

NOTICE OF ANNUAL GENERAL MEETING

To be held on Sunday 20th September 2009 at 9am in the Club's Scarborough Room.

Business:

1. Confirmation of Minutes
Annual General Meeting held 21st September 2008
2. Business arising from Minutes
3. To receive Annual Report, Financial Statement, Balance Sheet and Auditors Report as at 30th June 2009
4. Investing Office Bearers for 2009 – 2010
5. Appointing of Patrons
6. Notice of motions and special resolutions of which due notice has been given
7. Out of pocket expenses
8. Recommendations from members

Steve Duggan
Chief Executive Officer

OFFICE BEARERS 2008-2009

Co-Patrons:	F. SMITH & N. SEARL
President:	H. MAYO
Senior Vice-President:	D. PRICE
Junior Vice-President:	M. SKINNER
Directors:	N. BATES, R. MORRIS, R. CRAWFORD, J. STEIN, A. SMALL & K. PRICE
Bowls Selector:	E. GRAVES, G. KNOX & L. GATT
Welfare Officer:	R. SMITH
Delegates to Hunter District Bowling Association:	R. CRAWFORD, A. SMALL & M. SKINNER
Bowls Coordinator:	R. SMITH
Golf Committee:	D. BEGG, B. MCKENZIE, R. MARSH, P. NASH, K. PRICE, S. YATES, R. WALKER, C. COUTTS, W. JOHNSTONE & S. WILSON
Chief Executive Officer:	S. DUGGAN
East's Leisure & Golf Manager:	S. DRIFFIELD

THE PRESIDENT'S REPORT

I have much pleasure and satisfaction in presenting my final presidents report after 26 years on the Board and the last 23 years as President. When I joined, the Club was not in a healthy state with a small profit and a debt of over \$0.5million. Since that time the Club has enjoyed a remarkable increase in profit and has no debt.

Costs have been curtailed this year enabling the Club a profit of \$1,440,615. This is an increase of \$268,545 on last year after deducting the extraordinary profit of \$829,415 (sale of land). The Club's total assets now stand at \$27,571,570. Congratulations to the Board, CEO, Administration and Staff whose efforts have helped to soften the impact of the tough economic environment that engulfed this country over the last year.

During the year a courtesy bus was introduced and has been well received by our members. An additional 10 poker machines have been installed at the Golf Club and in addition Golf Cart Sheds have been built that will accommodate 60 carts. Painting of the Golf Club interior has also commenced. With the Golf Club and Course in such an excellent state I would again like to acknowledge the contribution that the late Eric Hargy made to the Club.

Anti-social behaviour has become a major problem in society and it's most unfortunate that East's have been a victim of such behaviour by Club members and visitors. This shameful situation will not be tolerated and those patrons will be severely dealt with. Any member witnessing misbehaviour should immediately report to the supervisor on duty.

Donations under the Community Development and Support Expenditure (CDSE) were made to welfare and sports clubs of \$119,640. Once again the charity Christmas luncheon served over 120 meals to the needy in our community.

Billabongs Family Restaurant under the supervision of Jimmy Po continues to be very popular with both members and guests. This restaurant with seating for over 480 patrons is well patronised, together with the Scarborough Function Centre for weddings, etc with seating for 180 guests. Also the restaurant at East's Leisure & Golf has increased patronage with weddings and functions proving popular. Congratulations to Lucy and Steve and their hard working staff.

Many thanks to our Bowls Coordinator for controlling our bowling activities including Club visits, tournaments and championships. Rob was ably assisted by our match committee. The 2009 pennant season saw our players very competitive from 1st grade to 7th grade, with our number 7's winning the district flag at Singleton with an outstanding display of bowls but could not sustain that form at the zone finals against Pacific Palms under very wet conditions. The XXXX Gold team just missed the semi-finals but looks forward to a stronger performance this year. Many thanks to the selectors who did a sterling job and our umpires who contributed to the smooth running of the games.

Our Bowling Greens and surrounds under the supervision of director Max Skinner and controlled by Head Greenkeeper Simon Flannery and his assistant Mark Shipman is a credit and it's a pleasure to receive such glowing remarks from visiting bowlers.

To Madam President Robyn Stein and her girls who provided afternoon tea when required for pennants, visiting clubs and her cooperation with the bowls greens. Many thanks for a job well done.

Members should remember that it's great to have a sporting and social club but this is also big business and must be administered as a business.

On behalf of the Board of Directors, Management and Staff, our sincere condolences to those members who lost loved ones throughout the year.

I would like to thank not only for this year, but previous years all who have given me your full support, including my fellow Directors, our Management and all the Staff for your cooperation. I wish to thank Director Noel Bates for his 7 years dedication to our Club.

Harold Mayo
President

CHIEF EXECUTIVE OFFICER'S REPORT

It is pleasing to report that whilst the Club, like the industry, experienced challenging times, 2009 has seen a growth in the Club's financial well being. The Club has posted a trading profit of 1,008,043 (before non trading income) an increase of \$301,696 or 42%. This result ensures the Board is able to offer members a Club that continues to prosper with the provision of modern facilities and increased member benefits.

In 2009, the Board made a progressive decision to redesign the current outdoor area located off the gaming room. The main purpose of this decision was to allow this area to accommodate and cater for more patrons by improving the comfort, size and facilities located within this area. After a rigorous tender process, Paynter Dixon was appointed to design and construct the new facility with a potential finish date of late November 09. At present the Development Application is with Maitland City Council awaiting approval in order to allow construction to begin on August 31. Once available plans will be placed in prominent locations around the Club to display some of the features of the improvements to our members.

In terms of member benefits, this year saw the continuation of member's bonus points on their bar purchases. This program has been well received as a reward to members for their continued patronage. This benefit was extended to include the Banks Street sites bottleshop now allowing members to purchase take away items through his facility. In this financial year, Club members have redeemed points to the value of \$80,537.

East's Leisure and Golf has continued to experience excellent trading results with continued growth throughout the year resulting in a clubhouse surplus of \$ 195,342, an increase of \$107,433 or 122%. The course produced a good result with a surplus of \$87,851 compared to last year's result of \$103,414. Whilst this is a decrease of \$15,563 or 15%, it should be noted that this result was severely impacted upon by three months of wet weather since Christmas where income was minimal. In addition, costs associated with the recently built dam have also impacted on the expenditure. The Club has continued to improve facilities at the Tenambit street site with a number of projects, whilst some are still under construction, including the painting of the inside of the Clubhouse, the installation of ten new gaming machines and the long awaited cart sheds. The Club has committed funds in excess of \$120,000 and many hours of negotiating with the Lands Department, to complete the cart shed project and provide our members with a much anticipated and needed amenity.

My thanks to the course committee for their valued service throughout the year. Their continued input into the golfing activities of the Club has allowed us to continue to improve this facility for our members. Several committee members have chosen to stand down next year for various reasons, to these people I thank you for your years of contribution and effort. It has been your dedicated work that has assisted in the Course continuing to prosper over the years.

On the sporting front, congratulations must go to all our pennant teams, both bowling and golfing, for their efforts and the way in which they conducted themselves this year. All teams were extremely competitive and represented the Club proudly. The bowling number 7 team deserves special mention for their excellent performance in making the Zone pennant playoffs.

Our food outlets- Billabongs, Meet and Greet Café and ENB Steakhouse have traded well throughout the year. Billabong's, under the stewardship of Jimmy Po, has continued to impress with the quality of service and food. The restaurant has expanded its ever growing cliental by offering excellent value for money. ENB Steakhouse implemented a new menu with a variety of new dishes which have been well received and enhanced the restaurants growing reputation. The Meet and Greet Café commenced operations in September 08 replacing Judy's Café , who was always going to be a hard act to follow, but with a redesigned menu and renewed enthusiasm the café has made steady progress.

To the Management and staff for their continued commitment and dedication, and the Board for their support I thank you. It has been your hard work and assistance that has played a significant role in the Clubs continued growth and sees East's in such a healthy financial state.

Members – thank you for your continued support throughout the year and please continue to enjoy your Clubs.

Steve Duggan
Chief Executive Officer

BOWLS REPORT

Pennants: EMBC entered 8 sides in the HDBA Pennant Competition. The Club was successful in winning the HDBA No. 7 Grade Pennant. Performances in other grades were strong with the sides finishing second or third in most grades. A new selection policy was introduced based on Australian Sports Commission Guidelines. This policy will be under constant review with fine tuning to be done to better suit the EMBC's side numbers which is the largest in the district and amongst the largest in the State.

Championships: Consistency Singles and Mixed Pairs are still underway. Results of other championships are:

Major Singles: Winner: M. Evans
R/Up: N. Ellison
Minor Singles: Winner: P. Watson
R/Up: G. Challinor
Major Pairs: Winner: R. Stewart & T. Twining
R/Up: J. Banks & R. Bennett
Minor Pairs: Winner: J. Asquith & B. Austin
R/Up: J. Mulley & K. Partridge
Fours: Winner: B. Lawton, R. Smith, J. Lawton & R. Lawton
R/Up: R. Nelligan, M. Capararo, A. Capararo & I. Tapper
Triple: Winner: R. Bennett, R. Stewart & T. Twining
R/Up: A. Capararo, A. Ainscow & M. Capararo

Club players and sides performed well in HDBA championships. B. Trainor, R. Stewart & M. Evans made the final of the triples. R. Nelligan & M. Capararo won the President's Reserve Pairs. H. Beavis was runner up in the Senior Singles and B. Corbett & L. Gatt were runners up in the Senior Pairs.

Tournaments & Events: There was no change to the Club's regular tournament calendar over the previous 12 months with all tournaments well supported except the "Elite Pairs". The Match Committee has commenced a regular review our tournaments in order to maintain competitor interest and maximise entry rates. During the year, the Club showcased itself by hosting district, zone, state and Australian events. Our player featured prominently in the placing in many tournaments throughout the area and the East Maitland Griffins are now enjoying a reputation of being strong competitors and good sportsman.

Looking Ahead: I, so should you all, am excited about our Club's future prospects. Our player strength is building which should see us enjoy success in upcoming competitions such as the RNSWBA Club Challenge, XXXX Gold and the 2010 Pennant Competition. WE are building our junior numbers and with the help of Sam Hawke we are hosting and expanding our School Coaching Programme in an effort to grow these numbers. New bowlers are coming along to try the game and these numbers are growing weekly as our bowling membership grows.

My first 12 months as Bowls Coordinator has flown by and I have many to thank for their help and support. President Harold, the Board, the Match Committee, Steve and John have all been very positive and supportive of everything I have asked of them. The professionalism and cooperation of the greenkeepers and other Club staff is much appreciated. I would also like to thank Ladies President, Robyn, and her members for their help and cooperation throughout the year. Then there are those guys that day after day, week after week, are there to help me out; the Club's volunteer who I don't think know how to say no. You are too many to name here in this short report but you know who you are and your efforts are much appreciated. Finally a thank you to my wife Shendelle for her understanding and support on those odd occasions when I have brought to much attitude home from the Club.

2010 holds much promise for the Club and our players. GO THE GRIFFINS.

Rob Smith
Bowls Coordinator

GOLF CAPTAIN'S REPORT

Maitland Golf Course has come through the 2008/09 year well, however course profitability has dropped off from previous years. A general increase in all course expenditure was not helpful, but the constant wet weather caused a significant income loss of green fees and cart hire. A growing trend is developing where members are utilizing golf carts more, and when wet weather occurs our fields drop off markedly. Future committees will have to work with our course staff and management to develop a 5 year plan to construct more cart paths.

The East's Board has to be thanked for their ongoing commitment to our course. They have approved the purchase of a dedicated spray unit/top dresser at a cost of \$63,000 which will be used during the coming green renovations. This unit will assist our course staff with course maintenance and enable them to dedicate more time to other pressing matters on the course. Another significant investment in the future is our cart sheds at a cost of approximately \$120,000 which will provide another income flow to the course.

Early this year our greens suffered from an Argentine Stem Weevil infestation as well as heat stress. The end result was very disappointing and caused a major loss of turf around the outside of the greens and their surrounds. The damaged areas have been repaired and the course will be in prime condition for our up coming championships. Rod and his staff take pride in their work place and the presentation of our course to members and visitors. I thank our course staff for their efforts during this troubling time. Volunteer labour is welcomed and is very helpful to our course staff. The efforts of Course Convenor Kevin Price, Vice President Clarrie Coutts and Sam Whitehouse are appreciated by the course committee. I must mention and am thankful for the assistance provided by the 4 Mile Creek Company during the shoring up of the 18th creek bridge.

Thanks to the Pro Shop, Michael Holden and his staff of Vickie Tutt and Jono Towns for the assistance they give to the members and the match committees in conducting the various golf competitions and promotion of golf within the club

The sponsorship dollar is becoming increasingly hard to find. My gratitude goes to all our sponsors, who support the club's major events throughout the year. I thank our generous members for their contributions each week which provides funding, in part, for our competition prizes.

Our pennant sides once again are a credit to our club. The teams reached 4 out of the 5 possible finals only to be beaten. Their consistency however was rewarded by winning the HRDG Club Championship. Once again sponsorship assists the club which enables the club to provide all our pennant players with shirts. The support from Tenambit Butchery, Total Fabrications and Swarovski International is greatly appreciated.

Thanks to the Match Committee, who commit themselves each week and assist in all of our major golfing events held within the club. The Match Committee is, Bob Walker VC, Don Begg, Steve Wilson, Bob McKenzie and Steve Yates.

Happy golfing to all in the year ahead.

Rick Marsh
Captain

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

ABN: 58 000 960 216

ANNUAL FINANCIAL REPORT
Financial Year Ended 30 June 2009

East Maitland Bowling Club Limited

Annual Financial Report for the Financial Year Ended 30 June 2009

	PAGE
Directors' Report	1
Auditor's Independence Declaration	3
Independent Audit Report	4
Directors' Declaration	5
Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	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 2009. 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>
H W Mayo	Company Director	26 years	President
D Price	Retired	11 years	Snr Vice President
M Skinner	Retired	10 years	Vice President
R Morris	Retired	11 years	Director
N Bates	Retired	7 years	Director
J Stein	Retired	4 years	Director
K Price	Retired	3 years	Director
R Crawford	Retired	1 year	Director
A Small	Retired	1 year	Director - appointed 21/9/08

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 \$1,440,615 in the current financial year (2008: \$2,001,485). The last 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 & Golf returned a surplus of \$283,193 of which \$195,342 was generated from clubhouse activities (2008 \$191,323 and \$87,909).

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). Total meetings held during year was 14.

Attendance	H W Mayo	14	R Morris	14
	D Price	12	N Bates	14
	M Skinner	12	J Stein	12
	K Price	14	R Crawford	13
	A Small	13 Note A Small on Board for 13 meetings.		

EMPLOYEES

As at 30 June 2009, the company employed the equivalent of 66 full time staff (2008: 65).

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

19 AUGUST 2009


Director

EAST MAITLAND, NSW 19 AUGUST 2009

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 2009 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.

Pearson Smart Audit

373 HIGH ST 19 AUGUST 2009
MAITLAND, NSW

PEARSON SMART AUDIT

M Matthews

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 balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement 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 2009 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 Report Standards as disclosed in Note 1.

373 HIGH STREET 19 AUGUST 2009
MAITLAND, NSW

Pearson Smart Audit

PEARSON SMART AUDIT

M Matthews

M MATTHEWS (Partner)
REGISTERED COMPANY AUDITOR

East Maitland Bowling Club Limited

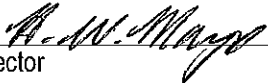
Directors' Declaration

The directors of the company declare that:

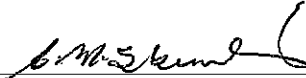
- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including 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 2009.

Signed in accordance with a resolution of the directors.

On behalf of the Board



Director
EAST MAITLAND, NSW 19 AUGUST 2009



Director
EAST MAITLAND, NSW 19 AUGUST 2009

East Maitland Bowling Club Limited

Income Statement for the Financial Year ended 30 June 2009

	Note	2009 \$	2008 \$
Sales revenue	2(a)	13,167,157	12,764,582
Cost of sales	2(c)	(3,641,942)	(3,568,805)
Gross profit		9,525,215	9,195,777
Other income	2(a)	903,252	918,269
Gain/(loss) on disposal of property, plant & equipment	2(b)	26,357	782,211
Employee benefits expense		(3,758,807)	(3,696,627)
Depreciation & amortisation expense	2(c)	(1,525,983)	(1,534,516)
Other bar expense		(109,184)	(86,892)
Other bowls expense		(174,100)	(167,965)
Course expense		(448,776)	(457,989)
Administration expense		(2,997,359)	(2,950,783)
Profit before income tax expense		1,440,615	2,001,485
Income tax expense	1(f)	-	-
Profit from continuing operations	16	1,440,615	2,001,485
Profit attributable to members		1,440,615	2,001,485

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

East Maitland Bowling Club Limited

Balance Sheet as at 30 June 2009

	Note	2009 \$	2008 \$
Current assets			
Cash and cash equivalents	21(a)	6,724,134	5,285,070
Trade and other receivables	5	20,053	27,394
Inventories	6	101,438	116,099
Other	7	315,473	300,722
Total current assets		7,161,098	5,729,285
Non-current assets			
Property, plant and equipment	9	20,409,722	20,424,603
Other financial assets	8	750	750
Total non-current assets		20,410,472	20,425,353
Total assets		27,571,570	26,154,638
Current liabilities			
Trade and other payables	11	963,865	1,037,335
Provisions	13	526,048	497,225
		1,489,913	1,534,560
Total current liabilities		1,489,913	1,534,560
Non-current liabilities			
Provisions	14	83,052	62,088
Total non-current liabilities		83,052	62,088
Total liabilities		1,572,965	1,596,648
Net assets		25,998,605	24,557,990
Equity			
Reserves	15	-	-
Retained earnings	16	25,998,605	24,557,990
Total equity		25,998,605	24,557,990

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 2009

	Retained Earnings	Reserves	Total Equity
	\$	\$	\$
Balance at 1 July 2007	22,556,505	-	22,556,505
Surplus for the year	2,001,485	-	2,001,485
Balance at 30 June 2008	24,557,990	-	24,557,990
Surplus for the year	1,440,615	-	1,440,615
Balance at 30 June 2009	25,998,605	-	25,998,605

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

East Maitland Bowling Club Limited

Cash Flow Statement for the Financial Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		15,024,025	15,050,624
Payments to suppliers and employees		(12,469,386)	(12,509,592)
Interest received		369,170	195,318
Net cash provided by operating activities	21(b)	2,923,809	2,736,350
 Cash flows from investing activities			
Payment for property, plant and equipment		(1,540,472)	(1,169,441)
Proceeds from sale of property, plant and equipment		55,727	942,173
Net cash used in investing activities		(1,484,745)	(227,268)
 Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
 Net increase in cash and cash equivalents		1,439,064	2,509,082
 Cash and cash equivalents at the beginning of the financial year		5,285,070	2,775,988
 Cash and cash equivalents at the end of the financial year	21(a)	6,724,134	5,285,070

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 2009

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 19 August 2009.

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 2009

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 cash flow statement 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 2009

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 2009

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 2009

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 \$1.54 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 2009

1 Summary of accounting policies (cont'd)

(m) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards & Interpretations listed below were issued but not yet effective.

Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the company's financial report:

- | | |
|--|---|
| • AASB 101 'Presentation of Financial Statements' (revised September 2007) | Effective for annual reporting periods beginning on or after 1 January 2009 |
|--|---|

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the company:

- | | |
|--|---|
| • AASB 123 'Borrowing Costs' (revised) | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2008-2 'Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project | Effective for annual reporting periods beginning on or after 1 January 2009 |
| • IFRS 3 'Business Combinations' and IAS 27 'Separate and Consolidated Financial Statements' | Effective for annual reporting periods beginning on or after 1 January 2009 |

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
2 Profit from operations		
(a) Revenue		
Revenue from continuing operations consisted of the following items:		
Revenue from the sale of goods	3,757,725	3,653,947
Revenue from the rendering of services	9,409,432	9,110,635
	13,167,157	12,764,582
Rental revenue:		
Hire, licence & rental income	210,486	197,081
	210,486	197,081
Interest revenue:		
Other entities	364,093	290,485
	364,093	290,485
Other (<i>aggregate of immaterial items</i>)	328,673	430,703
	14,070,409	13,682,851
Attributable to:		
Continuing operations	14,070,409	13,682,851
	14,070,409	13,682,851

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2009

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:

Gain/(loss) on disposal of property, plant and equipment

2009	2008
\$	\$
26,357	782,211
26,357	782,211

(c) Expenses

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

Cost of sales

(3,641,942) (3,568,805)

Depreciation of non-current assets

(1,418,207) (1,455,418)

Amortisation of non-current assets

(107,776) (79,098)

(1,525,983) (1,534,516)

Operating lease rental expenses:

Minimum lease payments

(2,789) (7,397)

(2,789) (7,397)

Transfer (to)from Provisions for:

Employee entitlements

(49,787) (30,798)

(49,787) (30,798)

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2009

3 Key management personnel compensation

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

H Mayo	D Price	R Morris
M Skinner	J Stein	N Bates
K Price	R Crawford	A Small

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

S Duggan
J Scanlon
J Arnall
S Driffield

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

(a) Key management personnel compensation

	2009 \$	2008 \$
Short- term employee benefits	341,445	269,853
Post-employment benefits	30,906	18,702
Other compensation benefits	-	-
	372,351	288,555

4 Remuneration of auditors

Audit of the financial report	22,000	22,000
	22,000	22,000

5 Current trade and other receivables

Trade receivables (i)	20,053	26,787
Insurance claim receivable	-	607
	20,053	27,394

(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 2009

	2009	2008
	\$	\$
6 Current inventories		
Bar	68,660	84,616
Greens/Course	32,778	31,483
	<u>101,438</u>	<u>116,099</u>
7 Other current assets		
Prepayments	315,473	300,722
	<u>315,473</u>	<u>300,722</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;

- 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 2009

9 Property, plant and equipment (cont'd)

	Land, Buildings & Leasehold Improve at cost	Plant, Equipment & Machinery at cost	Poker Machines at cost	Poker Machine Licences at cost	Total
	\$	\$	\$	\$	\$
Gross carrying amount					
Balance at 1 July 2007	20,040,671	4,429,395	3,161,089	515,932	28,147,087
Additions	442,266	289,657	437,518	-	1,169,441
Disposals	(170,583)	(143,697)	(76,001)	-	(390,281)
Balance at 30 June 2008	20,312,354	4,575,355	3,522,606	515,932	28,926,247
Additions	69,434	626,979	378,263	465,796	1,540,472
Disposals	(4,346)	(185,510)	(161,323)	-	(351,179)
Balance at 30 June 2009	20,377,442	5,016,824	3,739,546	981,728	30,115,540

	Land, Buildings & Leasehold Improve 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 2007	1,923,321	2,864,618	2,236,391	126,127	7,150,457
Disposals	(11,500)	(137,537)	(34,292)	-	(183,329)
Depreciation expense	389,007	577,408	516,366	51,735	1,534,516
Balance at 30 June 2008	2,300,828	3,304,489	2,718,465	177,862	8,501,644
Disposals	(4,346)	(158,312)	(159,151)	-	(321,809)
Depreciation expense	409,791	549,443	515,156	51,593	1,525,983
Balance at 30 June 2009	2,706,273	3,695,620	3,074,470	229,455	9,705,818

Net book value					
As at 30 June 2008	18,011,526	1,270,866	804,141	338,070	20,424,603
As at 30 June 2009	17,671,169	1,321,204	665,076	752,273	20,409,722

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2009

10 Assets pledged as security

The Club has an unsued 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

	2009 \$	2008 \$
Trade payables (i)	653,804	719,921
Security deposits held	10,549	11,830
Subscriptions in advance	299,512	305,584
	<u>963,865</u>	<u>1,037,335</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	5,000	5,000
Used at Balance Date	-	-
Unused at Balance Date	<u>505,000</u>	<u>505,000</u>

13 Current provisions

Employee benefits	526,048	497,225
	<u>526,048</u>	<u>497,225</u>

14 Non-current provisions

Employee benefits	83,052	62,088
	<u>83,052</u>	<u>62,088</u>

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
15 Reserves		
Asset revaluation reserve	-	-
	-	-
16 Retained earnings		
Balance at beginning of financial year	24,557,990	22,556,505
Net surplus attributable to members of the parent entity	1,440,615	2,001,485
Balance at end of financial year	25,998,605	24,557,990

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.

18 Leases

Operating leases

Leasing arrangements

The club had rental agreements for ATM's at both operating sites. The agreements ran until November 2008 and April 2009.

Non-cancellable operating lease payments

Not longer than 1 year

-	4,224
-	4,224

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 \$31,499 per annum.

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 2009

21 Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, 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 cash flow statement is reconciled to the related items in the balance sheet as follows:

	2009	2008
	\$	\$
Cash on hand	250,797	264,178
Cash at bank	522,367	619,491
Cash on term deposit	5,950,970	4,401,401
	<u>6,724,134</u>	<u>5,285,070</u>

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

Profit for the period	1,440,615	2,001,485
(Gain)/loss on sale or disposal of non-current assets	(26,357)	(735,222)
Depreciation and amortisation of non-current assets	1,525,983	1,534,516
Provision for employee entitlements	49,787	30,798
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	7,341	208,354
Current inventories	14,661	(19,484)
Other current assets	(14,751)	(40,000)
Increase/(decrease) in liabilities:		
Current payables	(73,470)	(244,097)
Net cash from operating activities	<u>2,923,809</u>	<u>2,736,350</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 2009

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 only incidental 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 2009 and 30 June 2008:

2009	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
Financial assets:				
Cash on hand	0.00	-	250,797	250,797
Cash at bank	0.75	522,367	-	522,367
Term deposits				
Greater Building Society	4.07	3,177,346	-	3,177,346
Maitland Mutual Building Society	4.62	2,773,624	-	2,773,624
		6,473,337	250,797	6,724,134
Financial liabilities:				
Trade payables		-	963,865	963,865
		-	963,865	963,865

2008	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
Financial assets:				
Cash on hand	0.00	-	264,178	264,178
Cash at bank	4.90	619,491	-	619,491
Term deposits				
Greater Building Society	7.98	2,339,421	-	2,339,421
Maitland Mutual Building Society	7.99	2,061,980	-	2,061,980
		5,020,892	264,178	5,285,070
Financial liabilities:				
Trade payables		-	1,037,335	1,037,335
		-	1,037,335	1,037,335

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2009

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	
	2009	2008
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	6,473,337	5,020,892
	6,473,337	5,020,892
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 2008.

	Equity 100bp Increase \$	Profit or loss 100bp Increase \$
30 June 2009		
Assets - Variable rate instruments	57,471	57,471
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	57,471	57,471
30 June 2008		
Assets - Variable rate instruments	37,658	37,658
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	37,658	37,658

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2009

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
Ph number: 4933 7533

Principal place of business

Bank & Tenambit Streets
EAST MAITLAND, NSW
Ph number: 4933 7533

East Maitland Bowling Club Limited

Disclaimer for the Financial Year Ended 30 June 2009

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 2009. 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 *19* day of August 2009.

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 2009

	2209	2008
	\$	\$
Income		
Net Surplus - Bar	1,018,038	961,898
- Gaming	4,874,511	4,714,487
- Bowls	(286,019)	(294,599)
- Golf Course	87,851	103,414
	<u>5,694,381</u>	<u>5,485,200</u>
Cleaning & Hire Fees Received	55,570	51,213
Commissions Received	103,380	95,137
Licence Fees - Gym	35,802	35,802
Licence Fees - Restaurant & Cafe	98,960	91,033
Locker & Cart Storage Rentals	2,190	2,481
Profit on Disposal on Assets	-	-
Raffles	29,785	10,832
Rent - Properties	17,964	16,552
Subscriptions	115,842	117,051
Sundry Income	1,854	1,010
Telephone	3,258	4,024
Wage Subsidies	1,500	1,500
Wedding Packages	28,035	2,383
	<u>6,188,521</u>	<u>5,914,218</u>
Less: Expenses	<u>5,180,478</u>	<u>5,207,871</u>
Net surplus from trading	<u>1,008,043</u>	<u>706,347</u>
Add: Government Grants	28,795	169,841
Insurance Claims	39,684	5,397
Interest Received	364,093	290,485
Profit on Disposal of Land	-	829,415
	<u>432,572</u>	<u>1,295,138</u>
	1,440,615	2,001,485
Less: Borrowing Costs	-	-
Net surplus from ordinary activities	<u>\$ 1,440,615</u>	<u>\$ 2,001,485</u>

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Bar Trading Account for the Financial Year Ended 30 June 2009

		2009	2008
		\$	\$
Income			
Sales		3,757,725	3,653,947
Less: Member discounts		(405,894)	(391,909)
		3,351,831	3,262,038
 Opening Stock		84,616	65,188
Purchases		1,495,110	1,506,511
Freight		21,424	22,221
		1,601,150	1,593,920
Less Closing Stock		68,660	84,616
		1,532,490	1,509,304
 Gross Profit	54.3% (Last Year 53.7%)	1,819,341	1,752,734
 Less Direct Expenses			
Bar Snacks		7,650	8,357
Depreciation		21,473	22,152
Glasses Replaced		10,967	10,761
Repairs & Requisites		49,213	30,561
Stocktake Fees		17,400	17,400
Uniforms		4,223	2,404
Wages	20.0% (Last Year 20.9%)	670,646	681,792
Waste		19,731	17,409
		801,303	790,836
 Net Surplus	30.4% (Last Year 29.5%)	\$ 1,018,038	\$ 961,898

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Gaming Trading Account for the Financial Year Ended 30 June 2009

	2009 \$	2008 \$
Income		
Net Clearances from Machines	7,806,243	7,627,965
Government Tax Subsidy	34,360	34,360
Keno Commission	151,858	120,795
TAB Commission	42,392	33,031
Profit on Disposal of Machines	13,356	19,005
	8,048,209	7,835,156
Less Direct Expenses		
Amortisation Poker Machine Licences	51,593	51,735
Commission Paid - Statewide Link	149,522	144,411
Depreciation	515,156	516,366
DMS Monitoring Fee	73,121	71,404
Loss on Disposal of Machines	528	-
Promotions	237,217	249,915
Provision for Jackpots	23,401	(4,798)
Repairs and Maintenance	68,697	71,160
Poker Machine Duty	1,492,472	1,447,272
Stationery	7,486	7,172
Skychannel Subscription	38,669	34,565
Vasa Fee	18,867	38,400
Wages	496,969	493,067
	3,173,698	3,120,669
Net Surplus	\$ 4,874,511	\$ 4,714,487
Profit to Turnover percentage	60.6%	60.2%
Wages to Turnover percentage	6.2%	6.3%

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Bowls Trading Account for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
Income		
Match & Green Fees	8,989	7,393
Sponsorship & Advertising	19,226	21,794
Bowls Polishing Machine Income	155	247
	<u>28,370</u>	<u>29,434</u>
Less Expenses		
Advertising	1,712	1,005
Big Bowls Challenge	4,531	5,424
Bowls Development Wages	-	15,448
Catering	17,855	19,526
Coaching/Bowls Co-ordinator	39,753	48,658
Greens		
- Maintenance	39,721	35,192
- Wages	100,536	91,962
Pennant Travel & Accommodation	14,354	6,373
Pennant Payments	21,110	23,525
Pennant Shirts & Trousers	2,283	4,514
Replace Bowls Equipment & Sundries	4,045	3,313
Telephone	856	2,265
Travelling & Rep Bowling Expenses	2,079	8,661
Trophies	64,688	56,594
Uniforms	866	1,573
	<u>314,389</u>	<u>324,033</u>
Operating (Subsidy)	<u>\$ (286,019)</u>	<u>\$ (294,599)</u>

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Golf Course Trading Account for the Financial Year Ended 30 June 2009

	2009 \$	2008 \$
Income		
Advertising & Donations	16,998	22,651
Competition Fees	247,611	248,761
Golf Cart Hire	107,445	95,534
Government Wage Subsidy	1,500	-
Green Fees	207,642	211,860
Joining Fees	10,887	12,805
Profit on Disposal	14,544	-
Registration Fees	13,729	15,811
Subscriptions	320,038	302,271
Sundry	492	607
	940,886	910,300
Less Expenses		
Advertising	-	514
Affiliation Fees	26,445	24,844
Amortisation	56,183	27,363
Bank Charges	2,632	2,564
Catering	3,496	4,867
Computer Costs	312	321
Depreciation	44,590	57,824
Electricity	14,097	6,065
Fuel & Oil	16,621	17,314
Golf Cart Depreciation	31,339	23,423
Golf Cart Expenses	29,761	35,299
Insurance	12,024	13,271
Loss on Disposal of Plant	229	-
Payroll Tax	11,484	11,210
Pennant Expenses	8,679	6,740
Printing Costs	6,558	6,308
Professional Commissions & Retainer	104,474	107,098
Provision for Employee Entitlements	24,000	24,000
Rates	25,214	26,120
Repairs & Maintenance	127,313	121,840
Rent	31,499	30,464
Rubbish Removal	1,055	1,249
Sand, Soil & Gravel	8,743	9,066
Subscriptions	1,480	943
Sundry Expenses	993	1,991
Superannuation	19,856	17,970
Telephone	2,064	2,448
Training	3,071	2,005
Trophies & Prizes	25,316	24,087
Uniforms	1,855	1,361
Wages	211,652	198,317
	853,035	806,886
Operating Surplus	\$ 87,851	\$ 103,414

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Schedule of Expenses for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
Administration Wages	545,391	474,700
Advertising	126,733	91,181
Affiliation Fees	16,195	13,700
ATM Rental	2,789	7,397
Audit Fees	22,000	22,000
Bank Charges	6,217	5,294
Bus Hire	19,964	18,273
Cash Collection Expenses	7,298	8,944
Catering & Entertainment		
- General	396,599	387,503
- Housie	29,581	32,083
- Promotions	231,347	229,502
Cleaning		
- Materials & Contractors	160,664	190,145
- Wages	203,214	204,760
Club Supervision Wages	281,437	264,877
Computer DDS Link	4,560	4,560
Consultancy Fees	4,248	7,231
Courtesy Bus	9,004	-
Depreciation	805,649	835,653
Directors Remuneration	43,400	43,300
Donations & Sponsorships	140,035	138,031
Electricity & Gas	374,305	314,631
Float Variances	3,063	1,865
Fringe Benefits Tax	2,247	180
Insurance	193,973	219,964
Legal Fees	6,690	1,625
Loss on Disposal of Assets	786	66,209
Membership Cards	3,829	3,765
Motor Vehicle Costs	5,527	1,423
Payroll Tax	152,504	158,968
Printing & Stationery	59,861	63,409
Rates	70,221	67,434
Repairs & Maintenance		
- General	257,529	297,759
- Catering Equipment	32,695	22,140
Staff Meals & Gifts	12,926	13,485
Subscriptions, Seminars & Training	71,935	99,187
Sundry Expenses	86	1,162
Superannuation	265,925	250,288
Security	303,274	348,023
Software & Support	21,209	17,350
Telephone	34,647	34,214
Travelling Expenses	2,068	1,395
Transfers to Employee Entitlements	245,373	241,420
Uniforms	3,480	2,841
Total Expenses	\$ 5,180,478	\$ 5,207,871

Refer attached audit disclaimer

DONATIONS

Category One:

Bolwarra Public School
Carrie's Place
Catholic Youth Services
Maitland Meals on Wheels
Life Care Maitland
Benhome
St. Vincent De Paul Maitland
Youth off the Streets
Friends of Palliative Care
Maitland Red Cross
Red Cross – Victorian Bushfire Appeal
East Maitland Girl Guides

2nd Thornton Scout Group
State Emergency Services
Munch
Catherine Pre-School
Smith Family
Hunter River Community School
St. Vincent De Paul East Maitland
East Maitland Samaritans
East Maitland Pre-School
Maitland Family Support
Westpac Rescue Helicopter
The Benevolent Society

Category Two:

Tenambit Morpeth Cricket Club
Maitland City Council
Harold Mayo Academic Scholarship
Maitland Veteran Golf Club
Maitland Saints Junior AFL
East Suburbs Cricket Club
East Maitland Swimming Club
Thornton Park Senior Soccer Club
East Maitland Little Athletics Club
Maitland Junior Soccer Club
East Maitland School Boys Rugby League
Maitland Women's Bowls
East Maitland Women's Bowling Club

Maitland Lady Golf Club
East Maitland Bowls Touch Football
Neville Searl Sporting Scholarship
Thornton Little Athletics Club
East Maitland Rugby League
Magpies Maitland Soccer Club
East's Squash Club
Tenambit Soccer Club
Maitland Tenambit BMX Club
Thornton Park Junior Soccer Club
East Maitland Netball
East Social Golf Club
Red Cross – Victorian Bushfire Appeal