

## THE PRESIDENT'S REPORT

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On behalf of the Board of Directors of East Maitland Bowling Club and East's Leisure & Golf, I present the financial results for the financial year ended 30<sup>th</sup> June 2008.

In a very difficult environment the Club has had a successful year and whilst the profit of \$2,001,485 appears excellent, it includes profit on disposal of land of \$829,415 and interest of \$290,485.

I also take this opportunity to comment on several salient issues facing the Club into the foreseeable future.

The introduction of increased poker machine taxes, new smoking restrictions, petrol increases and interest increases for borrowers, have contributed to a general downturn in the Club industry. Although our profit would be the envy of many in the club industry we must not be complacent and be prudent at all levels.

Once again the Club made considerable donations to the community and sporting club's throughout the year of \$138,000. The highlight being the Charity Christmas Luncheon serving over 150 people. Over the last ten years we have donated in excess of \$1million to the community's charities and sporting clubs.

Billabong's Restaurant kindly donated a special luncheon to our elderly members and celebrated 10 years within the Club. Congratulations Jimmy Po and his staff.

In the past I have been critical of the standard of our greens so I am delighted to congratulate our new green keeper Simon Flannery and his staff for the vast improvement in the standard of our greens and surrounds. We have received many compliments from our own and visiting bowlers. This improvement has been achieved with a maintenance decrease of \$9,000.

The golf course continued to supply excellent fairways throughout the year and to assist to maintain this high standard, a new dam with an extensive watering system has been installed at a cost to the Club of approximately \$260,000. Golf cart sheds are planned to be built in the near future.

It was most unfortunate that prior to the 2008 Pennants season we lost a number of bowlers and so looked like having a lean season. May I congratulate members for rallying and being very competitive in all grades with the mighty fours winning the district and zone flags and runner up in their section in the state play off at Bathurst. After winning the XXXX Gold competition last year we narrowly missed the finals this year.

After 8 years as bowls Coordinator Gerald Lonergan resigned. Gerald always gave 100% in organising tournaments and presentations, I wish him well for the future.

Thank you to our Lady members for catering afternoon tea for our bowlers throughout the year.

On a much sadder note the club lost two directors Ralph "Angus" Baldwin and life member Bruce Humphries. Their dedication and commitment will be sorely missed as both directors did a sterling job over many years. Also our deepest sympathy to all members who lost loved ones throughout the year.

In conclusion I thank all the staff, management and fellow directors for the manner they committed themselves throughout the year.

Harold Mayo  
President

## CHIEF EXECUTIVE OFFICER'S REPORT

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2008 has been a challenging year from a financial perspective and this is reflected in a much lower trading profit than 2007. In fact the trading profit showed a decrease of 49% from \$1,385,532 to \$706,347. The overall profit was influenced by some unusual business transactions this year. This included the Community Water Grant received for the construction of the dam and the profit on sale of land situated in Sinclair Street. This has seen the overall net profit reach \$2,001,485.

East's, like all registered Clubs, has been challenged in dealing with a host of external factors. The introduction of the Smoke Free Environment Act prohibiting smoking inside venues combined with the downturn in the economy due to increasing prices in fuel, food and climbing interest rates have all resulted in less revenue for the Club. These pressures have resulted in operational changes which previously have not been necessary. These changes will ensure the Club continues to prosper and provide you the members with modern facilities and increased member benefits.

In 2008, the Scarborough Function Centre underwent a major refurbishment. This included a change in style to a modern contemporary look. The area has continued to prove extremely popular for weddings and conferences with booking dates to be made well in advance. To compliment the refurbishment the introduction of our new wedding packages has added to the services provided to members.

In terms of member benefits, this year saw the introduction of member's bonus points on their bar purchases. This program was designed to reward members for their continued patronage. This benefit has been well received by members. In this financial year, Club members have redeemed points to the value of \$68,943.

East's Leisure and Golf has continued to trade steadily throughout the year resulting in a clubhouse surplus of \$ 87,909. The course produced an excellent result with a surplus of \$103,414 compared to last year's result of \$92,615. The Club has continued to improve facilities at the Tenambit street site with a number of projects being completed in the year. The main project to be completed was the course dam. The Club has committed funds of \$260,000 to the project. Many thanks to the course committee for their valued service throughout the year.

On the sporting front, congratulations must go to all our pennant teams for their efforts this year. The bowling number 4 team deserves special mention for their excellent performance in making the State pennant playoffs.

This year saw the resignation of Gerald Lonergan to take up a similar position at another venue. Gerald had been at the Club for a period of 8 ½ years and in this time displayed exceptional organisational skills. Thank you to Gerald for your years of service. Rob Smith has been employed as the new bowls co-ordinator. Rob has excellent credentials and the board and management are pleased to have him on board.

Our food outlets- Billabongs, Judy's Café and ENB Steakhouse have traded well throughout the year. Billabongs has continued to impress with the quality of service and food. This is evidenced by the number of patrons that utilise the restaurant. ENB Steakhouse changed management in December 07. Rowena and Nelson left to pursue other ventures after 3 years. Congratulations Rowena and Nelson for a wonderful effort. Lucy and Steve have made an impressive start with the introduction of a new menu that provides additional dishes to enhance the restaurants growing reputation.

After 8 ½ years Judy Lonergan, owner of Judy's Café, has decided to finish and will trade for the last time on the 31<sup>st</sup> August 08. A big thank you to Judy and her staff for years of quality food and service that have been provided to Club members. All the best for the future Judy.

To the Management and staff for their continued commitment, and the Board for their support I thank you. It has been your efforts that have seen the Club continue to prosper through difficult times.

This year the Board experienced the loss of 2 well respected members in Ralph "Angus" Baldwin and Bruce Humphries. Both Angus and Bruce dedicated their time and effort to the betterment of the Club and they will be greatly missed not only as directors but friends.

Last but not least, thank you to all our members for your continued support throughout the year.

Steve Duggan  
Chief Executive Officer

**EAST MAITLAND BOWLING CLUB LIMITED**  
**(A Company Limited by Guarantee)**  
**ABN: 58 000 960 216**  
**CONCISE FINANCIAL REPORT**  
**FOR FINANCIAL YEAR ENDED 30 JUNE 2008**

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**EAST MAITLAND BOWLING CLUB LIMITED**  
**ABN: 58 000 960 216**

**DIRECTORS REPORT**

The directors of East Maitland Bowling Club Ltd submit herewith the annual financial report of the company for the financial year ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors who held office during or since the end of the financial year are:

<b><u>NAME</u></b>	<b><u>QUALIFICATIONS</u></b>	<b><u>EXPERIENCE</u></b>	<b><u>SPECIAL RESPONSIBILITIES</u></b>
H W MAYO	Company Director	25 years	President
D PRICE	Retired	10 years	Snr Vice President
M SKINNER	Retired	9 years	Vice President
R MORRIS	Retired	10 years	Director
B HUMPHRIES	Retired	17 years	Director (deceased 23/6/08)
R BALDWIN	Retired	7 years	Director (deceased 9/6/08)
N BATES	Retired	6 years	Director
J STEIN	Retired	3 years	Director
K PRICE	Retired	2 years	Director
R CRAWFORD	Retired	2 months	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.

**REVIEW OF OPERATIONS**

The company generated a net surplus of \$2,001,485 in the current financial year (2006: \$1,713,261). The current year's result included a non-recurring gain from the sale of property, plant & equipment of \$782,211.

The segment of the business at Easts Leisure and Golf returned a surplus of \$191,323 of which \$87,909 was generated from clubhouse activities (2006: \$406,263 and \$310,752).

The operating results have been adversely affected by the introduction of full indoor smoking bans and their impact on club revenues, especially gaming revenues.

**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 breaches of the legislation during the financial year which are material in nature.

## **DIRECTORS MEETINGS**

The following sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director.

H Mayo	12/12	R Morris	11/12
D Price	12/12	N Bates	12/12
M Skinner	12/12	J Stein	11/12
K Price	11/12	R Crawford *	01/01

\* Director for one meeting only.

## **EMPLOYEES**

As at 30 June 2008, the company employed 65 staff (2007: 69).

## **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 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.

## **AUDITORS INDEPENDENCE DECLARATION**

The auditor's independence declaration is included on page 4 of the financial report.

Signed at EAST MAITLAND this 19th day of August 2008 in accordance with resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001.

**H MAYO**  
**President**

**D PRICE**  
**Senior Vice-President**

**EAST MAITLAND BOWLING CLUB LIMITED**

**AUDITORS INDEPENDENCE DECLARATION**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2008 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit.
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

**373 HIGH ST      19 AUGUST 2008**  
**MAITLAND, NSW**

**PEARSON SMART AUDIT**

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

**EAST MAITLAND BOWLING CLUB LIMITED**  
**ABN: 58 000 960 216**  
**INCOME STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Sales revenue	12,764,582	13,624,470
Less cost of sales	(3,568,805)	(3,834,171)
	9,195,777	9,790,299
Other income	1,700,480	783,034
Employee benefits expense	(3,696,627)	(3,884,916)
Depreciation & amortisation expense	(1,534,516)	(1,419,442)
Borrowing costs expense	-	(6,676)
Other bar expenses	(86,892)	(100,746)
Bowls expenses	(167,965)	(207,763)
Golf Course expenses	(457,989)	(448,076)
Administration expenses	(2,950,783)	(2,792,453)
Profit before income tax	2,001,485	1,713,261
Income tax expense	-	-
Profit after tax	2,001,485	1,713,261
Profit attributable to members of East Maitland Bowling Club Limited	2,001,485	1,713,261

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	<b>\$</b>
Retained earnings as at 30 June 2006	20,843,244
Profit attributable to the financial year ended 30 June 2007	1,713,261
Retained earnings as at 30 June 2007	22,556,505
Profit attributable to the financial year ended 30 June 2008	2,001,485
Retained earnings as at 30 June 2008	24,557,990

These Statements are to be read in conjunction with the notes to the financial report.

**EAST MAITLAND BOWLING CLUB LIMITED**  
**ABN: 58 000 960 216**  
**BALANCE SHEET AS AT 30 JUNE 2008**

	<u>2008</u>	<u>2007</u>
	\$	\$
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	5,285,070	2,775,988
Trade & Other Receivables	27,394	235,748
Inventories	116,099	96,615
Other	300,722	260,722
<b>Total Current Assets</b>	<u>5,729,285</u>	<u>3,369,073</u>
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	20,424,603	20,996,630
Other	750	750
<b>Total Non-Current Assets</b>	<u>20,425,353</u>	<u>20,997,380</u>
<b>TOTAL ASSETS</b>	<u>26,154,638</u>	<u>24,366,453</u>
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	1,037,335	1,281,432
Provisions	497,225	443,526
<b>Total Current Liabilities</b>	<u>1,534,560</u>	<u>1,724,958</u>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	62,088	84,990
<b>Total Non-Current Liabilities</b>	<u>62,088</u>	<u>84,990</u>
<b>TOTAL LIABILITIES</b>	<u>1,596,648</u>	<u>1,809,948</u>
<b>NET ASSETS</b>	<u>24,557,990</u>	<u>22,556,505</u>
<b>EQUITY</b>		
Retained Earnings	24,557,990	22,556,505
<b>TOTAL MEMBERS FUNDS</b>	<u>24,557,990</u>	<u>22,556,505</u>

The Balance Sheet is to be read in conjunction with the notes to the financial report.

**EAST MAITLAND BOWLING CLUB LIMITED**  
**ABN: 58 000 960 216**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<u>Cash flows from operating activities</u>		
Receipts from customers	15,050,624	15,447,408
Payments to suppliers and employees	(12,509,592)	(13,484,038)
Interest Received	195,318	134,385
Borrowing Costs	-	(6,676)
Net cash provided by operating activities	<u>2,736,350</u>	<u>2,091,079</u>
<u>Cash flows from investing activities</u>		
Payments for property, plant & equipment	(1,169,441)	(2,894,843)
Proceeds from sale of property, plant & equipment	942,173	161,929
Net cash used in investing activities	<u>(227,268)</u>	<u>(2,732,914)</u>
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash inflow (outflow) from financing activities	<u>-</u>	<u>-</u>
<u>Net Increase/ (Decrease) in Cash Held</u>	2,509,082	(641,835)
Cash & cash equivalents at the beginning of the financial year	<u>2,775,988</u>	<u>3,417,823</u>
Cash & cash equivalents at the end of the financial year	<u>5,285,070</u>	<u>2,775,988</u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial report.

**EAST MAITLAND BOWLING CLUB LIMITED**

**ABN: 58 000 960 216**

**NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**STATEMENT OF ACCOUNTING POLICIES**

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 Concise Financial Reports.

The concise financial report, including the financial statements and specific disclosures included in the concise financial report, has been derived from the full financial report of East Maitland Bowling Club Limited.

All amounts are presented in Australian dollars.

A full description of the accounting policies adopted by the company may be found in the company's full financial report.

These accounting policies have been consistently applied by the company and except where there is a change in accounting policy, are consistent with those of the previous financial year.

**a) *Discussion and Analysis of the Income Statement***

The net profit after tax is \$2,001,485 compares with \$1,713,261 in 2007.

Total revenue has decreased by 6.3% below the level achieved in the 2007 year with all trading centres except the golf course showing decreases. The impact of the full indoor smoking bans has impacted on club revenues, especially gaming revenues.

Non trading income increased by \$917,446 this year. Increases included interest received of \$158,122; federal government grants of \$169,841 and profit on disposal of Sinclair St land \$829,415. Offsetting this were decreased insurance claims revenue of \$196,645.

Cost of goods sold has decreased in line with the decreases in revenues. Poker machine duty has decreased by \$232,631 or 13.8%. This is a result of the decrease in revenue received. Employee expenses have decreased by \$188,289. The significant level of repairs and maintenance expenditure is in line with company's objective of continuing to maintain member's facilities. Other expenditure was substantially in line with previous years.

CDSE donations totalled \$138,031 for the year.

**b) *Discussion and Analysis of the Balance Sheet***

The total equity of the company increased by \$2,001,485 or 8.9% and now stands at \$24,557,990.

The current assets totalled \$5,729,285 and current liabilities totalled \$1,534,560. Included in current assets are cash reserves of \$5,285,070.

**c) *Discussion and Analysis of the Statement of Cash Flows***

The company generated positive cash flow of \$2,736,350 for the year and this compares with \$2,091,079 in 2007.

The company utilised some of this surplus to purchase new assets and the balance was retained in cash reserves.

**d) *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 the affairs of the company in future financial years.

**e) *Segmental Reporting***

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

**EAST MAITLAND BOWLING CLUB LIMITED**  
**ABN: 58 000 960 216**  
**DIRECTORS DECLARATION**

The directors of the company declare that:

- a) in the directors opinion the attached financial statements and notes thereto comply with Australian Accounting Standard AASB 1039 “Concise Financial Reports”; and
- b) the attached financial statements and notes thereto have been derived from the full financial report of the company.

Signed at EAST MAITLAND this 19th day of August 2008 in accordance with a resolution of Directors.

**H MAYO**  
**President**

**D PRICE**  
**Senior Vice-President**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMEBERS OF**  
**EAST MAITLAND BOWLING CLUB LIMITED**  
**ABN: 58 000 960 216**

The accompanying concise financial report of East Maitland Bowling Club Limited comprises the balance sheet as at 30 June 2008, the income statement, cash flow statement and statement of recognised income and expense for the year then ended and the related notes as set out on pages 5 to 9, derived from the audited financial report of East Maitland Bowling Club Limited for the year ended 30 June 2008. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

*Directors Responsibility for the Concise Financial Report*

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of East Maitland Bowling Club Limited for the year ended 30 June 2008. Our audit report on the financial report for the year was signed on 19 August 2008 and was not subject to any modification. The Australian 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 for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent, with the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

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, the concise financial report of East Maitland Bowling Club Limited for the year ended 30 June 2008 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

**373 HIGH ST**  
**MAITLAND**

**19 AUGUST 2008**

**PEARSON SMART AUDIT**

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