

Easts

"The Club for all Ages"

**East Maitland Bowling Club
Easts Leisure & Golf**



ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011

NOTICE OF ANNUAL GENERAL MEETING

To be held on Sunday 25th September 2011 at 9am in the Club's Scarborough Room.

Business:

1. Confirmation of Minutes
Annual General Meeting held 26th September 2010.
2. Business arising from Minutes.
3. To receive Annual Report, Financial Statement, Balance Sheet and Auditors Report as at 30th June 2011.
4. Investing Office Bearers for 2011 - 2012.
5. Appointing of Patrons.
6. Notice of motions which due notice has been given.
7. Consider and vote on a Special Resolution to adopt a new constitution for the Club – please see the Notice of Special Resolution.
8. Approve Director's Honorariums.
9. Recommendations from members.

Steve Duggan
Chief Executive Officer

OFFICE BEARERS 2010 - 2011

Co-Patrons:	F. SMITH & N. SEARL
President:	J.O'REILLY
Senior Vice-President:	W. HOPKINS
Junior Vice-President:	F. ZURAWSKI
Directors:	C. COUTTS, N. LANE, R. MCKENZIE D. PRICE, K. PRICE & A. SMALL
Bowls Selector:	E. GRAVES, B. JONES, R. STEWART & K. WELLS
Welfare Officer:	R. SMITH
Delegates to Hunter District Bowling Association:	N. LANE, A. SMALL & W. HOPKINS (ALT)
Bowls Coordinator:	R. SMITH
Golf Committee:	C. COUTTS, A. DAY, R. GRABAU, R. MARSH B. MCKENZIE, P. NASH, B. WALKER S. WHITEHOUSE, L. WOOTTON & S. YATES
Chief Executive Officer:	S. DUGGAN
East's Leisure & Golf Manager:	S. DRIFFIELD

SUB-COMMITTEES 2010 - 2011

Judiciary:	J. O'REILLY, W. HOPKINS, A. SMALL & D. PRICE (ALT)
Match:	W. HOPKINS, F. ZURAWSKI & A. SMALL
Welfare:	D. PRICE, A. SMALL, K. PRICE, C. COUTTS, & R. SMITH
Hunter District BA Delegates:	N. LANE, A. SMALL & W. HOPKINS (ALT)
CDSE:	J. O'REILLY, F. ZURAWSKI, K. PRICE, S. DUGGAN & J. SCANLON
Golf Course Committee:	C. COUTTS, A. DAY, R. GRABAU, R. MARSH, B. MCKENZIE, R. NASH, B. WALKER S. WHITEHOUSE, L. WOOTTON & S. YATES
Finance/Development:	J. O'REILLY, D. PRICE, W. HOPKINS, T. MAHER, S. MEYN, S. DUGGAN & J. SCANLON
Building:	J. O'REILLY, F. ZURAWSKI, C. COUTTS, N. LANE, S. DUGGAN & J. SCANLON
Energy Saving:	J. O'REILLY, C. COUTTS, A. SMALL, F. ZURAWSKI, S. DUGGAN & J. SCANLON
Raffle/House:	F. ZURAWSKI, D. PRICE & B. MCKENZIE
Membership:	A. SMALL, N. LANE, B. MCKENZIE, C. WENTA, R. SMITH & R. MARSH
Publicity/History:	J. O'REILLY, D. PRICE, F. ZURAWSKI, S. DUGGAN, R. ALLEN, V. EMELJANOW, F. HIGGS, K. SHORT & J. PALMER

THE PRESIDENT'S REPORT

I have much pleasure in presenting my report on behalf of the Board of Directors of East Maitland Bowling Club Ltd, incorporating both East's Bowling and East's Leisure & Golf Clubs.

As was the case last year we still remain in a difficult environment in terms of global finances and political governance and like all clubs and hotels we are unsure of what the Andrew Wilkie proposal may have on the industry regarding poker machines.

We are justly proud of annual profit this year of \$1.47million as to \$1.31million last year. Our major capital expenses amounted to \$1.35million. In addition, \$1.24million was invested in fixed deposit, now totalling \$7.3million. The break-up of \$1.35million expenses was dispersed at the golf site as \$325,000 compared to the bowls site being \$1.025million.

Our Club has again made substantial donations to schools, charities and sports clubs in our community, the figure of \$172,779 being an increase on last year by \$11,681 representing 11.75% of our overall profit. Approximately 200 representatives attended to accept their donations, enjoying a great social night. In attendance also were our Honourable State Member and Minister of Environment and Heritage, Ms Robyn Parker, and Mayor Peter Blackmore and his wife Robyn.

As we now progress this year, it is expected that at the golf club the poker machine smoking area will commence shortly. This project also includes the roof repair of the outside area adjacent to the pro-shop. In addition, the carpet and furniture refurbishments will occur. Outside more work will be done on various greens including the finalisation of the 4th plus improvements in terms of the overall reliability of the irrigation system and finally the commencement of the long term cart paths project.

With regard to the bowling club an internal refurbishment program is current being investigated in terms of design and costing. Also the synthetic green is under further investigation.

In regard to all the bowling and golfing activities, these matters will be reported by others. However, I do thank you all for your efforts, whether as committee members or volunteers who have helped in any way. Hopefully your names will be listed elsewhere as participants of various committees.

My thanks are also extended to Jimmy Po and his staff of Billabongs, Steve and Lucy at the golf Club and Shona's café at the bowls site. Their generosity, food and overall service have been outstanding. Jimmy has maintained the provision of lunches to the elderly at no cost to these patrons. This totalled 1200 lunched over a 3 week period, completely at his personal expense.

Without all the efforts of CEO, Steve, plus all the staff both inside and outside at both sites we would never have been so successful. All of you who have given generously of your time in a well-mannered way to our customers are greatly appreciated.

My thanks are also extended to my fellow directors for a very successful year. Congratulations on your efforts, support and cooperation, making up a very successful team. In addition thanks to all those people who were co-opted to assist in various committees.

I also take this opportunity on behalf of you all in offering our sincere condolences to those members who have lost loved ones during the year.

Last but not least and most importantly I extend to all our members my thanks as you are the people who make the Club.

Finally I could not sign off without congratulating the "Mighty Sevens" who recently won the State Flag. No doubt there will be more comments by others later. However, I do want to congratulate our mate Frank Heagney who was awarded the Merit Badge of the Royal NSW Bowling Association at the closing ceremony of the State Final. The merit badge is the highest award that can be bestowed on any person from the RNSWBA. Well done, Frank.

John O'Reilly
President

CHIEF EXECUTIVE OFFICER'S REPORT

It gives me great pleasure to present this report to the members of East's.

I would like to thank you, the Club members, for your continued loyal support and feedback. It is this patronage that has assisted the Club to show significant growth in our trading areas and record a net profit of \$1,474,128. This is an increase of \$164,450 on the previous year's result, hence further strengthening the Clubs financial position.

This is an excellent result however, the changing political environment threatens the long term viability of many Clubs. The Federal government's politically motivated policy-making threatens to destabilise our industry without achieving their said objective of reducing problem gambling. In September 2010, Julia Gillard made a deal with Tasmanian independent Andrew Wilkie to gain his support to allow the Labour Party to secure government. This independent received only 13,788 primary votes, approximately 8000 less than the membership of our Club. This support allows Mr Wilkie to impose his ill-conceived reforms on all Australians without any concern for the harm that will be done to your Club or the many organisations that your Club supports.

The Government plans to enforce mandatory pre-commitment using card technology on every poker machine in Australia. This means that every player will have to register for a card and set a limit before they play. Information on how this data will be collected and more importantly what it will be used for has yet to be released by the Government. Evidence suggests that this type of system will do little to fix problem gambling instead imposing restrictions on the recreational gambler hence leading to a reduction in revenue for clubs. Mr Wilkie himself has highlighted that he expects a 40% reduction in revenue for Clubs.

A 40% reduction in Club revenue (\$3.4 million) will lead to staff cuts, bar price increases, the end of subsidised sports and a decrease in community funding. East's has continually played a major role in the local community through funding of various charities and sporting groups. The Club's board has always displayed a strong commitment to the community by providing vital support, both financial and "in kind", to a vast range of community groups. This year alone the Club donated to over 90 organisations in excess of \$173,000 in cash and \$51,000 "in kind" support. The Club's board is dedicated to continue and strengthen these relationships within the community. The government's new legislation threatens these donations whilst not achieving the overall purpose of reducing problem gambling.

The Club advocates responsible gambling practices and for that reason is part of the Club safe program aimed at assisting people who require support through self-exclusion programs and professional counseling. These programs address the needs of those who require assistance, without penalizing the recreational player, and it's programs like this that have seen the rate of problem gambling decreased over the past 10 years to 0.4% of the population.

The Club's Board and Management have been working hard over the last 12 months to finalise planning and commencement of a number of projects. These projects have underlined the Club's commitment to its strategic plan, of providing members with comfortable modern facilities aimed at securing the Club's future for many years to come. These projects have included:

- The recent development application lodged with Maitland Council for the expansion of the outdoor courtyard at the Golf Club. The brand new area will be a great asset to the Club providing members and their guests with a comfortable outdoor gaming area where smoking is permitted.
- The purchase of a second courtesy bus for the benefit of members.
- Other plant and equipment including catering, computers and greens machinery have been updated at a cost of in excess of \$400,000.
- The reconstruction of the nursery and approval of the 1st stage of the cart path master plan. The nursery has been rebuilt this year to assist with the maintenance of the greens throughout the year. This should provide improved facilities for our golfing members.

On the sporting front, congratulations to all our pennant teams, both bowling and golf for the way in which they conducted themselves this year. In particular a special congratulations to the No 7 Grade team who won the State bowling pennant flag and the C grade golfing pennant team who won this year's Bercini Cup. Well done boys!

To the management and staff for their continued dedication and commitment, and the Board for their support I thank you. It is your efforts that contribute to the success of East's and its sound financial position.

Steve Duggan
Chief Executive Officer

BOWLS REPORT

Pennants:

EMBC entered 7 sides in the HDBA 2011 pennant competition. A very successful year overall saw our Grade 7 (2) side bring home State, Zone and District flags. The Grade 2 side won the District pennant. East's overall club performance was:

Grade 1: 3 rd	Grade 2: 1 st	Grade 3: 5 th	Grade 5: 1 st in section
Grade 6: 1 st in section	Grade 7(1): 2 nd in section	Grade 7(2): 1 st in section	

Congratulations to the players, officials, selectors, and our women's club, who have all contributed towards our successful pennant season.

District/Zone Competition:

Our Big Bowls Challenge side finished 2nd on the competition table but had losses to Kurri and Swansea in the finals playoffs. East Maitland teams/players took out the HDBA Fours, Triples and Senior Singles titles. The Triples won the Zone and will contest the state championships later in the year. Entry numbers in district championships were on par with those of 2010 and compare more than favourably with other clubs in the district.

EMBC players figured in representative selections in HDBA and Zone representative sides. Of note, H. Beavis and K. Fullick who represented in the Zone 6 Senior Side that won the State Zone Championship.

Club Championships: Results to date for 2011 are:

Major Singles	Winner: E. Ryan R/up: M. Evans	Minor Singles	Winner: G. Laing R/up: W. Johnstone
Major Pairs	Winner: N Ellison, E. Ryan R/up: K. Wells, M. Norris	Minor Pairs	Winner: K. Ross, G. Gleeson R/up: A. Duncan B Jennings
Fours	Winner: P. Mason (J. Berhold sub), D. Carter, G. Knox & I. Johns R/up: N. Ellison, R. Stewart, T. Twining & M. Evans		
Triples:	To Be Decided	Consistency Singles:	To Be Decided
		Mixed Pairs:	To Be Decided

Tournaments & Events:

Format changes to most of our tournaments seem to be popular with competitors. These changes combined with a comprehensive marketing campaign have seen 2011 entry numbers up on the previous two years. Again this year the club showcased itself by hosting district and zone events. All competitors and visitors provided plenty of positive feedback regards our greens, club facilities and friendliness of our members.

Social Bowls: Thursday afternoons and the Saturday Jackpot remain our most popular social games throughout the week. The Mixed DFP game which commenced on Sunday afternoons with the main purpose of introducing new bowlers to the game has been well supported. A thankyou to those more experienced who have come along and joined in with our up and comers showing them many different perspectives on how to play this great game.

Coaching:

Our school coaching programme again had us hosting a minimum of two schools a week and in some terms up to four. Outside of the schoolies Sam Hawke and I have introduced approximately twenty new bowlers to the game. Some of these are already actively involved in both the men's and women's clubs.

Bowling Membership:

EMBC registered men bowlers have increased from 246 in August 2010 to 256 currently.

I have many to thank for their help and support over the past year. The good thing is that there are too many to name in this short report but you know who you are and I hope that I do show my appreciation every now and then. A special thankyou to the greenkeepers for their professionalism and co-operation and whose efforts have delivered what are now among the best greens in the Hunter.

Rob Smith
Bowls Co-ordinator

GOLF CAPTAIN'S REPORT

Congratulations to our C Grade pennant team on their win in the Bercini Cup this year. The final was extremely close and the win was not secured until the last putt on the last hole was sunk. Maitland were also the HRDGA club champions this year. We achieved this award by being the best performed club across the grades during the pennant series. Maitland players also enjoyed success at the HRDGA championships held at Maitland this year, with Hayden Gulliver winning the A Grade handicap, Wayne Clements the B Grade scratch, David Skinner the B Grade handicap, Steve Oswald the C Grade scratch and Kevin Paterson the C Grade handicap. Congratulations also to all of the winners in the Club Championships. Our club champion and A Grade winner was Mitch Laney and our other champions were Owen Smith in B Grade, Noel Lane in C Grade, Peter Gibbs in Seniors, Ralph Parks in Veterans and Nick Gulliver in Juniors. May I also congratulate our East's no 7 grade bowling team on winning the State pennant in their division.

In an effort to try and limit our loss of income through wet weather, the board has approved a 5-10 year plan to construct cart paths on the course. Funds have been allocated for the project in this year's budget. The committee's plan will be posted on the notice board when all the details have been finalised. I thank the board for their continued commitment to the golf course and club house.

Thanks to our professional, Michael Holden and his staff of Jono Towns, Brendan Smith and Vickie Wrigley for the assistance they give to the members throughout the year. The support they give to both myself and the match committee, with the conducting and finalising the golf competitions and the promotion of golf within the club, is appreciated.

My thanks go to Rod Waite and his staff for the presentation of the course every week to our members and visitors. The improvements implemented each year only enhance the course layout. A special word of thanks goes to all our members, who gave their valuable time helping the course staff throughout the year and preparing the course for the Srixon JNIG tournament. I also must mention Barry Vercoe for his continued support. The 2nd/3rd hole project has been completed, again at his own time and expense.

Sponsorship plays a vital role in the overall financing of the club, and I am grateful to our Major Sponsors, who support the Championships and other major events throughout the year. Thank you to our members, who each Saturday and Sunday contribute prize money to our competitions. The Committee appreciates your donations and look forward to your continuing support in the years ahead.

Maitland will again host the Srixon JNIG tournament this year. The event was a great success last year. The course received good reports from all players and officials. I wish to thank all our volunteers who assisted with the event. Their commitment behind the scenes ensured the tournament ran smoothly and this was duly acknowledged by the tournament directors. I am unsure whether the tournament will be held at Maitland in future, however staff and volunteers will be ensuring the course is presented in top condition and for the players, their families and officials to enjoy their visit to our club.

Finally I must thank my match committee, Bobby Walker (VC), Steve Yates, Rick Grabau and Sam Whitehouse. They commit themselves each week to ensure the year's golfing program is successful and also handle member's enquiries. I look forward to working with them and the course committee in the year to come.

Happy golfing in the year ahead.

Rick Marsh
Golf Captain

East Maitland Bowling Club Limited
(A Company Limited by Guarantee)

ABN: 58 000 960 216

ANNUAL FINANCIAL REPORT
Financial Year Ended 30 June 2011

East Maitland Bowling Club Limited

Annual Financial Report for the Financial Year Ended 30 June 2011

	PAGE
Directors' Report	1
Auditor's Independence Declaration	3
Independent Audit Report	4
Directors' Declaration	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Disclaimer	27
Income & Expenditure Statement	28
Bar Trading Account	29
Gaming Trading Account	30
Bowls Trading Account	31
Golf Course Trading Account	32
Schedule of Expenses	33

East Maitland Bowling Club Limited

Directors' Report

The directors of East Maitland Bowling Club Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company who held office during the year and at the date of this report are:

<u>NAME</u>	<u>QUALIFICATIONS</u>	<u>EXPERIENCE</u>	<u>SPECIAL RESPONSIBILITIES</u>
J A O'Reilly	Retired	6 years	President
W Hopkins	Retired	1 year	Snr Vice President - appoint 26/9/10
F Zurawski	Retired	2 years	Vice President
D Price	Retired	13 years	Director
M Skinner	Retired	11 years	Vice President - resigned 26/9/10
R Morris	Retired	12 years	Director - resigned 26/9/10
J Stein	Retired	5 years	Director - resigned 26/9/10
K Price	Retired	5 years	Director
R Crawford	Retired	2 years	Director - resigned 26/9/10
A Small	Retired	3 years	Director
N Lane	Construction Coordinator	2 years	Director - appointed 26/9/10
C Coutts	Retired	1 year	Director - appointed 26/9/10
R McKenzie	Courier	1 year	Director - appointed 26/9/10

PRINCIPAL ACTIVITIES

The principal activities of the company in the course of the financial year were the promotion of lawn bowls, golf and the provision of amenities to members and their guests. There was no significant change in the nature of these activities during the year.

RESULTS

The company generated a net surplus of \$1,474,128 in the current financial year (2010: \$1,309,678).

The segment of the business at Easts Leisure & Golf returned a surplus of \$116,722 of which \$37,556 was generated from clubhouse activities (2010 \$264,847 and \$91,609).

CHANGES IN THE STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

There has not been any other matter or circumstance that has arisen since the end of the financial year, that has 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.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL ISSUES

The company's operations are subject to significant environmental regulation under the law of the Commonwealth and State. The Directors are not aware of any significant breaches of the legislation during the financial year which are material in nature.

East Maitland Bowling Club Limited

Directors' Report (Continued)

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Attendance:	J O'Reilly	19*19		F Zurawski	19*19	
	W Hopkins	12*14	Appointed 26/9/10	K Price	17*19	
	D Price	18*19		A Small	16*19	
	M Skinner	5*5	Resigned 26/9/10	J Stein	5*5	Resigned 26/9/10
	N Lane	11*14	Appointed 26/9/10	R Crawford	5*5	Resigned 26/9/10
	R McKenzie	14*14	Appointed 26/9/10	C Coutts	13*14	Appointed 26/9/10
	R Morris	5*5	Resigned 26/9/10			

EMPLOYEES

As at 30 June 2011, the company employed the equivalent of 61 full time staff (2010: 64).

ADDITIONAL COMPANY INFORMATION

Principal Place of Business

Bank & Tenambit Streets
EAST MAITLAND, NSW

Registered Office

Bank Street
EAST MAITLAND, NSW

INDEMNIFICATION OF DIRECTORS' AND INSURANCE PREMIUMS

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company:

- Indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings; with the exception of the following.

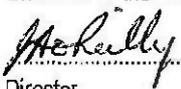
During the financial year the company paid a premium to insure certain officers of the company. The officers of the company are previously listed in this report. The liabilities insured include the cost and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 3 of the financial report.

Signed in accordance with a resolution of the directors.

On behalf of the Board


.....
Director

EAST MAITLAND, NSW

23 AUGUST 2011


.....
Director

EAST MAITLAND, NSW

23 AUGUST 2011

East Maitland Bowling Club Limited

Auditor's Independence Declaration

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.



373 HIGH ST 23 AUGUST 2011
MAITLAND, NSW

PEARSON SMART AUDIT



M MATTHEWS (Partner)
REGISTERED COMPANY AUDITOR

East Maitland Bowling Club Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the accompanying financial report of East Maitland Bowling Club Limited, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility 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 (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 "Presentation of Financial Statements", that compliance with Australian equivalents to international Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Accounting Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion

(a)

the financial report of East Maitland Bowling Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b)

the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**373 HIGH STREET
MAITLAND, NSW**

23 AUGUST 2011

PEARSON SMART AUDIT



**M MATTHEWS (Partner)
REGISTERED COMPANY AUDITOR**

East Maitland Bowling Club Limited

Directors' Declaration

The directors of the company declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian accounting standards and giving a true and fair view of the financial position and performance of the company for the year ended 30 June 2011.

Signed in accordance with a resolution of the directors.

On behalf of the Board


Director
EAST MAITLAND, NSW 23 AUGUST 2011


Director
EAST MAITLAND, NSW 23 AUGUST 2011

East Maitland Bowling Club Limited

Statement of Comprehensive Income for the Financial Year Ended 30 June 2011

	<u>Note</u>	<u>2011</u>	<u>2010</u>
		\$	\$
Sales revenue	2(a)	14,342,527	13,706,542
Cost of sales	2(c)	(4,030,425)	(3,799,948)
Gross profit		<u>10,312,102</u>	<u>9,906,594</u>
Other income	2(a)	964,928	838,458
Gain/(loss) on disposal of property, plant & equipment	2(b)	116,924	(155,723)
Employee benefits expense		(4,019,545)	(3,909,078)
Depreciation & amortisation expense	2(c)	(1,818,249)	(1,537,188)
Other bar expense		(103,975)	(82,157)
Other bowls expense		(182,378)	(168,626)
Course expense		(542,374)	(522,664)
Administration expense		(3,253,305)	(3,059,938)
Profit before income tax expense		<u>1,474,128</u>	<u>1,309,678</u>
Income tax expense	1(f)	-	-
Profit from continuing operations	16	<u>1,474,128</u>	<u>1,309,678</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>1,474,128</u></u>	<u><u>1,309,678</u></u>

Notes to the financial statements are included on pages 10 to 26.

East Maitland Bowling Club Limited

Statement of Financial Position as at 30 June 2011

	Note	2011 \$	2010 \$
Current assets			
Cash and cash equivalents	21(a)	8,286,234	7,044,303
Trade and other receivables	5	31,615	44,848
Inventories	6	122,975	113,111
Other	7	440,674	319,029
Total current assets		8,881,498	7,521,291
Non-current assets			
Property, plant and equipment	9	21,995,946	22,511,459
Other financial assets	8	750	750
Total non-current assets		21,996,696	22,512,209
Total assets		30,878,194	30,033,500
Current liabilities			
Trade and other payables	11	1,363,977	2,035,507
Provisions	13	650,268	606,469
Total current liabilities		2,014,245	2,641,976
Non-current liabilities			
Provisions	14	81,538	83,241
Total non-current liabilities		81,538	83,241
Total liabilities		2,095,783	2,725,217
Net assets		28,782,411	27,308,283
Equity			
Reserves	15	-	-
Retained earnings	16	28,782,411	27,308,283
Total equity		28,782,411	27,308,283

Notes to the financial statements are included on pages 10 to 26.

East Maitland Bowling Club Limited

Statement of Changes in Equity for the Financial Year Ended 30 June 2011

	<u>Retained Earnings</u>	<u>Reserves</u>	<u>Total Equity</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at 1 July 2009	25,998,605	-	25,998,605
Total comprehensive income for the year	1,309,678	-	1,309,678
Balance at 30 June 2010	<u>27,308,283</u>	-	<u>27,308,283</u>
Total comprehensive income for the year	1,474,128	-	1,474,128
Balance at 30 June 2011	<u>28,782,411</u>	-	<u>28,782,411</u>

Notes to the financial statements are included on pages 10 to 26.

East Maitland Bowling Club Limited

Statement of Cash Flows for the Financial Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from customers		16,386,133	15,601,068
Payments to suppliers and employees		(14,328,350)	(11,781,272)
Interest received		369,963	295,021
Net cash provided by operating activities	21(b)	2,427,746	4,114,817
Cash flows from investing activities			
Payment for property, plant and equipment		(1,351,056)	(3,888,248)
Proceeds from sale of property, plant and equipment		165,241	93,600
Net cash used in investing activities		(1,185,815)	(3,794,648)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		1,241,931	320,169
Cash and cash equivalents at the beginning of the financial year		7,044,303	6,724,134
Cash and cash equivalents at the end of the financial year	21(a)	8,286,234	7,044,303

Notes to the financial statements are included on pages 10 to 26.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

1 Summary of accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the financial statements and notes of the company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 00 August 2011.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

1 Summary of accounting policies (cont'd)

(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. 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.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

1 Summary of accounting policies (cont'd)

(e) Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

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

(f) Income tax

The company has been granted an exemption from income tax in accordance with section 50-45 of the Income Tax Assessment Act (1997). There has been no provision made out of profits for the year.

(g) Inventories

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

(h) Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

1 Summary of accounting policies (cont'd)

(i) Property, plant and equipment

Where assets have been revalued any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

· Buildings	<i>10 - 100 years</i>
· Plant and equipment	<i>3 - 10 years</i>
· Poker Machines	<i>3 years</i>
· Poker Machine Licences	<i>10 years</i>

(j) Provisions

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

1 Summary of accounting policies (cont'd)

(k) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Rendering of Services

Revenue from rendering of services is recognised when the service is provided, or in the case of subscriptions, in the period to which membership is covered.

Interest Revenue

Interest revenue is recognised on a time proportionate basis which takes into account the effective yield on the financial asset.

(l) Financial Risk Management

The company has exposure to the following risks from their use of financial instruments:

- a) credit risk;
- b) liquidity risk; and
- c) market risk.

The company has no exposure to currency risk as all transactions are denominated in Australian dollars.

This note presents information about the company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain member, creditor and market confidence and to sustain future development of the business.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the company's approach to capital management during the year, although a number of new fixed asset additions were purchased during the year by cash, with a value of approximately \$1.35 million.

The company is not subject to externally imposed capital requirements.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

1 Summary of accounting policies (cont'd)

(m) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the corporation has not adopted early. A discussion of those future requirements and their impact on the corporation is as follows:

- AASB 1053: Application of Tiers of Australian Accounting Standards. AASB 1053 establishes a differential financial reporting framework consisting of the following two Tiers of reporting requirements for preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

- AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. AASB 2010-2 gives effect to Australian Accounting Standards - Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.

- AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. The principle amendments contained in AASB 2010-4 are as follows:

- accounting policy changes in the year of adoption (AASB 1);
- revaluation basis as deemed cost (AASB 1);
- use of deemed cost for operations subject to rate regulation (AASB 1);
- clarification of disclosures (AASB 7);
- clarification of statement of changes in equity (AASB 101);
- significant events and transactions (AASB 134);

The company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the company's financial statements.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

	2011	2010
	\$	\$
2 Profit from operations		
(a) Revenue		
Revenue from continuing operations consisted of the following items:		
Revenue from the sale of goods	3,985,628	3,933,184
Revenue from the rendering of services	10,356,899	9,773,358
	14,342,527	13,706,542
Rental revenue:		
Hire, licence & rental income	225,566	204,320
	225,566	204,320
Interest revenue:		
Other entities	402,410	290,231
	402,410	290,231
Other (<i>aggregate of immaterial items</i>)	336,952	343,907
	15,307,455	14,545,000
Attributable to:		
Continuing operations	15,307,455	14,545,000
	15,307,455	14,545,000

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

2 Profit from operations (cont'd)

(b) Profit before income tax

Profit before income tax has been arrived at after crediting/ (charging) the following gains and losses:

	2011	2010
	\$	\$
Gain/(loss) on disposal of property, plant and equipment	116,924	(155,723)
	116,924	(155,723)

(c) Expenses

Profit before income tax has been arrived at after charging the following expenses.

Cost of sales	(4,030,425)	(3,799,948)
Depreciation of non-current assets	(1,650,930)	(1,374,362)
Amortisation of non-current assets	(167,319)	(162,826)
	(1,818,249)	(1,537,188)
Operating lease rental expenses:		
Minimum lease payments	(63,258)	(31,103)
	(63,258)	(31,103)
Transfer (to)/from Provisions for:		
Employee entitlements	(42,096)	(80,610)
	(42,096)	(80,610)

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

3 Key management personnel compensation

The specified directors of East Maitland Bowling Club Limited during the year were:

J O'Reilly	D Price	R Morris
M Skinner	J Stein	F Zurawski
K Price	R Crawford	A Small
N Lane	W Hopkins	C Coutts
R McKenzie		

The specified employees of East Maitland Bowling Club Limited during the year were:

S Duggan
J Scanlon
Z Davis
S Driffield

The aggregate compensation of key management personnel of the company is set out below.

(a) Key management personnel compensation

	2011	2010
	\$	\$
Short- term employee benefits	372,629	309,517
Post-employment benefits	33,537	27,857
	<u>406,166</u>	<u>337,374</u>

4 Remuneration of auditors

Audit of the financial report	22,000	22,000
	<u>22,000</u>	<u>22,000</u>

5 Current trade and other receivables

Trade receivables (i)	20,985	38,211
Other receivables	10,630	6,637
	<u>31,615</u>	<u>44,848</u>

(i) The debtors exposure is relatively small and all debts are usually received within 60 days. No interest is charged on outstanding debts. No allowance is considered necessary for irrecoverable amounts.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

	2011	2010
	\$	\$
6 Current inventories		
Bar	91,119	81,238
Greens/Course	31,856	31,873
	<u>122,975</u>	<u>113,111</u>
7 Other current assets		
Prepayments	440,674	319,029
	<u>440,674</u>	<u>319,029</u>
8 Non-current other financial assets		
ILG (Distribution) Co-operative Ltd	250	250
ILG (Suppliers) Co-operative Ltd	500	500
	<u>750</u>	<u>750</u>

ILG (Distribution) and (Suppliers) Co-operative shares are non-listed and currently valued at \$1 each.

9 Property, plant and equipment

Section 41J(2) of the Registered Club's Act requires the annual report to specify the core and non-core property of the club as at the end of the financial year to which the report relates.

Core Property is any real property owned or occupied by the club that comprises:

- the defined premises of the club; or
- any facility provided by the club for use by its members and their guests; or
- any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the club to be core property.

Non-core property is any other property that is not referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the club not to be core property.

The following properties are the core properties of the club;

- Lot 1,21,397 Bank Street, East Maitland
- 23 William Street, East Maitland
- 2 Tenambit Street, East Maitland

The following properties are the non-core properties of the club;

- 42 Bank Street, East Maitland
- 34 Bank Street, East Maitland
- 46 Raymond Terrace Road, East Maitland
- 21 William Street, East Maitland

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

9 Property, plant and equipment (cont'd)

	Land, Buildings & Leasehold Improvement at cost	Plant, Equipment & Machinery at cost	Poker Machines at cost	Poker Machine Licences at cost	Total
	\$	\$	\$	\$	\$
Gross carrying amount					
Balance at 1 July 2009	20,377,442	5,016,824	3,739,546	981,728	30,115,540
Additions	1,339,207	1,932,787	616,254	-	3,888,248
Disposals	(178,449)	(731,614)	(248,435)	-	(1,158,498)
Balance at 30 June 2010	21,538,200	6,217,997	4,107,365	981,728	32,845,290
Additions	130,592	561,790	658,674	-	1,351,056
Disposals	(2,745)	(297,566)	(508,187)	-	(808,498)
Balance at 30 June 2011	21,666,047	6,482,221	4,257,852	981,728	33,387,848
Accumulated depreciation/ amortisation and impairment					
Balance at 1 July 2009	2,706,273	3,695,620	3,074,470	229,455	9,705,818
Disposals	(43,356)	(619,027)	(246,792)	-	(909,175)
Depreciation expense	432,893	484,593	521,529	98,173	1,537,188
Balance at 30 June 2010	3,095,810	3,561,186	3,349,207	327,628	10,333,831
Disposals	(1,115)	(272,551)	(486,512)	-	(760,178)
Depreciation expense	448,209	768,693	503,174	98,173	1,818,249
Balance at 30 June 2011	3,542,904	4,057,328	3,365,869	425,801	11,391,902
Net book value					
As at 30 June 2010	18,442,390	2,656,811	758,158	654,100	22,511,459
As at 30 June 2011	18,123,143	2,424,893	891,983	555,927	21,995,946

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

10 Assets pledged as security

The Club has an unused overdraft facility that is secured by a registered first mortgage over club property and plant situated at Bank Street, East Maitland.

11 Current trade and other payables

	2011 \$	2010 \$
Trade payables (i)	1,080,916	1,748,685
Security deposits held	13,900	15,523
Subscriptions in advance	269,161	271,299
	1,363,977	2,035,507

(i) The average credit period on bar purchases is 7-10 days. The average credit period on all other purchases is 0 - 30 days. No interest is charged on late payments. The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

12 Borrowings

Financing Arrangements

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

Total Facilities - Bank Overdraft	500,000	500,000
- Credit Cards	5,000	5,000
Used at Balance Date	-	-
Unused at Balance Date	505,000	505,000

13 Current provisions

Employee benefits	650,268	606,469
	650,268	606,469

14 Non-current provisions

Employee benefits	81,538	83,241
	81,538	83,241

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

	2011	2010
	\$	\$
15 Reserves		
Asset revaluation reserve	-	-
	-	-
16 Retained earnings		
Balance at beginning of financial year	27,308,283	25,998,605
Net surplus attributable to members of the parent entity	1,474,128	1,309,678
Balance at end of financial year	28,782,411	27,308,283

17 Contingent liabilities

A bank guarantee has been lodged with the Commonwealth Bank of Australia as security for monies held for TAB operations conducted at the club. The guarantee is for \$5,000 (2010: \$5,000).

18 Leases

Operating leases

Leasing arrangements

The club has rental agreements for poker machines at both operating sites. The agreements run until September 2012, December 2012 and December 2013.

Non-cancellable operating lease payments

Not longer than 1 year	73,900	48,360
1 to 2 years	43,500	48,360
2 to 5 years	10,642	17,960
	128,042	114,680

Capital Commitments

East Maitland Bowling Club Limited has a capital commitment to purchase ILG (Suppliers) Co-operative Ltd shares for a cost of \$4,500.

Perpetual Lease

The Club has a perpetual lease on land occupied by the golf course with the Department of Lands. The annual rental on this land at present is \$33,173 per annum. This lease has not been reflected in the table above due to it being in perpetuity.

19 Segment information

The club's operations are wholly within New South Wales and this activity is within one industry, namely the provision of amenities to members and their guests.

20 Related party disclosures

Key management personnel compensation

Details of key management personnel remuneration are disclosed in note 3(a) to the financial statements.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

21 Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2011	2010
	\$	\$
Cash on hand	288,100	255,242
Cash at bank	721,388	1,100,534
Cash on term deposit	7,276,746	5,688,527
	<u>8,286,234</u>	<u>7,044,303</u>

(b) Reconciliation of profit for the period to net cash flows from operating activities

Profit for the period	1,474,128	1,309,678
(Gain)/loss on sale or disposal of non-current assets	(116,924)	155,723
Depreciation and amortisation of non-current assets	1,818,249	1,537,188
Provision for employee entitlements	42,096	80,610
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	13,234	(24,795)
Current inventories	(9,863)	(11,673)
Other current assets	(121,644)	(3,556)
Increase/(decrease) in liabilities:		
Current payables	(671,530)	1,071,642
Net cash from operating activities	<u>2,427,746</u>	<u>4,114,817</u>

22 Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

22 Financial instruments (Cont'd)

(b) Interest rate risk management

The company is exposed to interest rate risk as it invests funds at both fixed and floating interest rates.

The liabilities that are subject to interest rate risk are detailed below under the section on 'Liquidity Risk Management'.

Some of the company's assets are subject to interest rate risk, but the company is not dependent on this income. Interest income is not a material revenue stream to the company operations and operating cash flows.

Maturity profile of financial instruments

The following tables detail the company's exposure to interest rate risk as at 30 June 2011 and 30 June 2010:

2011	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
Financial assets:				
Cash on hand	0.00	-	288,100	288,100
Cash at bank	1.06	721,388	-	721,388
Term deposits				
Greater Building Society	5.94	3,895,181	-	3,895,181
Maitland Mutual Building Society	6.13	3,381,565	-	3,381,565
		7,998,134	288,100	8,286,234
Financial liabilities:				
Trade payables		-	1,363,977	1,363,977
		-	1,363,977	1,363,977

2010	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
Financial assets:				
Cash on hand	0.00	-	255,242	255,242
Cash at bank	1.69	1,100,534	-	1,100,534
Term deposits				
Greater Building Society	5.81	3,254,759	-	3,254,759
Maitland Mutual Building Society	5.64	2,433,768	-	2,433,768
		6,789,061	255,242	7,044,303
Financial liabilities:				
Trade payables		-	2,035,507	2,035,507
		-	2,035,507	2,035,507

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

22 Financial instruments (Cont'd)

Interest rate risk

At reporting date the interest rate profile of the company's interest-earning financial assets and liabilities was:

	Club carrying amount	
	2011	2010
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	7,998,134	6,789,061
	7,998,134	6,789,061
Fixed rate instruments		
Financial liabilities	-	-
Variable rate instruments		
Financial liabilities	-	-
	-	-

Cash flow sensitivity analysis for variable rate instruments

A increase of 100 basis points in interest rates at the reporting date would have increased equity and profit by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2010.

	Equity 100bp Increase \$	Profit or loss 100bp Increase \$
30 June 2011		
Assets - Variable rate instruments	73,936	73,936
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	73,936	73,936
30 June 2010		
Assets - Variable rate instruments	66,312	66,312
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	66,312	66,312

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2011

22 Financial instruments (Cont'd)

(c) Credit risk management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. As the overwhelming majority of the company's sales are tendered in cash, the director's consider credit risk to be minimal with respect to trade receivables. The company's cash assets are invested with two financial institutions to mitigate any credit risk associated with these investments.

(d) Liquidity risk management

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the company maintains the following lines of credit:

Bank overdraft facility of \$500,000 that is secured.

(e) Market risk

Market risk is the risk that changes in market prices will affect the company's income.

The company manages market risks by monitoring pricing changes and gross margins in the different operational areas of the company.

23 Capital

The company is limited by guarantee and there is no issued capital. The memorandum and articles of the club prohibit any distribution of profits or property to members. In the event of winding up, each member can be called upon to contribute \$1 to cover winding up costs.

24 Additional company information

East Maitland Bowling Club Limited is a public company, incorporated and operating in Australia.

Registered office

Bank Street
EAST MAITLAND, NSW
Phone: 4933 7533

Principal place of business

Bank & Tenambit Streets
EAST MAITLAND, NSW
Phone: 4933 7533

East Maitland Bowling Club Limited

Disclaimer for the Financial Year Ended 30 June 2011

The additional financial data presented in the following pages is in accordance with the books and records of East Maitland Bowling Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2011. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

Pearson Smart Audit

DATED at MAITLAND, NSW this 23 day of August 2011.

PEARSON SMART AUDIT

M Matthews

M MATTHEWS (Partner)

REGISTERED COMPANY AUDITOR

East Maitland Bowling Club Limited

Income & Expenditure Statement for the Financial Year Ended 30 June 2011

	2011 \$	2010 \$
Income		
Net Surplus - Bar	1,119,327	1,106,290
- Gaming	5,466,908	5,011,649
- Bowls	(279,861)	(270,379)
- Golf Course	79,166	173,307
	6,385,540	6,020,867
Cleaning & Hire Fees Received	67,905	59,896
Commissions Received	117,609	116,789
Donations Received	-	5,000
Formal Packages	9,789	-
Licence Fees - Gym	18,000	9,594
Licence Fees - Restaurant & Cafe	104,000	103,600
Locker Rentals	738	754
Raffles	10,284	15,580
Rent - Properties	17,523	17,635
Subscriptions	121,152	106,378
Sundry Income	3,654	2,567
Telephone	1,993	2,641
Wage Subsidies	1,016	-
Wedding Packages	43,735	42,126
	6,902,938	6,503,427
Less: Expenses	5,872,280	5,550,652
Net surplus from trading	1,030,658	952,775
Add: Government Grants & Training Subsidies	19,000	19,500
Insurance Claims	22,060	47,172
Interest Received	402,410	290,231
	443,470	356,903
Net surplus from ordinary activities	\$ 1,474,128	\$ 1,309,678

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Bar Trading Account for the Financial Year Ended 30 June 2011

	2011	2010
	\$	\$
Income		
Sales	3,985,628	3,933,184
Less: Member discounts	(432,051)	(421,629)
	3,553,577	3,511,555
Opening Stock	81,238	68,660
Purchases	1,591,617	1,601,061
Freight	21,408	21,715
	1,694,263	1,691,436
Less Closing Stock	91,119	81,238
	1,603,144	1,610,198
Gross Profit	54.9% (Last Year 54.1%)	1,950,433
		1,901,357
Less Direct Expenses		
Bar Snacks	8,778	6,617
Depreciation	20,206	21,526
Glasses Replaced	11,671	11,825
Repairs & Requisites	39,607	30,038
Stocktake Fees	17,400	17,400
Uniforms	4,090	4,302
Wages	19.9% (Last Year 19.7%)	706,925
Waste	22,429	11,975
	831,106	795,067
Net Surplus	31.5% (Last Year 31.5%)	\$ 1,119,327
		\$1,106,290

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Gaming Trading Account for the Financial Year Ended 30 June 2011

	2011	2010
	\$	\$
Income		
Net Clearances from Machines	8,626,214	8,051,429
Government Tax Subsidy	34,360	34,360
Commission - Keno	177,707	157,603
- TAB	40,313	30,273
Profit on Disposal of Machines	114,476	40,607
Sundry - Sale of Poker Machine Wedges	5,818	-
	8,998,888	8,314,272
Less Direct Expenses		
Amortisation Poker Machine Licences	98,173	98,173
Commission Paid - Statewide Link	126,919	129,938
Depreciation	503,174	521,529
DMS Monitoring Fee	87,388	81,539
Operating Rentals Machines	63,258	30,400
Promotions	272,721	245,798
Provision for Jackpots	5,040	(3,051)
Provision for Unclaimed Payout Tickets	2,493	-
Repairs and Maintenance	99,216	82,189
Poker Machine Duty	1,716,951	1,562,909
Stationery	8,928	13,844
Skychannel Subscription	46,860	42,584
Vasa Fee	-	3,600
Wages	500,859	493,171
	3,531,980	3,302,623
Net Surplus	\$ 5,466,908	\$ 5,011,649
Profit to Turnover percentage	60.8%	60.3%
Wages to Turnover percentage	5.6%	5.9%

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Bowls Trading Account for the Financial Year Ended 30 June 2011

	2011	2010
	\$	\$
Income		
Match & Entry Fees	12,835	10,432
Member Subscriptions	10,290	9,500
Sponsorship & Advertising	23,203	19,574
Bowls Polishing Machine Income	-	117
	46,328	39,623
Less Expenses		
Advertising	1,967	1,630
Affiliation Fees	17,504	18,269
Big Bowls Challenge	3,783	4,248
Catering	16,639	20,605
Greens Maintenance	43,145	38,971
Pennant Travel & Accommodation	1,803	3,293
Pennant Payments	25,810	17,849
Pennant Uniforms	8,432	2,266
Replace Bowls Equipment, Entry Fees & Sundries	4,213	2,980
Telephone	1,472	996
Travelling & Rep Bowling Expenses	3,650	1,936
Trophies & Prizes	53,608	55,187
Uniforms	352	396
Wages	143,811	141,376
	326,189	310,002
Operating (Subsidy)	\$ (279,861)	\$ (270,379)

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Golf Course Trading Account for the Financial Year Ended 30 June 2011

	2011	2010
	\$	\$
Income		
Advertising & Donations	25,887	21,063
Competition Fees	261,878	294,104
Golf Cart Hire	124,175	125,193
Golf Cart Storage Rentals	17,400	12,841
Government Fuel Rebate	4,031	-
Green Fees	234,590	241,927
Joining Fees	8,742	8,586
Profit on Disposal	8,182	3,636
Registration Fees	17,001	17,599
Subscriptions	328,584	334,166
Sundry	1,464	2,526
	1,031,934	1,061,641
Less Expenses		
Advertising	391	221
Affiliation Fees	30,700	30,700
Amortisation	69,146	64,653
Bank Charges	4,692	2,171
Catering	4,714	4,458
Computer Costs	103	1,038
Consultancy Fees	-	1,950
Depreciation	38,345	35,382
Electricity	32,974	25,254
Employees Health & Safety	1,563	101
Fuel & Oil	13,917	14,653
Golf Cart Depreciation	41,944	37,064
Golf Cart Expenses	34,764	34,696
Insurance	12,048	11,719
Legal Fees	225	1,757
Loss on Disposal of Plant	1,629	8,415
Payroll Tax	11,095	12,400
Pennant Expenses	9,266	6,341
Printing Costs	6,947	5,765
Professional Commissions & Retainer	43,402	44,710
Provision for Employee Entitlements	24,000	24,000
Rates	31,304	30,600
Repairs & Maintenance	145,619	122,211
Rent	33,173	32,328
Rubbish Removal	1,611	1,259
Sand, Soil & Gravel	9,276	10,172
Security Cart Sheds	836	866
Subscriptions	2,371	1,089
Sundry Expenses	4,263	543
Superannuation	21,274	18,949
Telephone	1,356	1,410
Training	3,816	5,101
Trophies , Ball Comps & Prizes	86,121	89,167
Uniforms	2,922	2,620
Wages	226,961	204,571
	952,768	888,334
Operating Surplus	\$ 79,166	\$ 173,307

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Schedule of Expenses for the Financial Year Ended 30 June 2011

	2011	2010
	\$	\$
Administration Wages	591,738	587,631
Advertising	98,108	69,484
ATM Rental	-	703
Audit Fees	22,000	22,000
Bank Charges	6,183	6,311
Cash Collection Expenses	12,919	10,812
Catering & Entertainment		
- General	381,190	394,554
- Housie	29,470	27,644
- Promotions	238,541	264,713
Cleaning		
- Materials & Contractors	172,040	169,396
- Wages	205,835	196,751
Club Supervision Wages	308,500	288,656
Computer Link	10,990	7,540
Consultancy Fees	20,110	2,873
Courtesy Bus	87,216	67,743
Depreciation	1,031,722	748,978
Directors Remuneration	43,300	43,300
Donations & Sponsorships	172,779	161,098
Electricity & Gas	475,440	418,476
Float Variances	799	1,294
Fringe Benefits Tax	3,012	3,928
Insurance	257,955	207,304
Legal Fees	7,176	9,850
Loss on Disposal of Assets	4,105	191,551
Membership Cards	5,405	5,303
Motor Vehicle Costs	7,572	7,438
Payroll Tax	153,863	154,988
Printing & Stationery	65,922	67,095
Rates	77,517	69,622
Repairs & Maintenance		
- General	263,992	299,180
- Catering Equipment	39,595	25,079
Staff Meals & Gifts	18,057	15,174
Subscriptions, Seminars & Training	111,312	107,099
Sundry Expenses	3,740	695
Superannuation	268,297	272,806
Security	350,519	310,249
Software & Support	22,970	27,604
Telephone	34,564	34,318
Travelling Expenses	286	2,294
Transfers to Employee Entitlements	261,851	245,253
Uniforms	5,690	3,865
Total Expenses	\$ 5,872,280	\$ 5,550,652

Refer attached audit disclaimer

DONATIONS

Category One:

Hunter Prostate Cancer Alliance
Carries Place
East Maitland Pre-School
Friends of Palliative Care
King Street Community Pre-School
Maitland Red Cross
St. Vincent De Paul Maitland
State Emergency Services
Youth off the Streets (Father Riley)
The Salvation Army
The Maiwel Group
Chisholm Pastoral Region
Maitland Lantern Club
Camp Quality
Dads in Distress Inc.
Alzheimer's Australia
Maitland Christian School

Benhome – Maitland Benevolent Society
East Maitland Girl Guides
East Maitland Samaritans
Hunter River Community School
Maitland Community Care Services
MUNCH Uniting Church
St. Vincent De Paul East Maitland
The Smith Family
MS Support
Morpeth Men's Shed
Greenhills Nursing Home
Maitland Men's Shed
St. Vincent De Paul Rutherford
Harry Meyn Foundation Ltd.
Leukaemia Foundation
Weeroona Association (t/a Wheeling & Able)

Category Two:

Harry O'Brien NSW PSSA Rugby League Team
Harold Mayo Academic Scholarship
Neville Searl Sporting Scholarship
Bolwarra Public School
East Maitland Little Athletics
East Maitland Public School
East Maitland School Boys Rugby League
Easter Suburbs Cricket Club
East's Squash Club
Maitland City Tennis Club
Maitland High School
Maitland Hockey Association
Maitland Saints Junior AFL
Maitland Tenambit BMX Club
Maitland Women's Bowling Club
Metford Public School
St. Josephs Primary School
Tenambit Soccer Club
Thornton Park District Cricket Club
Thornton Park Junior Soccer Club
East Maitland Travelling Bowlers
Woodberry Public School
Maitland Racing Pigeon Club
Maitland Zone PSSA
Judd Greedy Memorial

Premiers Disaster Relief Appeal
Maitland Mustangs Basketball Association
All Saints College St. Marys Campus
East Maitland Amateur Swimming Club
East Maitland Netball Club
East Maitland Rugby League
East Maitland Women's Bowling Club
East's Social Golf Club
Maitland City Council
Maitland Grossman High School
Maitland Lady Golfers
Maitland Junior Soccer Club
Maitland Magpies Soccer Club
Maitland Veteran Golfers
Metford Junior Soccer Club
Morpeth Public School
Tenambit Morpeth Cricket Club
Tenambit Public School
Thornton Little Athletics
Thornton Park Senior Football Club
Woodberry Athletics Centre
Morpeth Bulls Schoolboys Rugby League
Maitland Historical Society
Zone Six Bowling Association