

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

ABN: 58 000 960 216

Annual Financial Report for the
Financial Year Ended 30 June 2016

East Maitland Bowling Club Limited

Annual Financial Report for the Financial Year Ended 30 June 2016

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East Maitland Bowling Club Limited

Directors' Report

The directors of East Maitland Bowling Club Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

<u>NAME</u>	<u>QUALIFICATIONS</u>	<u>EXPERIENCE</u>	<u>SPECIAL RESPONSIBILITIES</u>	
W Hopkins OAM	Retired	6 years	President	
R Crawford	Retired	5 years	Snr Vice President	
A Small	Retired	8 years	Jnr Vice President	
K Price	Retired	10 years	Director	
C Coutts	Retired	6 years	Director	
R McKenzie	Retired	6 years	Director	
W Johnstone	Retired	3 years	Director	
G Hogbin	Retired	2 years	Director	
B Smith	Retired	2 months	Director Appointed	28/06/2016
N Lane	Construction Coordinator	7 years	Director Resigned	28/06/2016

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 \$918,533 in the current financial year (2015: \$728,577).

The segment of the business at Easts Leisure & Golf returned a surplus of \$215,358 which included a surplus of \$162,820 that was generated from clubhouse activities (2015 a surplus of \$20,172 and a deficit \$22,528).

CHANGES IN THE STATE OF AFFAIRS

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

SUBSEQUENT EVENTS

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

FUTURE DEVELOPMENTS

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

ENVIRONMENTAL ISSUES

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

East Maitland Bowling Club Limited

Directors' Report (Continued)

DIRECTORS' MEETINGS

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

Attendance	W Hopkins	32*32	N Lane	21*29
	W Johnstone	23*24	A Small	27*27
	R Crawford	28*28	K Price	22*25
	C Coutts	29*29	R McKenzie	24*25
	G Hogbin	32*34		

EMPLOYEES

As at 30 June 2016, the company employed the equivalent of 63 full time staff (2015: 62).

ADDITIONAL COMPANY INFORMATION

Principal Place of Business

Bank & Tenambit Streets
EAST MAITLAND, NSW

Registered Office

Bank Street
EAST MAITLAND, NSW

INDEMNIFICATION OF DIRECTORS' AND INSURANCE PREMIUMS

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

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

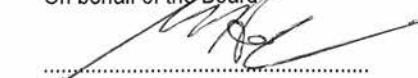
During the financial year the company paid a premium to insure certain officers of the company. The officers of the company are previously listed in this report. The liabilities insured include the cost and expenses that may be incurred in defending civil or criminal proceedings that may be brought against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

AUDITOR'S INDEPENDENCE DECLARATION

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

Signed in accordance with a resolution of the directors.

On behalf of the Board


.....
Director

EAST MAITLAND, NSW

23

AUGUST 2016


.....
Director

EAST MAITLAND, NSW

23

AUGUST 2016

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 2016 there have been:

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



373 HIGH ST 23 AUGUST 2016
MAITLAND, NSW

PEARSON SMART AUDIT



M MATTHEWS (Partner)
REGISTERED COMPANY AUDITOR

East Maitland Bowling Club Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the accompanying financial report of East Maitland Bowling Club Limited, which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion

(a)

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b)

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

**373 HIGH STREET
MAITLAND, NSW**

23 AUGUST 2016

PEARSON SMART AUDIT



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

East Maitland Bowling Club Limited

Directors' Declaration

The directors of the company declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian accounting standards and giving a true and fair view of the financial position and performance of the company for the year ended 30 June 2016.

Signed in accordance with a resolution of the directors.

On behalf of the Board



Director
EAST MAITLAND, NSW
23 AUGUST 2016



Director
EAST MAITLAND, NSW
23 AUGUST 2016

East Maitland Bowling Club Limited

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Sales revenue	2(a)	16,093,039	15,711,699
Cost of sales	2(c)	(4,449,336)	(4,350,237)
Gross profit		11,643,703	11,361,462
Other income	2(a)	1,572,657	1,085,428
Gain/(loss) on disposal of property, plant & equipment	2(b)	4,859	29,014
Employee benefits expense		(4,498,580)	(4,454,894)
Depreciation & amortisation expense	2(c)	(2,310,571)	(2,307,958)
Other bar expense		(106,945)	(106,216)
Other bowls expense		(220,939)	(254,750)
Course expense		(900,715)	(479,937)
Administration expense		(4,264,936)	(4,143,572)
Profit before income tax expense		918,533	728,577
Income tax expense	1(f)	-	-
Profit from continuing operations	15	918,533	728,577
Other comprehensive income		-	-
Total comprehensive income		918,533	728,577

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 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	20(a)	9,449,642	8,892,723
Trade and other receivables	5	52,263	234,530
Inventories	6	146,197	146,080
Other	7	333,831	318,043
Total current assets		<u>9,981,933</u>	<u>9,591,376</u>
Non-current assets			
Other financial assets	8	750	750
Property, plant and equipment	9	25,786,665	24,993,037
Investment property	10	1,876,361	2,016,395
Total non-current assets		<u>27,663,776</u>	<u>27,010,182</u>
Total assets		<u>37,645,709</u>	<u>36,601,558</u>
Current liabilities			
Trade and other payables	11	1,513,233	1,464,012
Provisions	13	946,246	840,787
Total current liabilities		<u>2,459,479</u>	<u>2,304,799</u>
Non-current liabilities			
Provisions	14	96,529	125,591
Total non-current liabilities		<u>96,529</u>	<u>125,591</u>
Total liabilities		<u>2,556,008</u>	<u>2,430,390</u>
Net assets		<u>35,089,701</u>	<u>34,171,168</u>
Equity			
Retained earnings	15	35,089,701	34,171,168
Total equity		<u>35,089,701</u>	<u>34,171,168</u>

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

East Maitland Bowling Club Limited

Statement of Changes in Equity for the Financial Year Ended 30 June 2016

	Retained Earnings	Reserves	Total Equity
	\$	\$	\$
Balance at 1 July 2014	33,442,591	-	33,442,591
Profit for the year	728,577	-	728,577
Balance at 30 June 2015	34,171,168	-	34,171,168
Profit for the year	918,533	-	918,533
Balance at 30 June 2016	35,089,701	-	35,089,701

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 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers, insurers and other parties		19,232,328	17,901,846
Payments to suppliers and employees		(15,937,746)	(15,029,713)
Interest received		221,643	310,666
Net cash provided by operating activities	20(b)	3,516,225	3,182,799
 Cash flows from investing activities			
Payment for property, plant and equipment		(3,101,629)	(5,013,501)
Proceeds from sale of property, plant and equipment		142,323	57,530
Net cash used in investing activities		(2,959,306)	(4,955,971)
 Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
 Net increase in cash and cash equivalents		556,919	(1,773,172)
 Cash and cash equivalents at the beginning of the financial year		8,892,723	10,665,895
 Cash and cash equivalents at the end of the financial year	20(a)	9,449,642	8,892,723

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 2016

1 Summary of accounting policies

Statement of compliance

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

The financial statements were authorised for issue by the directors on the 23rd August 2016.

Basis of preparation

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

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

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

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

(a) Borrowings

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

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

(b) Cash and cash equivalents

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

(c) Employee benefits

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

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

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

1 Summary of accounting policies (cont'd)

(d) Goods and services tax

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

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

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Impairment of assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

1 Summary of accounting policies (cont'd)

(f) Income tax

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

(g) Inventories

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

(h) Payables

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

(i) Property, plant and equipment

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

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

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

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

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

1 Summary of accounting policies (cont'd)

(j) Provisions

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

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

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

(k) Revenue recognition

Sale of goods

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

Rendering of Services

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

Interest Revenue

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

(l) Financial Risk Management

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

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

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

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

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

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

1 Summary of accounting policies (cont'd)

Capital Management

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

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

There were no changes in the company's approach to capital management during the year, although a number of new fixed asset additions were purchased during the year by cash, with a value of approximately \$3.1 million.

The company is not subject to externally imposed capital requirements.

(m) New Accounting Standards for application in future periods

A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current year end. The effect of these new Accounting Standards are not known at this stage and the Company does not plan to adopt any of these pronouncements before their effective dates.

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

2 Profit from operations

(a) Revenue

Revenue from continuing operations consisted of the following items:

	2016 \$	2015 \$
Revenue from the sale of goods	4,022,009	4,198,773
Revenue from the rendering of services	12,071,030	11,512,926
	16,093,039	15,711,699
Rental revenue:		
Hire, licence & rental income	216,750	241,553
	216,750	241,553
Interest revenue:		
Other entities	201,681	292,191
	201,681	292,191
Other (<i>aggregate of immaterial items and insurance claims</i>)	1,154,226	551,684
	17,665,696	16,797,127
Attributable to:		
Continuing operations	17,665,696	16,797,127
	17,665,696	16,797,127

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

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

2016	2015
\$	\$
4,859	29,014
4,859	29,014

Gains attributable to:

Continuing operations

135,556	55,209
---------	--------

Losses attributable to:

Continuing operations

(130,697)	(26,195)
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4,859	29,014
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(c) Expenses

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

Cost of sales

(4,449,336)	(4,350,237)
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Depreciation of non-current assets

(2,138,201)	(2,135,320)
-------------	-------------

Amortisation of non-current assets

(172,370)	(172,638)
-----------	-----------

(2,310,571)	(2,307,958)
-------------	-------------

Operating lease rental expenses:

Minimum lease payments

(41,190)	(65,244)
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(41,190)	(65,244)
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Transfer (to)/from Provisions for:

Employee entitlements

(76,397)	(44,601)
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(76,397)	(44,601)
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East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

3 Key management personnel compensation

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

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

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

S Duggan	Z Davis
J Scanlon	S Driffield

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

(a) Key management personnel compensation

	2016 \$	2015 \$
Short-term employee benefits	492,229	457,275
Post-employment benefits	46,762	43,441
	538,991	500,716

4 Remuneration of auditors

Audit of the financial report	23,220	23,220
	23,220	23,220

5 Current trade and other receivables

Trade receivables (i)	52,263	64,490
Other receivables	-	170,040
	52,263	234,530

(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 2016

	2016 \$	2015 \$
6 Current inventories		
Bar	117,783	116,793
Greens/Course	28,414	29,287
	<u>146,197</u>	<u>146,080</u>
7 Other current assets		
Prepayments	333,831	318,043
	<u>333,831</u>	<u>318,043</u>
8 Non-current other financial assets		
ILG (Distribution) Co-operative Ltd	250	250
ILG (Suppliers) Co-operative Ltd	500	500
	<u>750</u>	<u>750</u>

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

9 Property, plant and equipment

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

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

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

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

The following properties are the core properties of the club:

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

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

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

9 Property, plant and equipment (cont'd)

	Land, Buildings & Leasehold Improvement at cost	Plant, Equipment & Machinery at cost	Poker Machines at cost	Poker Machine Licences at cost	Total
	\$	\$	\$	\$	\$
Gross carrying amount					
Balance at 1 July 2014	23,728,532	6,952,434	4,663,049	1,090,169	36,434,184
Additions	3,202,794	1,277,501	493,379	36,310	5,009,984
Disposals	(187,350)	(846,592)	(271,975)	-	(1,305,917)
Balance at 30 June 2015	26,743,976	7,383,343	4,884,453	1,126,479	40,138,251
Additions	1,392,866	708,983	999,780	-	3,101,629
Disposals	-	(310,017)	(649,477)	-	(959,494)
Balance at 30 June 2016	28,136,842	7,782,309	5,234,756	1,126,479	42,280,386

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

Accumulated depreciation/ amortisation and impairment

Balance at 1 July 2014	4,503,353	5,342,073	3,594,614	692,164	14,132,204
Disposals	(174,804)	(831,855)	(270,744)	-	(1,277,403)
Depreciation expense	633,438	859,197	707,264	90,514	2,290,413
Balance at 30 June 2015	4,961,987	5,369,415	4,031,134	782,678	15,145,214
Disposals	-	(301,166)	(645,602)	-	(946,768)
Depreciation expense	778,956	728,372	699,655	88,292	2,295,275
Balance at 30 June 2016	5,740,943	5,796,621	4,085,187	870,970	16,493,721
Net book value					
As at 30 June 2015	21,781,989	2,013,928	853,319	343,801	24,993,037
As at 30 June 2016	22,395,899	1,985,688	1,149,569	255,509	25,786,665

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

10 Investment Property

	\$
Gross carrying amount	
Balance at 1 July 2014	2,091,284
Additions	3,514
Disposals	-
Balance at 30 June 2015	2,094,798
Additions	-
Disposals	(150,031)
Balance at 30 June 2016	1,944,767
Accumulated depreciation/ amortisation and impairment	
Depreciation expense	
Balance at 1 July 2014	60,858
Disposals	-
Depreciation expense	17,545
Balance at 30 June 2015	78,403
Disposals	(25,293)
Depreciation expense	15,296
Balance at 30 June 2016	68,406
Net book value	
As at 30 June 2015	2,016,395
As at 30 June 2016	1,876,361

Lessor Commitments

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

	2016 \$	2015 \$
11 Current trade and other payables		
Trade payables (i)	1,231,738	1,222,935
Security deposits held	9,750	6,450
Subscriptions in advance	271,745	234,627
	<u>1,513,233</u>	<u>1,464,012</u>

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

12 Borrowings

Financing Arrangements

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

Total Facilities - Bank Overdraft	500,000	500,000
- Credit Cards	10,000	10,000
Used at Balance Date	-	-
Unused at Balance Date	<u>510,000</u>	<u>510,000</u>

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

13 Current provisions

Employee benefits	946,246	840,787
	<u>946,246</u>	<u>840,787</u>

14 Non-current provisions

Employee benefits	96,529	125,591
	<u>96,529</u>	<u>125,591</u>

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

15 Retained earnings

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

2016	2015
\$	\$
34,171,168	33,442,591
918,533	728,577
35,089,701	34,171,168

16 Contingent liabilities

A bank guarantee has been lodged with the Commonwealth Bank of Australia as security for monies held for TAB operations conducted at both sites of the club. The guarantee is for \$10,000 (2015: \$10,000).

17 Leases

Operating leases

Leasing arrangements

The club has rental agreement for poker machines at bowling site. The agreement runs until September 2016. A photocopier agreement will run until April 2021.

Non-cancellable operating lease payments

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

2016	2015
\$	
15,288	41,430
9,540	10,123
26,235	-
51,063	51,553

Capital Commitments

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

The club has a capital commitment to purchase poker machine entitlements from Maitland Ex-Servicemen's Bowling Club Ltd(in liquidation). The commitment totals \$201,663 incl GST.

Perpetual Lease

The Club has a perpetual lease on land occupied by the golf course with the Department of Lands. The annual rental on this land at present is \$37,705 per annum. This lease has not been reflected in the table above due to it being in perpetuity.

18 Segment information

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

19 Related party disclosures

Key management personnel compensation

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

20 Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

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

	2016 \$	2015 \$
Cash on hand	318,800	288,500
Cash at bank	2,198,871	1,175,256
Cash on term deposit	6,931,971	7,428,967
	<u>9,449,642</u>	<u>8,892,723</u>

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

Profit for the period	918,533	728,577
(Gain)/loss on sale or disposal of non-current assets	(4,859)	(29,014)
Depreciation and amortisation of non-current assets	2,310,571	2,307,958
Provision for employee entitlements	76,397	44,601
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	182,267	(161,309)
Current inventories	(117)	(117)
Other current assets	(15,788)	35,741
Increase/(decrease) in liabilities:		
Current payables	49,221	256,362
Net cash from operating activities	<u>3,516,225</u>	<u>3,182,799</u>

21 Financial instruments

(a) Significant accounting policies

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

21 Financial instruments (Cont'd)

(b) Interest rate risk management

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

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

Maturity profile of financial instruments

The following tables detail the company's exposure to interest rate risk as at 30 June 2016 and 30 June 2015:

2016	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
Financial assets:				
Cash on hand	0.00	-	318,800	318,800
Cash at bank	0.25	2,198,871	-	2,198,871
Term deposits				
- Commonwealth Bank of Australia	2.40	228,425	-	228,425
- Greater Building Society	2.69	2,911,006	-	2,911,006
- Maitland Mutual Building Society	2.80	3,792,540	-	3,792,540
		9,130,842	318,800	9,449,642
Financial liabilities:				
Trade payables		-	1,513,233	1,513,233
		-	1,513,233	1,513,233

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

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

21 Financial instruments (Cont'd)

Interest rate risk

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

	Club carrying amount	
	2016	2015
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	9,130,842	8,604,223
	9,130,842	8,604,223
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 2015.

	Equity 100bp Increase \$	Profit or loss 100bp Increase \$
30 June 2016		
Assets - Variable rate instruments	88,675	88,675
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	88,675	88,675
30 June 2015		
Assets - Variable rate instruments	94,908	94,908
Liabilities - Variable rate instruments	-	-
Cash flow sensitivity (net)	94,908	94,908

East Maitland Bowling Club Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2016

21 Financial instruments (Cont'd)

(c) Credit risk management

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

(d) Liquidity risk management

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

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

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

(e) Market risk

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

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

22 Capital

The company is limited by guarantee and there is no issued capital. The memorandum and articles of the club prohibit any distribution of profits or property to members. In the event of winding up, each member can be called upon to contribute \$20 to cover winding up costs.

23 Additional company information

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

Registered office

Bank Street
EAST MAITLAND, NSW
Phone: 4933 7533

Principal place of business

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

East Maitland Bowling Club Limited

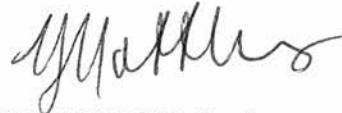
Disclaimer for the Financial Year Ended 30 June 2016

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 2016. 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 23 day of August 2016.



PEARSON SMART AUDIT



M MATTHEWS (Partner)

REGISTERED COMPANY AUDITOR

East Maitland Bowling Club Limited

Income & Expenditure Statement for the Financial Year Ended 30 June 2016

	2016	2015
	\$	\$
Income		
Net Surplus - Bar	1,030,552	1,098,829
- Gaming	6,451,805	5,925,699
- Bowls	(359,904)	(414,785)
- Golf Course	52,538	42,700
- Gym	(52,387)	(43,385)
	7,122,604	6,609,058
 Cleaning & Hire Fees Received	47,775	50,303
Commissions Received	203,367	198,455
Formal Packages	3,367	5,372
Licence Fees - Restaurant & Cafe	121,800	113,050
Locker Rentals	382	663
Profit on Disposal of Plant	33,471	-
Raffles	(34,453)	(30,632)
Rent - Properties	27,548	58,292
Subscriptions	145,909	143,419
Sundry Income	5,003	4,987
Telephone	650	847
Wedding Packages & Expo	31,400	42,318
	7,708,823	7,196,132
Less: Expenses	7,200,036	6,908,942
Net surplus from trading	508,787	287,190
 Add:		
Insurance Claims	208,065	149,196
Interest Received	201,681	292,191
	409,746	441,387
 Net surplus from ordinary activities	\$ 918,533	\$ 728,577

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Bar Trading Account for the Financial Year Ended 30 June 2016

		2016 \$	2015 \$
Income			
Sales		4,022,009	4,198,773
Less: Member discounts		(425,061)	(447,632)
		<u>3,596,948</u>	<u>3,751,141</u>
Opening Stock		116,793	111,612
Purchases		1,593,811	1,663,148
Freight		19,172	21,922
		<u>1,729,776</u>	<u>1,796,682</u>
Less Closing Stock		117,783	116,793
		<u>1,611,993</u>	<u>1,679,889</u>
Gross Profit	55.2% (Last Year 55.2%)	<u>1,984,955</u>	<u>2,071,252</u>
Less Direct Expenses			
Bar Snacks		5,442	6,324
Depreciation		27,488	13,672
Glass Recycling		8,340	8,340
Glasses Replaced		10,326	7,769
Licence Fee		11,020	11,000
Repairs & Requisites		50,944	50,255
Stocktake Fees		17,400	17,400
Uniforms		3,473	5,128
Wages	22.3% (Last Year 22.3%)	802,038	836,322
Waste		17,932	16,213
		<u>954,403</u>	<u>972,423</u>
Net Surplus	28.7% (Last Year 29.3%)	<u>\$ 1,030,552</u>	<u>\$ 1,098,829</u>

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Gaming Trading Account for the Financial Year Ended 30 June 2016

	2016 \$	2015 \$
Income		
Net Clearances from Machines	10,268,789	9,648,077
Government Tax Subsidy	34,360	34,360
Commission - Keno	167,054	144,324
- TAB	42,867	39,217
Profit on Disposal of Machines	101,285	55,209
Sundry - Sale of Poker Machine Wedges	3,100	1,000
	10,617,455	9,922,187
 Less Direct Expenses		
Amortisation Poker Machine Licences	88,292	90,514
Commission Paid - Statewide Link	79,943	111,957
Depreciation	699,655	707,264
DMS Monitoring Fee	102,845	98,733
Operating Rentals Machines	30,930	54,744
Promotions	308,209	311,717
Provision for Jackpots	44,684	1,220
Provision for Unclaimed Payout Tickets	1,372	(1,891)
Repairs and Maintenance	182,564	171,339
Poker Machine Duty	2,020,046	1,857,365
Stationery & Electronic Form	20,118	12,634
Sky Channel Subscription	46,632	50,639
Wages	540,360	530,253
	4,165,650	3,996,488
 Net Surplus	\$ 6,451,805	\$ 5,925,699
 Profit to Turnover percentage	60.8%	59.7%
Wages to Turnover percentage	5.1%	5.3%

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Bowls Trading Account for the Financial Year Ended 30 June 2016

	2016 \$	2015 \$
Income		
Match & Entry Fees	14,687	13,823
Member Subscriptions	20,340	19,420
Sponsorship & Advertising	18,488	15,905
	53,515	49,148
Less Expenses		
Advertising	2,237	2,638
Affiliation Fees	21,990	21,074
Big Bowls Challenge	6,633	6,295
Catering	24,052	20,339
Greens Maintenance	33,349	55,469
Pennant Travel & Accommodation	15,073	23,679
Pennant Payments	36,870	33,476
Pennant Uniforms	1,868	14,213
Replace Bowls Equipment, Entry Fees & Sundries	7,747	5,493
Telephone	993	1,955
Travelling & Rep Bowling Expenses	8,293	7,216
Trophies & Prizes	58,835	62,181
Uniforms	894	722
Wages	194,585	209,183
	413,419	463,933
Operating (Subsidy)	\$ (359,904)	\$ (414,785)

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Golf Course Trading Account for the Financial Year Ended 30 June 2016

	2016 \$	2015 \$
Income		
Advertising & Donations	30,812	20,891
Competition Fees	269,495	256,235
Golf Cart Hire	128,354	124,266
Golf Cart Storage Rentals	19,245	19,245
Government Fuel Rebate	3,431	3,378
Government Wage Subsidy	-	1,500
Green Fees	227,452	216,915
Insurance Claims	533,432	68,139
Pro Am Income	-	10,977
Profit on Disposal Plant	800	-
Registration Fees	15,655	14,354
Subscriptions	344,473	375,580
Sundry	962	273
	<u>1,574,111</u>	<u>1,111,753</u>
Less Expenses		
Administration	29,719	34,110
Advertising	1,200	1,105
Affiliation Fees	33,600	36,483
Amortisation	84,078	82,124
Bank Charges	6,218	4,450
Catering	8,530	3,394
Course Promotions	7,818	-
Depreciation	27,196	29,673
Electricity	16,217	19,840
Employees Health & Safety	1,897	731
Fuel & Oil	14,945	21,362
Golf Cart Depreciation	33,243	58,467
Golf Cart Expenses	36,627	33,653
Insurance	25,200	24,780
Legal Fees	2,503	-
Loss on Disposal of Plant	-	3,412
Motor Vehicle Costs	4,129	44
Payroll Tax	16,937	17,480
Pennant Expenses	10,349	10,932
Printing Costs	5,307	4,069
Professional Commissions & Retainer	51,182	49,662
Provision for Employee Entitlements	30,000	24,000
Rates	35,075	34,209
Repairs & Maintenance - General	117,896	105,758
Repairs & Maintenance - Storm Damage	438,300	-
Rent	37,705	37,272
Rubbish Removal	2,588	2,284
Sand, Soil & Gravel	6,689	4,886
Security Cart Sheds	834	838
Subscriptions	2,765	2,665
Sundry Expenses	2,174	1,869
Superannuation	30,551	30,921
Telephone	2,728	1,949
Training	1,583	391
Trophies, Ball Comps & Prizes	88,624	99,492
Uniforms	2,393	3,034
Wages	304,773	283,714
	<u>1,521,573</u>	<u>1,069,053</u>
Operating Surplus	<u>\$ 52,538</u>	<u>\$ 42,700</u>

Refer attached audit disclaimer

East Maitland Bowling Club Limited

Gym Trading Account for the Financial Year Ended 30 June 2016

	2016 \$	2015 \$
Income		
Membership Fees	60,605	72,945
	<u>60,605</u>	<u>72,945</u>
Less Expenses		
Advertising	258	329
Bank Charges	1,758	1,516
Cleaning Costs	5,523	9,001
Computer Software Support	1,200	-
Depreciation	8,226	8,205
Promotions	-	125
Repairs & Maintenance	963	2,651
Subscriptions & Memberships	660	660
Superannuation	7,924	7,692
Telephone	644	557
Uniforms	647	225
Wages	85,189	85,369
	<u>112,992</u>	<u>116,330</u>
Operating (Subsidy)	<u>\$ (52,387)</u>	<u>\$ (43,385)</u>

East Maitland Bowling Club Limited

Schedule of Expenses for the Financial Year Ended 30 June 2016

	2016 \$	2015 \$
Administration Wages	658,393	665,866
Advertising	56,350	64,077
Audit Fees	23,220	23,220
Bad Debts Written Off	77,809	-
Bank Charges	5,160	6,283
Cash Collection Expenses	8,591	7,857
Catering & Entertainment		
- General	391,741	403,806
- Housie	29,521	29,864
- Promotions	454,399	458,831
Cleaning Materials & Contractors	397,415	393,190
Club Supervision Wages	340,182	333,967
Computer Link	9,612	9,620
Consultancy Fees	43,938	110,670
Courtesy Bus	122,733	117,887
Depreciation	1,322,599	1,306,160
Directors Remuneration	55,000	53,158
Donations & Sponsorships	254,161	232,438
Electricity & Gas	438,768	502,955
Float Variances	1,238	812
Fringe Benefits Tax	5,190	5,124
Insurance	238,487	257,583
Land Tax	7,642	8,386
Legal Fees	24,613	202
Loss on Disposal of Assets	130,697	22,783
Membership Cards	5,904	4,478
Motor Vehicle Costs	8,525	8,429
Operating Rental - Photocopier	10,260	10,500
Payroll Tax	175,089	171,096
Printing & Stationery	79,457	86,043
Rates	95,476	97,385
Repairs & Maintenance		
- General	366,865	259,033
- Catering Equipment	51,874	48,801
- Storm Damage	32,967	-
Staff Meals & Gifts	26,773	23,897
Subscriptions, Seminars & Training	82,301	72,650
Sundry Expenses	2,550	186
Superannuation	320,745	310,352
Security & Reception Costs	435,779	421,892
Software & Support	43,110	29,261
Telephone	34,419	32,742
Travelling Expenses	1,849	1,033
Transfers to Employee Entitlements	325,684	311,534
Uniforms	2,950	4,891
Total Expenses	\$ 7,200,036	\$ 6,908,942

Refer attached audit disclaimer