

# NOTICE OF ANNUAL GENERAL MEETING

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To be held on Sunday 26<sup>th</sup> September 2010 at 9am in the Club's Scarborough Room.

**Business:**

1. Confirmation of Minutes  
Annual General Meeting held 20<sup>th</sup> September 2009.
2. Business arising from Minutes.
3. To receive Annual Report, Financial Statement, Balance Sheet and Auditors Report as at 30<sup>th</sup> June 2010.
4. Investing Office Bearers for 2010 - 2011.
5. Appointing of Patrons.
6. Notice of motions and special resolutions of which due notice has been given.
7. Approve Director's Honorariums.
8. Recommendations from members.

Steve Duggan  
Chief Executive Officer

## OFFICE BEARERS 2009-2010

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

## SUB-COMMITTEES 2009-2010

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Judiciary:	J. O'REILLY, D. PRICE, M. SKINNER & A. SMALL
Match:	R. CRAWFORD, S. HAWKE, B. JONES A. SMALL & F. ZURAWSKI
Welfare:	R. CRAWFORD, D. PRICE, K. PRICE M. SKINNER & R. SMITH
Hunter District BA Delegates:	R. CRAWFORD, M. SKINNER & A. SMALL
CDSE:	K. PRICE, J. O'REILLY, J. STEIN & F. ZURAWSKI
Greens:	K. PRICE (Golf), M. SKINNER (Bowls)
Golf Course Committee:	C. COUTTS, A. DAY, R. GRABAU, R. MARSH B. MCKENZIE, M. MCPHEE, P. NASH, D. PRICE K. PRICE, B. WALKER & L. WOOTTON
Finance/Development:	T. MAHER, S. MEYN, J. O'REILLY, D. PRICE & J. STEIN
Building:	R. MORRIS, J. O'REILLY, M. SKINNER J. STEIN & F. ZURAWSKI
Energy Saving:	C. COUTTS, B. MCKENZIE, A. SMALL & F. ZURAWSKI
Raffle/House:	R. MORRIS, A. SMALL & J. STEIN
Membership:	A. SMALL & J. STEIN
Publicity/History:	R. ALLEN, PROF. V. EMELJANOW, F. HIGGS J. PALMER, D. PRICE, M. SKINNER, K. SHORT R. SMITH, J. STEIN & F. ZURAWSKI
Golf Course Ladies Committee:	V. BELL, Y. BROWN, D. COUTTS, A. DAY J. ERNST, S. HARGY, J. HINDS, H. KEITH H. MCLAREN, J. PRICE, J. SWANSON & S. THORNTON
Ladies Bowls Committee:	B. BELLAMY, V. CHALLINOR, D. COTTON C. JUPP, P. LLOYD, C. MONTGOMERY L. O'BRIEN, C. OSMOND, A. RAE, R. STEIN R. WATSON & H. YATES

# THE PRESIDENT'S REPORT

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

In what still appears to be a difficult environment in terms of finance and our political governance the Club can be justly proud of a profit of \$1.31 million. This profit is after an expenditure in excess of \$2.5 million on two major projects, namely the refurbishment of the outdoor courtyard and lounge area at the Bowls Club and the updated IT centralised management and promotions systems at both locations.

Our Club has again made substantial donations to schools, charities and sports clubs in our community. The figure of \$161,098 was an increase on last year's donations by \$21,000. This was a great effort and was very well received by all the recipients who were in attendance at a presentation function. Approximately 250 people participated and enjoyed a great night socially.

With great pleasure, management reviewed and extended Jimmy Po's contract for a further 10 years. Jimmy is a very hard working and generous person who plays a very important key role in our success. Congratulations are extended to Jimmy and all his staff for the last 15 years of service and in particular his recent generosity where he entertained some 1200 elderly people for lunch spread over a period of 3 weeks.

We are also very fortunate to have Lucy, Steve and their staff doing an excellent job at the Golf Club. The meals and courtesy extended are really appreciated by our many members and guests.

The services of Shona, Jenny and staff in the Café are also greatly appreciated – in particular, the efforts during the recent Grade 7 playoffs were super.

With regard to all the bowling and golfing activities, these matters are being reported on by others. However, I would like to personally thank all those of you who have participated in either the golf or bowls areas. In particular, I would like to congratulate all members who have helped in any way, irrespective of their particular interest, either individually or as part of a committee, in ensuring the smooth and efficient running of our club sites.

I cannot attempt to personally name all the helpers and volunteers, but please accept my sincerest gratitude to each and everyone of you. Hopefully your names will have been listed elsewhere in this publication as participants in the various committees.

My thanks also go to CEO Steve and all the staff under his control – both inside and outside – for the smooth operation of both the club sites. Your individual efforts and courteous manners are greatly appreciated by all. Well done!

Many thanks are also extended to my fellow Directors for a very successful year. Congratulations on your efforts and dedication throughout the year both as Directors and Committee Members. I would also like to thank those people who were co-opted into some of the committees as their input has been invaluable.

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

Finally and most importantly, I extend my thanks to all members as you are the people that make the Club.

John O'Reilly  
President

# CHIEF EXECUTIVE OFFICER'S REPORT

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It is my pleasure to present my report to members for the year 2009-2010.

The Club's financial report shows a net surplus decrease of \$130,937 when compared with last year. The main reason for the decrease is the significant write off during construction of our outdoor courtyard of existing assets. This write off totalled \$191,551. A closer investigation shows that the Club has had significant growth in all of our trading areas and this has allowed the Club to record a healthy net profit of \$1, 309,678.

This is an excellent result when considering some of the recent economic and political times. Our industry continues to be bombarded with all types of adversaries. Some of the major challenges this year included increased gaming taxation, global financial crisis and more recently the productivity commission's interim report, our uncertain legislative environment and the continuing monitoring of anti-social behaviour by the relevant government agencies. Despite these challenges our Club has reported excellent financial performance highlighting an organisation that is continuing to evolve to meet the ever changing expectations of our members and the wider community. The Club has worked tirelessly over the last 12 months to have open communication with these key organisations to ensure the Club provides a safe environment for our patrons.

The Club has continued to play a major role within the local community. The Club's board has always displayed a strong commitment to the community by providing vital support, both financial and "in kind", to a vast range of community groups. The Club is dedicated to continue and improve these relationships within the community as evidenced by our annual donations.

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

These projects have included

- The recent expansion and renovation of the outdoor courtyard. This project resided in the planning phase for a period of 12 months. The positive feedback from patrons upon its opening in December 2009 confirmed their acceptance of the end result. This brand new area is a great asset to the Club providing members and their guests with comfortable lounges, three LCD televisions and outdoor gaming facilities where smoking is permitted. The room has been recently fitted with both heating and cooling for the appropriate season.
- The reconstruction of the 4<sup>th</sup> green. This project has been recently completed with the Maitland Lady Golfers being the first to test the new playing surface on the 10<sup>th</sup> March. Congratulations to life member Joan Palmer for being first to hit onto the new green.
- The Club honoured two long serving members. The first saw the opening of the 'Eric Hargy Bar' at the Golf Club and the second was the renaming of the Club's previous 'Friendship Lounge' to the 'Harold Mayo Lounge'. Eric was a well known golfing member who served on the committee for numerous years. Harold invested 26 years into the Club, 23 as President. His dedication over those two decades, as well as support from the Board and management, saw the Club prosper into what it is today, covering numerous extensions and the amalgamation with Maitland Golf Club. Ironically, both Harold and Eric were instrumental in the two Club's amalgamating.

On the sporting front, congratulations to all our pennant teams, both bowling and golf for the way in which they conducted themselves this year. In particular a special congratulations to the A grade golfing pennant team who won this year's Bettington Cup. Well done boys!

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

I would like to thank you, the club members, for your continued loyal support and feedback.

Steve Duggan  
Chief Executive Officer

# BOWLS REPORT

**Pennants:** EMBC again entered 8 sides in the HDBA 2010 pennant competition. The club had no success in winning a flag this year which was very disappointing; it has however got many people thinking about ideas for improving future performance at individual, team and club level. EMBC's side numbers, which are the largest in the district and amongst the largest in the state, are sometimes not to our advantage. Strategies are being worked by the Board, Match Committee, Selectors and I to overcome this and ensure our future competitiveness.

**District/Zone Competition:** Our Big Bowls Challenge side performed strongly in a very tight competition and made the playoffs. We had two sides make the semi-finals of the HDBA Fours, one of these beaten on an extra end in the final. J. Mulley and K. Partridge won the HDBA President's Pairs, while two of our sides contested semi finals in the HDBA Senior pairs with B. Fisher and H. Beavis eventual runners-up. B. Brown, M. Wheatley and E. Ryan have won through to the State Triples playoffs at Soldiers' Point in October after taking out the district and zone titles. Club junior, J. Bennett, performed with distinction in the state high schools bowls competition while our Ladies took out the District Fours and Singles titles and were runners-up in both the one and two grade pennants.

Entries in district championships were almost double those of 2009 and compare more than favourably with other clubs. EMBC actually totalled more entries than any other club in the district. Player selections in HDBA and Zone representative sides also more than doubled those of 2009 selections numbers.

**Championships:** Results for 2010 championships are:

Major Singles:	Winner – E Ryan	R/up	- M Evans
Minor Singles:	Winner – A Small	R/up	- J Bennett
Major Pairs	Winner – I Tapper, B Huckstadt	R/up	- R Stewart, T Twining
Minor Pairs:	Winner – J Manton, A Small	R/up	-PWatson, R Hampton
Fours:	Winner – N Ellison, R Stewart, T Twining, M Evans		
	R/up	- G Edmunds, W Allomes, R McLean, K Fullick	

**Tournaments & Events:** The Match Committee introduced a number of format changes to many of our tournaments for 2010 in order to try and maintain interest and entry numbers. This seems to have been successful as feedback from competitors has been positive regards the formats and, on average, per head entry numbers have increased. During in the year the club showcased itself by hosting district, zone, and state events culminating in the co-hosting of the 7 Grade State Pennant playoffs with Maitland City. I was proud of the way our club came together to deliver our visitors a professionally run event with one and all going away praising the warmth and hospitality enjoyed at East Maitland.

**Social Bowls:** On average numbers to most of our games have remained steady or slightly increased. Unfortunately numbers for Friday Mixed and Thursday Twilight have dropped away to where a game could not be run. These competitions will be restarted when the weather warms up and hopefully get some patronage. Changes in format to the Wednesday night social comp were well received and the Match Committee will consider the same format for the upcoming season.

**Coaching:** Our school coaching programme again required a heavy time commitment from our club's coaches delivering upwards of 130 hours of coaching for the year. In Term 3 of 2009 we were hosting 4 schools a week. Through the hard work of Sam Hawke the club has received a number of government grants and along with the support of the club we are working to modernise our sets of loan bowls with appropriate sizes and types for all ages. Outside of the schoolies we have delivered 50 hours plus of coaching to new and existing members.

**Looking Ahead:** As you can see from above, outside of a disappointing pennant result, I believe the club has actually performed very well in 2010 with great work being done in order to lay the foundations for "sustained success" in the future.

Again I have many to thank for their help and support over the past year. The Board and club management for their ongoing support. The Match Committee for their forward thinking and desire to improve and document our processes and procedures. Very special thanks to Richie Crawford who doesn't know how to say no. The professionalism and co-operation of the greenkeepers, any one who rates our greens poorly needs to leave the comfortable cocoon that our spoilt members bowl in and sample the rest of the bowling world. I guarantee you won't find too many better. Thank you to the Ladies bowling Club for their help and co-operation throughout the year. A big thankyou also to all those club volunteers who are there to help when ever asked and demonstrate the East Maitland club spirit at all times.

Rob Smith  
Bowls Co-ordinator

# GOLF CAPTAIN'S REPORT

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I must begin my report this year by congratulating our A Grade on their win in the Bettington Cup this year. The final against Muswellbrook was tense and not decided until the last hole. Our other grades to their credit were competitive in all matches during the season. Our Pennant representatives are to be commended for their competitiveness and sportsmanship when representing Maitland Golf Club and the East's Group throughout the Hunter Valley.

It is pleasing to report that the course has enjoyed a very successful year, recording a healthy profit of \$173,307. A major factor contributing to this result was the noticeable decline in days lost due to wet weather. Management and staff are to be commended for gaining extra sponsorship and keeping expenditure at an acceptable level, especially when costs are always rising. The quality and presentation of the course has been maintained and any playing increases have been kept to an absolute minimum. However, we must not rest on this result, as many clubs throughout the Newcastle and the Hunter Region are struggling financially.

Voluntary labour by our members is an absolute must. These members give their time selflessly throughout the year performing tasks such as: maintaining gardens, watering and generally assisting the staff admirably. Their efforts may go unnoticed by some, but the committee and I appreciated their contribution to our course. A special thank you to member Barry Vercoe for the work carried out on the 3<sup>rd</sup>, 7<sup>th</sup> and 8<sup>th</sup> hole carries. This work will only enhance the course layout.

To Rod Waite and his staff, I thank each of you for your ongoing commitment to our course. The reconstruction and the opening of the 4<sup>th</sup> green caused some angst but with the warmer weather coming the surface and surrounds will improve further. Green keeping can be a thankless job and there are times when decisions should be questioned, however, I ask all to give support to our course staff as they do endeavour each week to present the course in the best possible condition.

Our professional Michael Holden and his staff Vikki Wrigley and Jono Towns, provide an excellent service to our members and visitors every week. I thank them for their assistance with the transition to the new slice golfing program. With our office staff, they persevered when problems arose. The system is not fully functional yet, but with time other elements of the program will be introduced to our members.

The year ahead will be a very interesting one with major changes being implemented to the handicapping and course rating systems. The changes are questionable and debate will continue into the near future. I hope common sense prevails, as the changes are controversial.

On a bright note, the Club welcomes the opportunity to host the Jack Newton Junior Classic. A field of over 200 elite international, interstate and NSW junior players will be here to compete in various age groups. This event will be held from Monday 4<sup>th</sup> October to Friday 8<sup>th</sup> October and is one of the biggest junior golf tournaments in the World.

Sponsorship is vital in the overall financing of the Club, and I am grateful to our sponsors for their continued support of the championships and the other major events throughout the year. Thanks also to you the golfing members who, contribute to our competitions.

Finally, I must thank the match committee Bobby Walker, Steve Yates, Rick Grabau and Bob McKenzie for their commitment each week to ensure the golfing program is run successfully as well as handling member enquiries. I look forward to working with the course committee in the year to come.

Happy golfing in the year ahead.

Rick Marsh  
Golf Captain

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

**ABN: 58 000 960 216**

**ANNUAL FINANCIAL REPORT**  
**Financial Year Ended 30 June 2010**

# East Maitland Bowling Club Limited

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## Annual Financial Report for the Financial Year Ended 30 June 2010

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# East Maitland Bowling Club Limited

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## 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 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

<u>NAME</u>	<u>QUALIFICATIONS</u>	<u>EXPERIENCE</u>	<u>SPECIAL RESPONSIBILITIES</u>
J A O'Reilly	Retired	5 years	President - appointed 20/9/09
H Mayo	Company Director	27 years	President - resigned 20/9/09
D Price	Retired	12 years	Snr Vice President
M Skinner	Retired	11 years	Vice President
R Morris	Retired	12 years	Director
N Bates	Retired	8 years	Director - resigned 20/9/09
J Stein	Retired	5 years	Director
K Price	Retired	4 years	Director
R Crawford	Retired	2 years	Director
A Small	Retired	2 years	Director
F Zurawski	Retired	1 year	Director - appointed 20/9/09

### 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 \$1,309,678 in the current financial year (2009: \$1,440,615).

The segment of the business at Easts Leisure & Golf returned a surplus of \$264,847 of which \$91,609 was generated from clubhouse activities (2009 \$283,193 and \$195,342).

### CHANGES IN THE STATE OF AFFAIRS

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

### SUBSEQUENT EVENTS

There has not been any other matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### FUTURE DEVELOPMENTS

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

### ENVIRONMENTAL ISSUES

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

# East Maitland Bowling Club Limited

## Directors' Report (Continued)

### DIRECTORS' MEETINGS

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

Attendance	J O'Reilly	20/20	Appointed 20/9/09	R Morris	25/25
	H Mayo	3/3	Resigned 20/9/09	K Price	22/22
	D Price	18/25		A Small	20/22
	M Skinner	24/25		J Stein	23/25
	N Bates	3/3	Resigned 20/9/09	R Crawford	21/22
	F Zurawski	19/20	Appointed 20/9/09		

### EMPLOYEES

As at 30 June 2010, the company employed the equivalent of 64 full time staff (2009: 66).

### ADDITIONAL COMPANY INFORMATION

#### *Principal Place of Business*

Bank & Tenambit Streets  
EAST MAITLAND, NSW

#### *Registered Office*

Bank Street  
EAST MAITLAND, NSW

### INDEMNIFICATION OF DIRECTORS' AND INSURANCE PREMIUMS

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

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

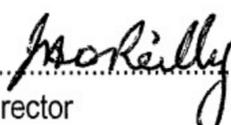
During the financial year the company paid a premium to insure certain officers of the company. The officers of the company are previously listed in this report. The liabilities insured include the cost and expenses that may be incurred in defending civil or criminal proceedings that may be brought against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

### AUDITOR'S INDEPENDENCE DECLARATION

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

Signed in accordance with a resolution of the directors.

On behalf of the Board

  
.....  
Director

EAST MAITLAND, NSW

25 AUGUST 2010

  
.....  
Director

EAST MAITLAND, NSW

25 AUGUST 2010

## East Maitland Bowling Club Limited

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### Auditor's Independence Declaration

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2010 there have been:

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



373 HIGH ST  
MAITLAND, NSW

25 AUGUST 2010

PEARSON SMART AUDIT



M MATTHEWS (Partner)  
REGISTERED COMPANY AUDITOR

# East Maitland Bowling Club Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the accompanying financial report of East Maitland Bowling Club Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

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

### **Auditor's Responsibility**

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

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

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

### **Independence**

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

### **Auditor's Opinion**

In our opinion

(a)

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

373 HIGH STREET  
MAITLAND, NSW

25 AUGUST 2010

*Pearson Smart Audit*

PEARSON SMART AUDIT

*M Matthews*

M MATTHEWS (Partner)  
REGISTERED COMPANY AUDITOR

# East Maitland Bowling Club Limited

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## 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 2010.

Signed in accordance with a resolution of the directors.

On behalf of the Board

  
Director  
EAST MAITLAND, NSW 25 AUGUST 2010

  
Director  
EAST MAITLAND, NSW 25 AUGUST 2010

## East Maitland Bowling Club Limited

### Statement of Comprehensive Income for the Financial Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Sales revenue	2(a)	13,706,542	13,167,157
Cost of sales	2(c)	(3,799,948)	(3,641,942)
<b>Gross profit</b>		<b>9,906,594</b>	<b>9,525,215</b>
Other income	2(a)	838,458	903,252
Gain/(loss) on disposal of property, plant & equipment	2(b)	(155,723)	26,357
Employee benefits expense		(3,860,936)	(3,758,807)
Depreciation & amortisation expense	2(c)	(1,537,188)	(1,525,983)
Other bar expense		(82,157)	(109,184)
Other bowls expense		(168,626)	(174,100)
Course expense		(522,664)	(448,776)
Administration expense		(3,108,080)	(2,997,359)
<b>Profit before income tax expense</b>		<b>1,309,678</b>	<b>1,440,615</b>
Income tax expense	1(f)	-	-
<b>Profit from continuing operations</b>	16	<b>1,309,678</b>	<b>1,440,615</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>1,309,678</b>	<b>1,440,615</b>

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

## East Maitland Bowling Club Limited

### Statement of Financial Position as at 30 June 2010

	Note	2010 \$	2009 \$
<b>Current assets</b>			
Cash and cash equivalents	21(a)	7,044,303	6,724,134
Trade and other receivables	5	44,848	20,053
Inventories	6	113,111	101,438
Other	7	319,029	315,473
<b>Total current assets</b>		<b>7,521,291</b>	<b>7,161,098</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	22,511,459	20,409,722
Other financial assets	8	750	750
<b>Total non-current assets</b>		<b>22,512,209</b>	<b>20,410,472</b>
<b>Total assets</b>		<b>30,033,500</b>	<b>27,571,570</b>
<b>Current liabilities</b>			
Trade and other payables	11	2,035,507	963,865
Provisions	13	606,469	526,048
<b>Total current liabilities</b>		<b>2,641,976</b>	<b>1,489,913</b>
<b>Non-current liabilities</b>			
Provisions	14	83,241	83,052
<b>Total non-current liabilities</b>		<b>83,241</b>	<b>83,052</b>
<b>Total liabilities</b>		<b>2,725,217</b>	<b>1,572,965</b>
<b>Net assets</b>		<b>27,308,283</b>	<b>25,998,605</b>
<b>Equity</b>			
Reserves	15	-	-
Retained earnings	16	27,308,283	25,998,605
<b>Total equity</b>		<b>27,308,283</b>	<b>25,998,605</b>

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

## East Maitland Bowling Club Limited

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### Statement of Changes in Equity for the Financial Year Ended 30 June 2010

	<u>Retained Earnings</u>	<u>Reserves</u>	<u>Total Equity</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at 1 July 2008	<u>24,557,990</u>	<u>-</u>	<u>24,557,990</u>
Total comprehensive income for the year	<u>1,440,615</u>	<u>-</u>	<u>1,440,615</u>
Balance at 30 June 2009	<u>25,998,605</u>	<u>-</u>	<u>25,998,605</u>
Total comprehensive income for the year	<u>1,309,678</u>	<u>-</u>	<u>1,309,678</u>
Balance at 30 June 2010	<u>27,308,283</u>	<u>-</u>	<u>27,308,283</u>

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

## East Maitland Bowling Club Limited

### Statement of Cash Flows for the Financial Year Ended 30 June 2010

	Note	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		15,601,068	15,024,025
Payments to suppliers and employees		(11,781,272)	(12,469,386)
Interest received		295,021	369,170
Net cash provided by operating activities	21(b)	4,114,817	2,923,809
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(3,888,248)	(1,540,472)
Proceeds from sale of property, plant and equipment		93,600	55,727
Net cash used in investing activities		(3,794,648)	(1,484,745)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
<b>Net increase in cash and cash equivalents</b>		320,169	1,439,064
<b>Cash and cash equivalents at the beginning of the financial year</b>		6,724,134	5,285,070
<b>Cash and cash equivalents at the end of the financial year</b>	21(a)	7,044,303	6,724,134

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

# East Maitland Bowling Club Limited

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## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 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 25 August 2010.

#### 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

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## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 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

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## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 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

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## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 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

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## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 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 \$3.89 million.

The company is not subject to externally imposed capital requirements.

# East Maitland Bowling Club Limited

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## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 1 Summary of accounting policies (cont'd)

(m) New Accounting Standards for Application in Future Periods

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

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

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

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

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

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

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

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

## East Maitland Bowling Club Limited

### Notes to the Financial Statements For the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>2 Profit from operations</b>		
<b>(a) Revenue</b>		
Revenue from continuing operations consisted of the following items:		
Revenue from the sale of goods	3,933,184	3,757,725
Revenue from the rendering of services	9,773,358	9,409,432
	13,706,542	13,167,157
Rental revenue:		
Hire, licence & rental income	204,320	210,486
	204,320	210,486
Interest revenue:		
Other entities	290,231	364,093
	290,231	364,093
Other ( <i>aggregate of immaterial items</i> )	343,907	328,673
	14,545,000	14,070,409
Attributable to:		
Continuing operations	14,545,000	14,070,409
	14,545,000	14,070,409

# East Maitland Bowling Club Limited

## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>2 Profit from operations (cont'd)</b>		
<b>(b) Profit before income tax</b>		
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	(155,723)	26,357
	(155,723)	26,357
<b>(c) Expenses</b>		
Profit before income tax has been arrived at after charging the following expenses:		
Cost of sales	(3,799,948)	(3,641,942)
Depreciation of non-current assets	(1,374,362)	(1,418,207)
Amortisation of non-current assets	(162,826)	(107,776)
	(1,537,188)	(1,525,983)
Operating lease rental expenses:		
Minimum lease payments	(31,103)	(2,789)
	(31,103)	(2,789)
Transfer (to)from Provisions for:		
Employee entitlements	(80,610)	(49,787)
	(80,610)	(49,787)

# East Maitland Bowling Club Limited

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## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 3 Key management personnel compensation

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

J O'Reilly	D Price	R Morris
M Skinner	J Stein	F Zurawski
K Price	R Crawford	A Small
H Mayo	N Bates	

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

	2010	2009
	\$	\$
Short- term employee benefits	309,517	341,445
Post-employment benefits	27,857	30,906
Other compensation benefits	-	-
	337,374	372,351

### 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)	38,211	20,053
Other receivables	6,637	-
	44,848	20,053

(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 2010

	2010	2009
	\$	\$
<b>6 Current inventories</b>		
Bar	81,238	68,660
Greens/Course	31,873	32,778
	<u>113,111</u>	<u>101,438</u>
<b>7 Other current assets</b>		
Prepayments	319,029	315,473
	<u>319,029</u>	<u>315,473</u>
<b>8 Non-current other financial assets</b>		
ILG (Distribution) Co-operative Ltd	250	250
ILG (Suppliers) Co-operative Ltd	500	500
	<u>750</u>	<u>750</u>

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

### 9 Property, plant and equipment

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

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

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

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

The following properties are the core properties of the club;

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

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

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

## East Maitland Bowling Club Limited

### Notes to the Financial Statements For the Financial Year Ended 30 June 2010

#### 9 Property, plant and equipment (cont'd)

	Land, Buildings & Leasehold Improvement at cost	Plant, Equipment & Machinery at cost	Poker Machines at cost	Poker Machine Licences at cost	Total
	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>					
<b>Balance at 1 July 2008</b>	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)
<b>Balance at 30 June 2009</b>	<b>20,377,442</b>	<b>5,016,824</b>	<b>3,739,546</b>	<b>981,728</b>	<b>30,115,540</b>
Additions	1,339,207	1,932,787	616,254	-	3,888,248
Disposals	(178,449)	(731,614)	(248,435)	-	(1,158,498)
<b>Balance at 30 June 2010</b>	<b>21,538,200</b>	<b>6,217,997</b>	<b>4,107,365</b>	<b>981,728</b>	<b>32,845,290</b>
<b>Accumulated depreciation/ amortisation and impairment</b>					
<b>Balance at 1 July 2008</b>	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
<b>Balance at 30 June 2009</b>	<b>2,706,273</b>	<b>3,695,620</b>	<b>3,074,470</b>	<b>229,455</b>	<b>9,705,818</b>
Disposals	(43,356)	(619,027)	(246,792)	-	(909,175)
Depreciation expense	432,893	484,593	521,529	98,173	1,537,188
<b>Balance at 30 June 2010</b>	<b>3,095,810</b>	<b>3,561,186</b>	<b>3,349,207</b>	<b>327,628</b>	<b>10,333,831</b>
<b>Net book value</b>					
As at 30 June 2009	17,671,169	1,321,204	665,076	752,273	20,409,722
As at 30 June 2010	18,442,390	2,656,811	758,158	654,100	22,511,459

# East Maitland Bowling Club Limited

## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 10 Assets pledged as security

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

	2010 \$	2009 \$
<b>11 Current trade and other payables</b>		
Trade payables (i)	1,748,685	653,804
Security deposits held	15,523	10,549
Subscriptions in advance	271,299	299,512
	2,035,507	963,865

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

### 12 Borrowings

#### Financing Arrangements

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

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

### 13 Current provisions

Employee benefits	606,469	526,048
	606,469	526,048

### 14 Non-current provisions

Employee benefits	83,241	83,052
	83,241	83,052

# East Maitland Bowling Club Limited

## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>15 Reserves</b>		
Asset revaluation reserve	-	-
	-	-
<b>16 Retained earnings</b>		
Balance at beginning of financial year	25,998,605	24,557,990
Net surplus attributable to members of the parent entity	1,309,678	1,440,615
Balance at end of financial year	27,308,283	25,998,605

### 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 (2009: \$5,000).

### 18 Leases

#### Operating leases

##### Leasing arrangements

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

##### Non-cancellable operating lease payments

Not longer than 1 year	48,360	-
1 to 2 years	48,360	-
2 to 5 years	17,960	-
	114,680	-

#### Capital Commitments

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

#### Perpetual Lease

The Club has a perpetual lease on land occupied by the golf course with the Department of Lands. The annual rental on this land at present is \$32,328 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 2010

### 21 Notes to the cash flow statement

#### (a) Reconciliation of cash and cash equivalents

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

	2010	2009
	\$	\$
Cash on hand	255,242	250,797
Cash at bank	1,100,534	522,367
Cash on term deposit	5,688,527	5,950,970
	7,044,303	6,724,134

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

Profit for the period	1,309,678	1,440,615
(Gain)/loss on sale or disposal of non-current assets	155,723	(26,357)
Depreciation and amortisation of non-current assets	1,537,188	1,525,983
Provision for employee entitlements	80,610	49,787
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	(24,795)	7,341
Current inventories	(11,673)	14,661
Other current assets	(3,556)	(14,751)
Increase/(decrease) in liabilities:		
Current payables	1,071,642	(73,470)
Net cash from operating activities	4,114,817	2,923,809

### 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 2010

### 22 Financial instruments (Cont'd)

#### (b) Interest rate risk management

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

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

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

#### Maturity profile of financial instruments

The following tables detail the company's exposure to interest rate risk as at 30 June 2010 and 30 June 2009:

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

2009	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
<b>Financial assets:</b>				
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
<b>Financial liabilities:</b>				
Trade payables		-	963,865	963,865
		-	963,865	963,865

# East Maitland Bowling Club Limited

## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 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	
	2010	2009
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	6,789,061	6,473,337
	6,789,061	6,473,337
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 2009.

	Equity 100bp Increase \$	Profit or loss 100bp Increase \$
<b>30 June 2010</b>		
Assets - Variable rate instruments	66,312	66,312
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	66,312	66,312
<b>30 June 2009</b>		
Assets - Variable rate instruments	57,471	57,471
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	57,471	57,471

# East Maitland Bowling Club Limited

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## Notes to the Financial Statements For the Financial Year Ended 30 June 2010

### 22 Financial instruments (Cont'd)

#### (c) Credit risk management

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

#### (d) Liquidity risk management

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

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

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

#### (e) Market risk

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

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

### 23 Capital

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

### 24 Additional company information

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

#### Registered office

Bank Street  
EAST MAITLAND, NSW  
Phone: 4933 7533

#### Principal place of business

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

## East Maitland Bowling Club Limited

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### Disclaimer for the Financial Year Ended 30 June 2010

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 2010. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

DATED at MAITLAND, NSW this 25<sup>th</sup> day of August 2010.



PEARSON SMART AUDIT



M MATTHEWS (Partner)

REGISTERED COMPANY AUDITOR

## East Maitland Bowling Club Limited

### Income & Expenditure Statement for the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>Income</b>		
Net Surplus - Bar	1,106,290	1,018,038
- Gaming	5,011,649	4,874,511
- Bowls	(270,379)	(294,234)
- Golf Course	173,307	89,451
	6,020,867	5,687,766
Cleaning & Hire Fees Received	59,896	55,570
Commissions Received	116,789	103,380
Donations Received	5,000	-
Licence Fees - Gym	9,594	35,802
Licence Fees - Restaurant & Cafe	103,600	98,960
Locker Rentals	754	590
Profit on Disposal on Assets	-	-
Raffles	15,580	29,785
Rent - Properties	17,635	17,964
Subscriptions	106,378	107,862
Sundry Income	2,567	1,854
Telephone	2,641	3,258
Wage Subsidies	-	1,500
Wedding Packages	42,126	28,035
	6,503,427	6,172,326
Less: Expenses	5,550,652	5,164,283
<b>Net surplus from trading</b>	952,775	1,008,043
Add: Government Grants & Training Subsidies	19,500	28,795
Insurance Claims	47,172	39,684
Interest Received	290,231	364,093
	356,903	432,572
<b>Net surplus from ordinary activities</b>	\$ 1,309,678	\$ 1,440,615

Refer attached audit disclaimer

## East Maitland Bowling Club Limited

### Bar Trading Account for the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>Income</b>		
Sales	3,933,184	3,757,725
Less: Member discounts	(421,629)	(405,894)
	3,511,555	3,351,831
Opening Stock	68,660	84,616
Purchases	1,601,061	1,495,110
Freight	21,715	21,424
	1,691,436	1,601,150
Less Closing Stock	81,238	68,660
	1,610,198	1,532,490
<b>Gross Profit</b>	54.1% (Last Year 54.3%)	1,901,357
		1,819,341
<b>Less Direct Expenses</b>		
Bar Snacks		6,617
Depreciation		21,526
Glasses Replaced		11,825
Repairs & Requisites		30,038
Stocktake Fees		17,400
Uniforms		4,302
Wages	19.7% (Last Year 20.0%)	691,384
Waste		11,975
		795,067
		801,303
<b>Net Surplus</b>	31.5% (Last Year 30.4%)	\$ 1,106,290
		\$1,018,038

Refer attached audit disclaimer

## East Maitland Bowling Club Limited

### Gaming Trading Account for the Financial Year Ended 30 June 2010

	2010 \$	2009 \$
<b>Income</b>		
Net Clearances from Machines	8,051,429	7,806,243
Government Tax Subsidy	34,360	34,360
Keno Commission	157,603	151,858
TAB Commission	30,273	42,392
Profit on Disposal of Machines	40,607	13,356
	8,314,272	8,048,209
<b>Less Direct Expenses</b>		
Amortisation Poker Machine Licences	98,173	51,593
Commission Paid - Statewide Link	129,938	149,522
Depreciation	521,529	515,156
DMS Monitoring Fee	81,539	73,121
Loss on Disposal of Machines	-	528
Operating Rentals Machines	30,400	-
Promotions	245,798	237,217
Provision for Jackpots	(3,051)	23,401
Repairs and Maintenance	82,189	68,697
Poker Machine Duty	1,562,909	1,492,472
Stationery	13,844	7,486
Skychannel Subscription	42,584	38,669
Vasa Fee	3,600	18,867
Wages	493,171	496,969
	3,302,623	3,173,698
<b>Net Surplus</b>	\$ 5,011,649	\$ 4,874,511
Profit to Turnover percentage	60.3%	60.6%
Wages to Turnover percentage	5.9%	6.2%

Refer attached audit disclaimer

## East Maitland Bowling Club Limited

### Bowls Trading Account for the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>Income</b>		
Match & Green Fees	10,432	8,989
Member Subscriptions	9,500	7,980
Sponsorship & Advertising	19,574	19,226
Bowls Polishing Machine Income	117	155
	39,623	36,350
 <b>Less Expenses</b>		
Advertising	1,630	1,712
Affiliation Fees	18,269	16,195
Big Bowls Challenge	4,248	4,531
Catering	20,605	17,855
Coaching/Bowls Co-ordinator	48,689	39,753
Greens		
- Maintenance	38,971	39,721
- Wages	92,687	100,536
Pennant Travel & Accommodation	3,293	14,354
Pennant Payments	17,849	21,110
Pennant Shirts & Trousers	2,266	2,283
Replace Bowls Equipment & Sundries	2,980	4,045
Telephone	996	856
Travelling & Rep Bowling Expenses	1,936	2,079
Trophies	55,187	64,688
Uniforms	396	866
	310,002	330,584
 <b>Operating (Subsidy)</b>	\$ (270,379)	\$ (294,234)

Refer attached audit disclaimer

## East Maitland Bowling Club Limited

### Golf Course Trading Account for the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>Income</b>		
Advertising & Donations	21,063	16,998
Competition Fees	294,104	247,611
Golf Cart Hire	125,193	107,445
Golf Cart Storage Rentals	12,841	1,600
Government Wage Subsidy	-	1,500
Green Fees	241,927	207,642
Joining Fees	8,586	10,887
Profit on Disposal	3,636	14,544
Registration Fees	17,599	13,729
Subscriptions	334,166	320,038
Sundry	2,526	492
	1,061,641	942,486
<b>Less Expenses</b>		
Advertising	221	-
Affiliation Fees	30,700	26,445
Amortisation	64,653	56,183
Bank Charges	2,171	2,632
Catering	4,458	3,496
Computer Costs	1,038	312
Consultancy Fees	1,950	-
Depreciation	35,382	44,590
Electricity	25,254	14,097
Fuel & Oil	14,653	16,621
Golf Cart Depreciation	37,064	31,339
Golf Cart Expenses	34,696	29,761
Insurance	11,719	12,024
Legal Fees	1,757	-
Loss on Disposal of Plant	8,415	229
Payroll Tax	12,400	11,484
Pennant Expenses	6,341	8,679
Printing Costs	5,765	6,558
Professional Commissions & Retainer	44,710	40,598
Provision for Employee Entitlements	24,000	24,000
Rates	30,600	25,214
Repairs & Maintenance	122,211	127,313
Rent	32,328	31,499
Rubbish Removal	1,259	1,055
Sand, Soil & Gravel	10,172	8,743
Security Cart Sheds	866	-
Subscriptions	1,089	1,480
Sundry Expenses	644	993
Superannuation	18,949	19,856
Telephone	1,410	2,064
Training	5,101	3,071
Trophies , Ball Comps & Prizes	89,167	89,192
Uniforms	2,620	1,855
Wages	204,571	211,652
	888,334	853,035
<b>Operating Surplus</b>	\$ 173,307	\$ 89,451

Refer attached audit disclaimer

## East Maitland Bowling Club Limited

### Schedule of Expenses for the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
Administration Wages	587,631	545,391
Advertising	69,484	126,733
ATM Rental	703	2,789
Audit Fees	22,000	22,000
Bank Charges	6,311	6,217
Bus Hire	-	19,964
Cash Collection Expenses	10,812	7,298
Catering & Entertainment		
- General	394,554	396,599
- Housie	27,644	29,581
- Promotions	264,713	231,347
Cleaning		
- Materials & Contractors	169,396	160,664
- Wages	196,751	203,214
Club Supervision Wages	288,656	281,437
Computer Link	7,540	4,560
Consultancy Fees	2,873	4,248
Courtesy Bus	67,743	9,004
Depreciation	748,978	805,649
Directors Remuneration	43,300	43,400
Donations & Sponsorships	161,098	140,035
Electricity & Gas	418,476	374,305
Float Variances	1,294	3,063
Fringe Benefits Tax	3,928	2,247
Insurance	207,304	193,973
Legal Fees	9,850	6,690
Loss on Disposal of Assets	191,551	786
Membership Cards	5,303	3,829
Motor Vehicle Costs	7,438	5,527
Payroll Tax	154,988	152,504
Printing & Stationery	67,095	59,861
Rates	69,622	70,221
Repairs & Maintenance		
- General	299,180	257,529
- Catering Equipment	25,079	32,695
Staff Meals & Gifts	15,174	12,926
Subscriptions, Seminars & Training	107,099	71,935
Sundry Expenses	695	86
Superannuation	272,806	265,925
Security	310,249	303,274
Software & Support	27,604	21,209
Telephone	34,318	34,647
Travelling Expenses	2,294	2,068
Transfers to Employee Entitlements	245,253	245,373
Uniforms	3,865	3,480
<b>Total Expenses</b>	<b>\$ 5,550,652</b>	<b>\$ 5,164,283</b>

Refer attached audit disclaimer

# DONATIONS

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## Category One:

Maitland MS Support Group	Salvation Army
St. Vincent De Paul – East Maitland	St. Vincent De Paul – Maitland
Carries Place	East Maitland Samaritans
MUNCH Uniting Church	Benhome – Maitland Benevolent Society
King Street Community Pre-School East Maitland	Incorporated.
East Maitland Girl Guides	East Maitland Pre-School
East Maitland Samaritans	Friends of Palliative Care
Hunter River Community School	Maitland District Red Cross
Maitland Community Care Service – Meals on Wheels.	
State Emergency Services	The Smith Family
Youth off the Streets – Father Riley	Morpeth Men's Shed
Hunter Domestic Violence Support Services	Greenhills Nursing Home
Chisholm Pastoral Region	Maitland PCYC
The Mai-Wel Group	Maitland Christian School
Nicholas trust	Camp Quality
Maitland Cadet Division St. John Ambulance Australia.	
Hunter Community Benevolent Trust	Maitland Family Support Scheme
Life Care Maitland	Alzheimer's Australia

## Category Two:

East's Squash Club	Maitland City Tennis Club
Maitland City Council	Maitland Senior Soccer Club
Maitland High School	All Saints College
Maitland Lady Golfers	East Maitland Women's Bowling Club
Harold Mayo Academic Scholarship	Neville Searl Sporting Scholarship
Tenambit Morpeth Cricket Club	Tenambit Soccer Club
Bolwarra Public School	East Maitland Amateur Swimming Club
East Maitland Little Athletics	East Maitland Netball
East Maitland Public School	East Maitland Rugby League
East Maitland School Boys Rugby League	Eastern Suburbs Cricket Club
East's Social Golf Club	Maitland Racing Pigeon Club
Maitland Grossman High School	Maitland Hockey Association
Maitland Junior Soccer Club	Maitland Saints Junior AFL
Maitland Tenambit BMX Club	Maitland Veteran Golfers
Maitland Women's Bowling Club	Metford Junior Soccer Club
Metford Public School	Morpeth Public School
St. Josephs Primary School	Tenambit Public School
Thornton Little Athletics	Thornton Park Junior Soccer Club
Thornton Park Senior Soccer Club	East Maitland Travelling Bowlers
Morpeth Bulls School Boys Rugby League	Maitland Historical Society
Woodberry Public School	Maitland Zone PSSA