4,929,594	5,093,752
Liabilities			
Current liabilities			
Trade and other payables	14	86,310	79,514
Employee benefits	15	48,510	24,071
Lease liabilities	16	37,370	35,347
Other liabilities	17	22,232	113,284
Total current liabilities		194,422	252,216
Non-current liabilities			
Employee benefits	15	-	10,182
Lease liabilities	16	25,776	63,146
Total non-current liabilities		25,776	73,328
Total liabilities		220,198	325,544
Net assets		4,709,396	4,768,208
Equity			
Retained earnings			
Opening balance		1,726,435	1,841,005
Loss for the year		(58,812)	(114,570)
Total Retained earnings		1,667,623	1,726,435
Reserves	20	3,041,773	3,041,773
Total equity		4,709,396	4,768,208

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

Statement of changes in equity

For the year ended 30 June 2026

2025	Retained earnings \$	Revaluation surplus \$	Total equity \$
Opening balance	1,841,005	3,041,773	4,882,778
Loss for the year	(114,570)	-	(114,570)
Closing balance	1,726,435	3,041,773	4,768,208

2026	Retained earnings \$	Revaluation surplus \$	Total equity \$
Opening balance	1,726,435	3,041,773	4,768,208
Loss for the year	(58,812)	-	(58,812)
Closing balance	1,667,623	3,041,773	4,709,396

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

Statement of cash flows

For the year ended 30 June 2026

	2026 \$	2025 \$
Cash flows from operating activities:		
Receipts from customers	2,212,766	2,161,630
Payments to suppliers and employees	(1,983,974)	(1,949,673)
Interest received	1,422	-
Interest paid	(7,045)	(7,845)
Net cash flows from/(used in) operating activities	223,169	204,112
Cash flows from investing activities:		
Purchase of property, plant and equipment	(155,197)	(25,324)
Cash flows from financing activities:		
Payment of lease liabilities	(35,347)	(72,007)
Net cash provided by/(used in) financing activities	(35,347)	(72,007)
Net increase/(decrease) in cash and cash equivalents	32,625	106,781
Cash and cash equivalents at beginning of year	375,626	268,845
Cash and cash equivalents at end of financial year	408,251	375,626

The accompanying notes form part of these financial statements.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

1. Introduction

The financial report covers Scotts Head Bowling & Recreation Club Ltd as an individual entity. Scotts Head Bowling & Recreation Club Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2026 were the provision of a bowling and recreation club in Scotts Head, NSW.

The functional and presentation currency of Scotts Head Bowling & Recreation Club Ltd is Australian dollars. Comparatives are consistent with prior years, unless otherwise stated.

The financial report was authorised for issue by the Directors on 22 September 2026.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures 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.

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

3. Material accounting policy information

a. Income tax

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

b. Borrowing costs

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

c. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

3. Material accounting policy information (continued)

d. Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

e. Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

i. Financial assets

Classification

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method (where material) less provision for impairment. Interest income and impairment are recognised in profit or loss.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

3. Material accounting policy information (continued)

e. Financial instruments (continued)

i. Financial assets (continued)

Trade receivables and contracts assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9. The amount of the impairment is (if any) is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

ii. Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables, loans and lease liabilities.

f. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2026, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

4. 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.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

4. Critical accounting estimates and judgements (continued)

a. Key estimates - impairment of property, plant and equipment

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

b. Key estimates - estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite or indefinite life of any intangible assets held. The useful lives could change as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or down.

c. Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 30 June 2022. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

d. Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

e. Key Judgements - lease classification

The company is party to a number of lease arrangements in relation to their poker machine licenses and plant and equipment. Review of the minimum lease payments, lease term, other terms and conditions in the leases has been performed to determine whether a lease exists. Where it is determined that a lease exists, right-of-use assets have been recognised at cost which is based on the associated lease liabilities.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

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

ii. Specific revenue streams

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

Sales

Revenue from the sales, including bar, poker machine net takings and general sales are recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods. Revenue is recognised at the point of sale as there are no specific ongoing obligations related to the sales.

Membership subscriptions

Revenue from membership subscriptions are recognised in the year in which they relate to as this is deemed to be the point in time when the risks and rewards are transferred. Payments are generally received in advance, and if paid prior to the year commencing this is shown in the statement of financial position as a liability.

Sponsorships

Revenue from sponsorships are recognised in the year in which they relate to as this is deemed to be the point in time when the risks and rewards are transferred. Payments are generally received in advance, and if paid prior to the year commencing or the event has occurred, this is shown in the statement of financial position as a liability. If received after the event, it is shown as a receivable.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

5. Revenue and other income (continued)

a. Accounting policy (continued)

iii. Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

iv. Rental income

Bistro rent revenue is recognised on a straight-line basis over a period of the lease term.

v. Grant revenue

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Grant income arising from non-enforceable contracts or those without sufficiently specific performance obligations is recognised on receipt unless it relates to capital grants which meet certain criteria.

Enforceable capital grants received to enable the Company to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the entity are recognised as revenue as and when the obligation to construct or purchase is completed.

- For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.
- For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the entity.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

5. Revenue and other income (continued)

a. Accounting policy (continued)

vi. Other income

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

vii. Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

b. Revenue from continuing operations

	2026	2025
	\$	\$
Bar sales	1,228,614	1,125,431
Affiliation Revenue	1,261	1,453
Poker Machine Net Takings	562,122	531,365
Green Fees Income	13,172	15,642
Member subscriptions	21,366	18,862
LivePayments Fee Income	13,383	7,595
Raffles	65,304	53,498
Sponsorships and Advertising	2,864	7,353
Wage Subsidies Received	6,091	1,455
Sub-club income	6,588	4,766
Sundry Income	91	4,829
Total revenue	1,920,856	1,772,249

c. Other income

	2026	2025
	\$	\$
Commissions	53,952	51,403
Restaurant Rent	35,929	24,450
Restaurant cost recoveries	42,121	51,286
Gaming Tax Rebate	17,180	17,180
Total other income	149,182	144,319

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

6. Result for the year

The result for the year includes the following specific expenses:

	2026	2025
	\$	\$
Raw materials and consumables used	517,778	529,913
Depreciation expenses	293,034	295,001
Salary and wage expenses	641,093	557,342
Superannuation contributions	75,848	61,165
Workers compensation	24,023	8,625
Movement in leave provisions	18,813	(1,266)
Auditor's remuneration	23,000	25,190
Insurance	53,123	49,849
Legal fees	-	280
Repairs and maintenance	55,880	108,578
Finance expenses	7,045	10,033
Net loss on disposal	-	2,153
Other operating expenses		
Accounting Fees	14,520	15,120
Advertising	4,122	3,069
Affiliation Fees	1,849	1,731
Bank and merchant fees	12,836	6,232
LivePayments Machine Expense	1,724	1,005
Carnival Expenses	4,418	4,916
Cleaning	7,378	9,688
Consulting Fees	5,402	5,375
Director Expenses	462	391
Drinks	20,156	12,679
Electricity and Gas	83,667	94,815
Entertainment and Bands	38,549	18,949
Equipment Purchases < \$1,000	4,782	8,383
Keno Expenses	3,877	2,414
Poker machine monitoring and maintenance	28,053	29,493
Printing and Stationery	7,722	8,184
Promotions - members and community	40,893	15,130
Raffles Expenses	49,004	41,646
Raffle Expenses - Sub-Club	1,984	-
Rates - Land	9,929	9,620
Rates - Water	18,610	10,344

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

6. Result for the year (continued)

	2026	2025
	\$	\$
Registration and Licenses	2,593	1,189
Security	3,884	3,720
Sponsorship expenses	4,104	5,428
Staff uniforms and amenities	2,901	3,018
Subscriptions	18,211	23,054
TAB and Sky Channel expenses	16,153	24,226
Telephone and Internet	3,306	2,702
Travel and Accommodation	1,177	2,624
Trophies Expense	927	9,557
Unders / (Overs)	(473)	(267)
Sundry operating expenses	7,915	8,350
Total Other operating expenses	420,635	382,785

7. Finance income and expenses

Finance income	2026	2025
	\$	\$
Interest income	1,422	-
Total finance income	1,422	-

Finance expenses	2026	2025
	\$	\$
Lease interest expense	3,721	6,855
Premium funding interest expense	3,324	3,178
Total finance expenses	7,045	10,033

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

8. Cash and cash equivalents

a. Accounting policy

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

b. Cash and cash equivalent details

	2026	2025
	\$	\$
Cash at bank and on hand	408,251	375,626

9. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2026	2025
	\$	\$
Loss for the year	(58,812)	(114,570)
Add / (less) non-cash items:		
Net (Profit) / loss on disposal of assets	-	2,153
Depreciation and amortisation	293,034	295,001
Impairment of receivables	-	1,490
Changes in assets and liabilities:		
(increase) / decrease in receivables	(2,583)	18,863
(increase) / decrease in inventories	20,135	(32,721)
(increase) / decrease in other assets	51,773	(3,101)
increase / (decrease) in payables	(3,586)	7,402
increase / (decrease) in employee benefits	14,257	(7,161)
increase / (decrease) in other liabilities	(91,052)	36,756
Cash flows from operations	223,166	204,112

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

10. Trade and other receivables

Description	2026 \$	2025 \$
Trade receivables	13,855	6,048
ATM and Etfpos settlements receivable	9,185	14,409
Total trade and other receivables	23,040	20,457

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

11. Inventories

a. Accounting policy

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

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

b. Inventory details

Current	2026 \$	2025 \$
Bar stock at cost	53,360	73,495

12. Other assets

Current	2026 \$	2025 \$
Prepayments	6,082	57,855

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

13. Property, plant and equipment

a. Accounting policy

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

i. Land and buildings

Land and buildings are measured using the revaluation model.

ii. Plant and equipment

Plant and equipment are measured using the cost model.

iii. Depreciation

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

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings and land improvements	10 to 25 years
Furniture and fittings	5 to 10 years
Plant and equipment	3 to 10 years
Poker machines	5 years

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. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

13. Property, plant and equipment (continued)

b. Property, plant and equipment details

Summary	2026 \$	2025 \$
Land at Directors' valuation	1,200,000	1,200,000
Buildings		
Buildings and Greens - At Directors' valuation	3,163,385	3,149,544
Buildings and Greens- Accumulated Dep'n	(484,834)	(356,288)
Total Buildings	2,678,551	2,793,256
Plant and equipment		
Plant and Equipment - At Cost	1,059,333	972,473
Plant and Equipment - Accumulated Dep'n	(650,865)	(556,730)
Total Plant and equipment	408,468	415,743
Poker Machines		
Poker Machines - At Cost	705,089	695,509
Poker Machines - Accumulated Dep'n	(565,326)	(553,969)
Total Poker machines	139,763	141,540
Furniture, fixtures and fittings		
Furniture and Fittings - At Cost	126,735	126,735
Furniture and Fittings - Accumulated Dep'n	(114,656)	(110,955)
Total Furniture, fixtures and fittings	12,079	15,780
Total property plant and equipment	4,438,861	4,566,319

2026	Land \$	Buildings and greens \$	Plant and equipment \$	Furniture, fixtures and fittings \$	Poker machines \$	Total \$
Opening balance	1,200,000	2,793,256	415,743	15,780	141,540	4,566,319
Additions	-	13,842	93,097	-	58,637	165,576
Depreciation	-	(128,547)	(100,372)	(3,701)	(60,414)	(293,034)
Closing balance	1,200,000	2,678,551	408,468	12,079	139,763	4,438,861

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

13. Property, plant and equipment (continued)

c. Fair value measurement

Freehold land, buildings and land improvements (including the bowling greens) were revalued at 30 June 2022 by independent valuers. Valuations were made on the basis of an open market in an arms length transaction based on similar properties and available sales data. The valuations were performed by an independent valuer with appropriate qualifications and experience.

The directors have reviewed the key assumptions adopted by the valuers, available sales data and valuer general information and believe that the total carrying value of the land, buildings and greens correctly reflects the fair value less cost to sell at 30 June 2026.

14. Trade and other payables

Current	2026 \$	2025 \$
Trade payables	45,347	32,435
GST and PAYG payable/(receivable)	30,266	24,338
Superannuation payable	95	95
Accrued expenses	10,602	21,463
TAB and Keno settlements payable	-	1,183
Total trade and other payables	86,310	79,514

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

15. Employee benefits

a. Accounting policy

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

15. Employee benefits (continued)

b. Employee benefit details

Current	2026	2025
	\$	\$
Long service leave	12,244	-
Annual leave	36,266	24,071
	48,510	24,071
Non-current	2026	2025
	\$	\$
Long service leave	-	10,182

16. Leases

a. Accounting policy

At inception of a contract, the Company assesses whether a lease exists.

Lessee accounting

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the life of the underlying asset on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

b. Company as a lessee

The Company has leases over a range of assets including poker machines and plant and equipment.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

16. Leases (continued)

b. Company as a lessee (continued)

i. Terms and conditions of leases

The Company leases Poker machines, and their associated type 4 licenses, and plant and equipment. The leases are generally between 1-4 years.

ii. Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	2026 \$	2025 \$
< 1 year	39,072	39,072
1 - 5 years	25,868	64,940
Total undiscounted lease liabilities	64,940	104,012
Less unexpired interest	(1,794)	(5,519)
Lease liabilities included in the statement of financial position		
Lease liabilities	37,370	35,347
Lease liabilities	25,776	63,146
Total Lease liabilities included in the statement of financial position	63,146	98,493

17. Other liabilities

Current	2026 \$	2025 \$
Deferred income	8,732	53,004
Premium funding loan	-	57,780
Footy Tipping Competition	3,100	2,500
Catering Bond	10,400	-
Total other liabilities	22,232	113,284

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

18. Financial risk management

Financial assets	2026	2025
	\$	\$
Cash and cash equivalents	408,251	375,626
Trade and other receivables	23,040	20,457
Total financial assets	431,291	396,083

Financial liabilities	2026	2025
	\$	\$
Trade and other payables	(86,310)	(79,514)
Lease liabilities - current	(37,370)	(35,347)
Lease liabilities - non-current	(25,776)	(63,146)
Other financial liabilities	(13,500)	(2,500)
Premium funding loan	-	(57,780)
Total financial liabilities	(162,956)	(238,287)

19. Auditor's remuneration

	2026	2025
	\$	\$
Auditing or reviewing the financial statements	19,500	21,400
Other remuneration of the auditor	3,500	3,790
Total auditor's remuneration	23,000	25,190

Other services included assistance with the preparation of the financial report and assistance with ASIC compliance lodgements.

20. Reserves

	2026	2025
	\$	\$
Revaluation surplus	3,041,773	3,041,773

a. Revaluation surplus

The asset revaluation reserve records fair value movements on land, buildings and greens held under the revaluation model.

Scotts Head Bowling & Recreation Club Ltd

Notes to the financial statements

For the year ended 30 June 2026

21. Members' guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Company. At 30 June 2026 the number of members was 1,961 (2025: 1,637).

22. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2026 (2025: None).

23. Related parties

a. The Company's main related parties are as follows:

The remuneration paid to key management personnel of the Company is \$204,019 (2025: \$153,536).

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

b. Transactions with related parties

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

There were no related party transactions during the year.

24. Events occurring after the reporting date

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

25. Statutory information

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

Scotts Head Bowling & Recreation Club Ltd
26 West Street
Scotts Head NSW Australia
2447

Scotts Head Bowling & Recreation Club Ltd

Directors' declaration

In the directors opinion:

1. The financial statements and notes for the year ended 30 June 2026 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards - Simplified Disclosures; and
- give a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date of the Company.

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

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

Julie Kay
Chairperson

Michael Reardon
Deputy Chairperson

Dated: 22 September 2026



Independent Audit Report

To the members of Scotts Head Bowling & Recreation Club Ltd

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report, being a simplified disclosure financial report of Scotts Head Bowling & Recreation Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2026, 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 and the Directors' declaration.

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

1. giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
2. complying with the 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 Company in accordance with the auditor independence requirements of 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 opinion.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report includes the Chairperson's Report, the Secretary Manager's report and the Director's Report, 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.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

A handwritten signature in grey ink that reads 'HLV Audit'.

HLV Audit Pty Ltd

A handwritten signature in grey ink that reads 'Angela Holladay'.

Angela Holladay

HLV Audit Pty Ltd- Director

Nambucca Heads NSW

22 September 2026