

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

ABN: 58 000 960 216

Annual Financial Report for the
Financial Year Ended 30 June 2015

East Maitland Bowling Club Limited

Annual Financial Report for the Financial Year Ended 30 June 2015

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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 2015. 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>
W Hopkins OAM	Retired	5 years	President
N Lane	Construction Coordinator	6 years	Snr Vice President
A Small	Retired	7 years	Jnr Vice President
K Price	Retired	9 years	Director
C Coutts	Retired	5 years	Director
R McKenzie	Retired	5 years	Director
R Crawford	Retired	4 years	Director
W Johnstone	Retired	2 years	Director
G Hogbin	Retired	1 year	Director

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 \$728,577 in the current financial year (2014: \$1,100,535).

The segment of the business at Easts Leisure & Golf returned a surplus of \$20,172 which included a deficit of \$22,528 that was generated from clubhouse activities (2014 a deficit of \$144,573 and \$193,188).

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	W Hopkins	48*49	N Lane	30*48
	W Johnstone	15*18	A Small	16*17
	R Crawford	17*17	K Price	19*19
	C Coutts	40*48	R McKenzie	40*47
	G Hogbin	44*46		

EMPLOYEES

As at 30 June 2015, the company employed the equivalent of 62 full time staff (2014: 62).

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

25 AUGUST 2015

Director

EAST MAITLAND, NSW

25 AUGUST 2015

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 2015 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 25 AUGUST 2015
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 2015, and the statement of profit or loss and other 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 2015 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**

25 AUGUST 2015

Pearson Smart Audit

PEARSON SMART AUDIT

M Matthews

**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 2015.

Signed in accordance with a resolution of the directors.

On behalf of the Board



Director
EAST MAITLAND, NSW
25 AUGUST 2015



Director
EAST MAITLAND, NSW
25 AUGUST 2015

East Maitland Bowling Club Limited

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Sales revenue	2(a)	15,711,699	15,648,992
Cost of sales	2(c)	(4,350,237)	(4,308,259)
Gross profit		11,361,462	11,340,733
Other income	2(a)	1,085,428	993,992
Gain/(loss) on disposal of property, plant & equipment	2(b)	29,014	81,767
Employee benefits expense		(4,454,894)	(4,290,494)
Depreciation & amortisation expense	2(c)	(2,307,958)	(2,220,151)
Other bar expense		(106,216)	(111,805)
Other bowls expense		(254,750)	(238,600)
Course expense		(479,937)	(499,018)
Administration expense		(4,143,572)	(3,955,889)
Profit before income tax expense		728,577	1,100,535
Income tax expense	1(f)	-	-
Profit from continuing operations	15	728,577	1,100,535
Other comprehensive income		-	-
Total comprehensive income		728,577	1,100,535

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 2015

	Note	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	20(a)	8,892,723	10,665,895
Trade and other receivables	5	234,530	73,221
Inventories	6	146,080	145,963
Other	7	318,043	353,784
Total current assets		<u>9,591,376</u>	<u>11,238,863</u>
Non-current assets			
Other financial assets	8	750	750
Property, plant and equipment	9	24,993,037	22,301,980
Investment property	10	2,016,395	2,030,426
Total non-current assets		<u>27,010,182</u>	<u>24,333,156</u>
Total assets		<u>36,601,558</u>	<u>35,572,019</u>
Current liabilities			
Trade and other payables	11	1,464,012	1,207,650
Provisions	13	840,787	795,181
Total current liabilities		<u>2,304,799</u>	<u>2,002,831</u>
Non-current liabilities			
Provisions	14	125,591	126,597
Total non-current liabilities		<u>125,591</u>	<u>126,597</u>
Total liabilities		<u>2,430,390</u>	<u>2,129,428</u>
Net assets		<u>34,171,168</u>	<u>33,442,591</u>
Equity			
Retained earnings	15	34,171,168	33,442,591
Total equity		<u>34,171,168</u>	<u>33,442,591</u>

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 2015

	<u>Retained Earnings</u>	<u>Reserves</u>	<u>Total Equity</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at 1 July 2013	32,342,056	-	32,342,056
Profit for the year	1,100,535	-	1,100,535
Balance at 30 June 2014	33,442,591	-	33,442,591
Profit for the year	728,577	-	728,577
Balance at 30 June 2015	34,171,168	-	34,171,168

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 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		17,901,846	17,787,964
Payments to suppliers and employees		(15,029,713)	(15,123,518)
Interest received		310,666	388,118
Net cash provided by operating activities	20(b)	3,182,799	3,052,564
 Cash flows from investing activities			
Payment for property, plant and equipment		(5,013,501)	(2,720,752)
Proceeds from sale of property, plant and equipment		57,530	120,424
Net cash used in investing activities		(4,955,971)	(2,600,328)
 Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
 Net increase in cash and cash equivalents		(1,773,172)	452,236
 Cash and cash equivalents at the beginning of the financial year		10,665,895	10,213,659
 Cash and cash equivalents at the end of the financial year	20(a)	8,892,723	10,665,895

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 2015

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 the 25th August 2015.

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.

(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.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

1 Summary of accounting policies (cont'd)

(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.

(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.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

1 Summary of accounting policies (cont'd)

(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.

(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	10 - 100 years
· Plant and equipment	3 - 10 years
· Poker Machines	3 years
· Poker Machine Licences	10 years

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

1 Summary of accounting policies (cont'd)

(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.

(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.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

1 Summary of accounting policies (cont'd)

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 \$5.01 million.

The company is not subject to externally imposed capital requirements.

(m) New Accounting Standards for application in future periods

A number of Australian Accounting Standards and Interpretations and IFRSs and IFRIC Interpretations are in issue but are not effective for the current year end. The reported results and position of the group will not change on adoption of these pronouncements as they do not result in any changes to the group's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The club does not intend to adopt any of these pronouncements before their effective dates.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
2 Profit from operations		
(a) Revenue		
Revenue from continuing operations consisted of the following items:		
Revenue from the sale of goods	4,198,773	4,043,261
Revenue from the rendering of services	11,512,926	11,605,731
	15,711,699	15,648,992
Rental revenue:		
Hire, licence & rental income	241,553	260,922
	241,553	260,922
Interest revenue:		
Other entities	292,191	350,180
	292,191	350,180
Other (<i>aggregate of immaterial items</i>)	551,684	382,890
	16,797,127	16,642,984
Attributable to:		
Continuing operations	16,797,127	16,642,984
	16,797,127	16,642,984

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

2 Profit from operations (cont'd)	2015	2014
(b) Profit before income tax	\$	\$
Profit before income tax has been arrived at after crediting/ (charging) the following gains and losses:		
Gain/(loss) on disposal of property, plant and equipment	29,014	81,767
	<u>29,014</u>	<u>81,767</u>
Gains attributable to:		
Continuing operations	55,209	86,696
Losses attributable to:		
Continuing operations	(26,195)	(4,929)
	<u>29,014</u>	<u>81,767</u>
(c) Expenses		
Profit before income tax has been arrived at after charging the following expenses:		
Cost of sales	(4,350,237)	(4,308,259)
Depreciation of non-current assets	(2,135,320)	(2,062,859)
Amortisation of non-current assets	(172,638)	(157,292)
	<u>(2,307,958)</u>	<u>(2,220,151)</u>
Operating lease rental expenses:		
Minimum lease payments	(65,244)	(65,578)
	<u>(65,244)</u>	<u>(65,578)</u>
Transfer (to)/from Provisions for:		
Employee entitlements	(44,601)	(63,381)
	<u>(44,601)</u>	<u>(63,381)</u>

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

3 Key management personnel compensation

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

W Hopkins	R Crawford	W Johnstone
K Price	N Lane	A Small
R McKenzie	C Coutts	G Hogbin

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

S Duggan	Z Davis
J Scanlon	S Driffield

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

(a) Key management personnel compensation

	2015 \$	2014 \$
Short-term employee benefits	457,275	438,576
Post-employment benefits	43,441	40,568
	<u>500,716</u>	<u>479,144</u>

4 Remuneration of auditors

Audit of the financial report	23,220	23,220
	<u>23,220</u>	<u>23,220</u>

5 Current trade and other receivables

Trade receivables (i)	64,490	68,134
Other receivables	170,040	5,087
	<u>234,530</u>	<u>73,221</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 2015

	2015 \$	2014 \$
6 Current inventories		
Bar	116,793	111,612
Greens/Course	29,287	34,351
	<u>146,080</u>	<u>145,963</u>
7 Other current assets		
Prepayments	318,043	353,784
	<u>318,043</u>	<u>353,784</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:

- (a) the defined premises of the club; or
- (b) any facility provided by the club for use by its members and their guests; or
- (c) 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:

- 30 Bank Street, East Maitland
- 34 Bank Street, East Maitland
- 44 Bank Street, East Maitland
- 46 Raymond Terrace Road, East Maitland
- 32 Bank Street, East Maitland
- 42 Bank Street, East Maitland
- 172 Newcastle 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 2015

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 2013	22,494,908	6,620,597	4,580,051	981,728	34,677,284
Additions	1,233,624	690,092	688,595	108,441	2,720,752
Disposals	-	(358,255)	(605,597)	-	(963,852)
Balance at 30 June 2014	23,728,532	6,952,434	4,663,049	1,090,169	36,434,184
Additions	3,202,794	1,277,501	493,379	36,310	5,009,984
Disposals	(187,350)	(846,592)	(271,975)	-	(1,305,917)
Balance at 30 June 2015	26,743,976	7,383,343	4,884,453	1,126,479	40,138,251

	Land, Buildings & Leasehold Improvement at cost	Plant, Equipment & Machinery at cost	Poker Machines at cost	Poker Machine Licences at cost	Total
	\$	\$	\$	\$	\$

Accumulated depreciation/ amortisation and impairment

Balance at 1 July 2013	3,968,766	4,840,495	3,429,316	615,797	12,854,374
Disposals	-	(330,402)	(594,793)	-	(925,195)
Depreciation expense	534,587	831,980	760,091	76,367	2,203,025
Balance at 30 June 2014	4,503,353	5,342,073	3,594,614	692,164	14,132,204
Disposals	(174,804)	(831,855)	(270,744)	-	(1,277,403)
Depreciation expense	633,438	859,197	707,264	90,514	2,290,413
Balance at 30 June 2015	4,961,987	5,369,415	4,031,134	782,678	15,145,214

Net book value

As at 30 June 2014	19,225,179	1,610,361	1,068,435	398,005	22,301,980
As at 30 June 2015	21,781,989	2,013,928	853,319	343,801	24,993,037

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

10 Investment Property

	\$
Gross carrying amount	
Balance at 1 July 2013	2,091,284
Additions	-
Disposals	-
Balance at 30 June 2014	<u>2,091,284</u>
Additions	3,514
Disposals	-
Balance at 30 June 2015	<u>2,094,798</u>
Accumulated depreciation/ amortisation and impairment	
Depreciation expense	
Balance at 1 July 2013	43,732
Disposals	-
Depreciation expense	17,126
Balance at 30 June 2014	<u>60,858</u>
Disposals	-
Depreciation expense	17,545
Balance at 30 June 2015	<u>78,403</u>
Net book value	
As at 30 June 2014	<u>2,030,426</u>
As at 30 June 2015	<u>2,016,395</u>

Lessor Commitments

The majority of the leases on the rental properties are on a week by week basis and therefore no lease payments receivable have been recognised in the financial statements.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
11 Current trade and other payables		
Trade payables (i)	1,222,935	951,307
Security deposits held	6,450	12,100
Subscriptions in advance	234,627	244,243
	<u>1,464,012</u>	<u>1,207,650</u>

(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	10,000	10,000
Used at Balance Date	-	-
Unused at Balance Date	<u>510,000</u>	<u>510,000</u>

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.

13 Current provisions

Employee benefits	840,787	795,181
	<u>840,787</u>	<u>795,181</u>

14 Non-current provisions

Employee benefits	125,591	126,597
	<u>125,591</u>	<u>126,597</u>

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

15 Retained earnings

Balance at beginning of financial year
Net surplus attributable to members of the parent entity
Balance at end of financial year

2015	2014
\$	\$
33,442,591	32,342,056
728,577	1,100,535
34,171,168	33,442,591

16 Contingent liabilities

A bank guarantee has been lodged with the Commonwealth Bank of Australia as security for monies held for TAB operations conducted at both sites of the club. The guarantee is for \$10,000 (2014: \$10,000).

17 Leases

Operating leases

Leasing arrangements

The club has rental agreements for poker machines at both operating sites. The agreements run until October 2015 and October 2016. A photocopier agreement will run until December 2016.

Non-cancellable operating lease payments

Not longer than 1 year
1 to 2 years
2 to 5 years

2015	2014
\$	\$
41,430	65,244
10,123	41,430
-	10,123
51,553	116,797

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.

The club has a capital commitment to Impact Building Pty Ltd for works undertaken at the Bank Street site. The work was commenced in June 2015 and completed in July 2015. The commitment totals \$1,220,272 ex GST.

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 \$37,272 per annum. This lease has not been reflected in the table above due to it being in perpetuity.

18 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.

19 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 2015

20 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:

	2015 \$	2014 \$
Cash on hand	288,500	288,500
Cash at bank	1,175,256	1,527,099
Cash on term deposit	7,428,967	8,850,296
	<u>8,892,723</u>	<u>10,665,895</u>

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

Profit for the period	728,577	1,100,535
(Gain)/loss on sale or disposal of non-current assets	(29,014)	(81,767)
Depreciation and amortisation of non-current assets	2,307,958	2,220,151
Provision for employee entitlements	44,601	63,381
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	(161,309)	(46,163)
Current inventories	(117)	(8,485)
Other current assets	35,741	73,086
Increase/(decrease) in liabilities:		
Current payables	256,362	(268,174)
Net cash from operating activities	<u>3,182,799</u>	<u>3,052,564</u>

21 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 2015

21 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.

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 2015 and 30 June 2014:

2015	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
Financial assets:				
Cash on hand	0.00	-	288,500	288,500
Cash at bank	0.50	1,175,256	-	1,175,256
Term deposits				
- Commonwealth Bank of Australia	2.85	221,666	-	221,666
- Greater Building Society	3.15	3,286,416	-	3,286,416
- Maitland Mutual Building Society	3.28	3,920,885	-	3,920,885
		8,604,223	288,500	8,892,723
Financial liabilities:				
Trade payables		-	1,464,012	1,464,012
		-	1,464,012	1,464,012

2014	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
Financial assets:				
Cash on hand	0.00	-	288,500	288,500
Cash at bank	1.00	1,527,099	-	1,527,099
Term deposits				
- Commonwealth Bank of Australia	3.15	427,869	-	427,869
- Greater Building Society	3.66	4,271,136	-	4,271,136
- Maitland Mutual Building Society	3.71	4,151,291	-	4,151,291
		10,377,395	288,500	10,665,895
Financial liabilities:				
Trade payables		-	1,207,650	1,207,650
		-	1,207,650	1,207,650

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

21 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	
	2015	2014
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	8,604,223	10,377,395
	8,604,223	10,377,395
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 2014.

	Equity 100bp Increase \$	Profit or loss 100bp Increase \$
30 June 2015		
Assets - Variable rate instruments	94,908	94,908
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	94,908	94,908
30 June 2014		
Assets - Variable rate instruments	101,515	101,515
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	101,515	101,515

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2015

21 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 directors' consider credit risk to be minimal with respect to trade receivables. The company's term deposits are invested with three 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.

22 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 \$20 to cover winding up costs.

23 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 2015

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 2015. 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.

DATED at MAITLAND, NSW this 25th day of August 2015.



PEARSON SMART AUDIT



M MATTHEWS (Partner)

REGISTERED COMPANY AUDITOR

East Maitland Bowling Club Limited

Income & Expenditure Statement for the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
Income		
Net Surplus - Bar	1,098,829	1,071,982
- Gaming	5,925,699	5,973,877
- Bowls	(414,785)	(397,016)
- Golf Course	42,700	48,615
- Gym	(43,385)	(49,406)
	6,609,058	6,648,052
Cleaning & Hire Fees Received	50,303	56,355
Commissions Received	198,455	160,998
Formal Packages	5,372	6,021
Licence Fees - Restaurant & Cafe	113,050	104,800
Locker Rentals	663	432
Raffles	(30,632)	(54,156)
Rent - Properties	58,292	80,090
Subscriptions	143,419	138,025
Sundry Income	4,987	3,558
Telephone	847	949
Wage Subsidies	-	3,069
Wedding Packages & Expo	42,318	61,211
	7,196,132	7,209,404
Less: Expenses	6,908,942	6,483,305
Net surplus from trading	287,190	726,099
Add:		
Insurance Claims	149,196	24,256
Interest Received	292,191	350,180
	441,387	374,436
Net surplus from ordinary activities	\$ 728,577	\$ 1,100,535

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Bar Trading Account for the Financial Year Ended 30 June 2015

		2015	2014
		\$	\$
Income			
Sales		4,198,773	4,043,261
Less: Member discounts		(447,632)	(426,588)
		3,751,141	3,616,673
Opening Stock		111,612	106,153
Purchases		1,663,148	1,611,200
Freight		21,922	21,975
		1,796,682	1,739,328
Less Closing Stock		116,793	111,612
		1,679,889	1,627,716
Gross Profit	55.2% (Last Year 55.0%)	2,071,252	1,988,957
Less Direct Expenses			
Bar Snacks		6,324	7,771
Depreciation		13,672	9,391
Glass Recycling		8,340	8,340
Glasses Replaced		7,769	4,384
Licence Fee		11,000	-
Repairs & Requisites		50,255	57,378
Stocktake Fees		17,400	17,400
Uniforms		5,128	1,981
Wages	22.3% (Last Year 22.0%)	836,322	795,779
Waste		16,213	14,551
		972,423	916,975
Net Surplus	29.3% (Last Year 29.6%)	\$ 1,098,829	\$ 1,071,982

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Gaming Trading Account for the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
Income		
Net Clearances from Machines	9,648,077	9,706,116
Government Tax Subsidy	34,360	34,360
Commission - Keno	144,324	141,399
- TAB	39,217	43,917
Profit on Disposal of Machines	55,209	86,696
Sundry - Sale of Poker Machine Wedges	1,000	1,300
	9,922,187	10,013,788
Less Direct Expenses		
Advertising	-	990
Amortisation Poker Machine Licences	90,514	76,367
Commission Paid - Statewide Link	111,957	130,314
Depreciation	707,264	760,091
DMS Monitoring Fee	98,733	93,913
Operating Rentals Machines	54,744	55,078
Promotions	311,717	308,251
Provision for Jackpots	1,220	(9,502)
Provision for Unclaimed Payout Tickets	(1,891)	(479)
Repairs and Maintenance	171,339	169,120
Poker Machine Duty	1,857,365	1,870,191
Stationery & Electronic Form	12,634	11,670
Sky Channel Subscription	50,639	51,508
Wages	530,253	522,399
	3,996,488	4,039,911
Net Surplus	\$ 5,925,699	\$ 5,973,877
Profit to Turnover percentage	59.7%	59.7%
Wages to Turnover percentage	5.3%	5.2%

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Bowls Trading Account for the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
Income		
Match & Entry Fees	13,823	15,245
Member Subscriptions	19,420	16,375
Sponsorship & Advertising	15,905	19,962
	<u>49,148</u>	<u>51,582</u>
Less Expenses		
Advertising	2,638	3,263
Affiliation Fees	21,074	20,769
Big Bowls Challenge	6,295	5,039
Catering	20,339	24,681
Greens Maintenance	55,469	39,248
Pennant Travel & Accommodation	23,679	9,261
Pennant Payments	33,476	26,202
Pennant Uniforms	14,213	9,715
Replace Bowls Equipment, Entry Fees & Sundries	5,493	5,684
Telephone	1,955	2,236
Travelling & Rep Bowling Expenses	7,216	4,488
Trophies & Prizes	62,181	87,116
Uniforms	722	898
Wages	209,183	209,998
	<u>463,933</u>	<u>448,598</u>
Operating (Subsidy)	<u>\$ (414,785)</u>	<u>\$ (397,016)</u>

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Golf Course Trading Account for the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
Income		
Advertising & Donations	20,891	18,221
Competition Fees	256,235	299,737
Golf Cart Hire	124,266	146,342
Golf Cart Storage Rentals	19,245	19,245
Government Fuel Rebate	3,378	2,696
Government Wage Subsidy	1,500	2,500
Green Fees	216,915	245,981
Insurance Claims	68,139	-
Pro Am Income	10,977	7,909
Registration Fees	14,354	14,755
Subscriptions	375,580	385,454
Sundry	273	-
	<u>1,111,753</u>	<u>1,142,840</u>
Less Expenses		
Administration	34,110	34,094
Advertising	1,105	375
Affiliation Fees	36,483	38,186
Amortisation	82,124	80,925
Bank Charges	4,450	4,894
Catering	3,394	1,851
Computer Costs	-	1,203
Depreciation	29,673	44,070
Electricity	19,840	22,305
Employees Health & Safety	731	42
Fuel & Oil	21,362	17,539
Golf Cart Depreciation	58,467	58,467
Golf Cart Expenses	33,653	38,768
Insurance	24,780	24,140
Loss on Disposal of Plant	3,412	-
Motor Vehicle Costs	44	-
Payroll Tax	17,480	14,648
Pennant Expenses	10,932	15,916
Printing Costs	4,069	5,107
Professional Commissions & Retainer	49,662	51,014
Provision for Employee Entitlements	24,000	22,500
Rates	34,209	35,101
Repairs & Maintenance	105,758	91,872
Rent	37,272	36,273
Rubbish Removal	2,284	2,336
Sand, Soil & Gravel	4,886	11,757
Security Cart Sheds	838	836
Subscriptions	2,665	2,635
Sundry Expenses	1,869	2,935
Superannuation	30,921	27,243
Telephone	1,949	1,956
Training	391	2,669
Trophies , Ball Comps & Prizes	99,492	114,362
Uniforms	3,034	1,755
Wages	283,714	286,451
	<u>1,069,053</u>	<u>1,094,225</u>
Operating Surplus	<u>\$ 42,700</u>	<u>\$ 48,615</u>

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Gym Trading Account for the Financial Year Ended 30 June 2015

	2015	2014
	\$	\$
Income		
Membership Fees	72,945	63,700
	<u>72,945</u>	<u>63,700</u>
Less Expenses		
Advertising	329	750
Bank Charges	1,516	109
Cleaning Costs	9,001	7,446
Depreciation	8,205	5,602
Promotions	125	455
Repairs & Maintenance	2,651	2,733
Subscriptions & Memberships	660	660
Superannuation	7,692	7,360
Telephone	557	542
Uniforms	225	707
Wages	85,369	86,742
	<u>116,330</u>	<u>113,106</u>
Operating (Subsidy)	<u>\$ (43,385)</u>	<u>\$ (49,406)</u>

East Maitland Bowling Club Limited

Schedule of Expenses for the Financial Year Ended 30 June 2015

	2015 \$	2014 \$
Administration Wages	665,866	611,796
Advertising	64,077	78,238
Audit Fees	23,220	23,220
Bank Charges	6,283	6,851
Cash Collection Expenses	7,857	8,184
Catering & Entertainment		
- General	403,806	388,648
- Housie	29,864	30,311
- Promotions	458,831	333,564
Cleaning Materials & Contractors	393,190	381,862
Club Supervision Wages	333,967	323,816
Computer Link	9,620	12,323
Consultancy Fees	110,670	61,485
Courtesy Bus	117,887	116,869
Depreciation	1,306,160	1,165,126
Directors Remuneration	53,158	46,310
Donations & Sponsorships	232,438	266,785
Electricity & Gas	502,955	583,820
Float Variances	812	1,800
Fringe Benefits Tax	5,124	5,430
Insurance	257,583	256,364
Land Tax	8,386	8,693
Legal Fees	202	4,810
Loss on Disposal of Assets	22,783	4,929
Membership Cards	4,478	4,485
Motor Vehicle Costs	8,429	6,084
Operating Rental - Photocopier	10,500	10,500
Payroll Tax	171,096	163,529
Printing & Stationery	86,043	75,677
Rates	97,385	91,338
Repairs & Maintenance		
- General	259,033	226,838
- Catering Equipment	48,801	54,897
Staff Meals & Gifts	23,897	20,245
Subscriptions, Seminars & Training	72,650	61,669
Sundry Expenses	186	3,112
Superannuation	310,352	284,880
Security & Reception Costs	421,892	396,554
Software & Support	29,261	35,973
Telephone	32,742	31,029
Travelling Expenses	1,033	3,044
Transfers to Employee Entitlements	311,534	281,266
Uniforms	4,891	10,951
Total Expenses	\$ 6,908,942	\$ 6,483,305

Refer attached audit disclaimer