

Engadine
Bowling Club



FINANCIAL STATEMENT
Year ending 30th June 2017

DIRECTORS' REPORT

Directors

The following have been in office for the financial year and attended the recorded board meetings.

Director	Position	Total No. of Board Meetings attended	Total No of Board Meetings held whilst in office
Alan Westwood	Chairman	12	12
David Farquhar	Deputy Chairman	10	12
Monika Dimock	Director	9	12
Ann Clive	Director	8	12
David Clive	Director	11	12
John Martin	Director	11	12
John Leahy	Director	12	12
Bruce Turpin	Director	9	12
Chris Lang	Director	10	12

Information on Directors

Alan Westwood	Retired Accountant, Current Chairman of the Club, Member of the Board for 19 years.
David Farquhar	Retired, Current Deputy Chairman of the Club, Member of the Board for 7 years.
Monika Dimock	Retired, Director, Member of the board for 5 years.
David Clive	Retired, Director, Member of the board for 7 years.
John Martin	Retired, Director, Member of the board for 5 years.
Ann Clive	Retired, Director, Member of the board for 3 years.
John Leahy	Retired, Director, Member of the board for 1 year.
Chris Lang	Retired, Director, Member of the board for 2 years.
Bruce Turpin	Administration Manager, Director, Member of the board for 7 years.

Principal Activities

The principal activities of the company during the financial year were:

Licensed Bowling Club

No significant changes in the nature of these activities occurred during the year

Objectives

Our objectives over the next twelve months will not change and are as follow:-

Short Term

- To increase membership of the club
- To maintain service to members
- To improve profitability of the club
- To improve cash flow of the club

Long Term

- To improve members' facilities by planned renovations
- To establish a strong financial base
- To find alternative sources of income

Performance Measurement

The company uses industry accepted financial and non- financial KPI's to monitor performance

Membership

The number of members registered in the Register of Members as at 30 June 2017 was as follows:

Bowling Members	314
Social Members	8545
Life Members	9
Junior	<u>1</u>
	8869

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes To contribute an amount limited to \$10.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. Based on the member number of 8089 the total members' liability would be \$80,890.00

Current and Other Assets

Before the Statements of Financial Position and Financial Performance were made out the Directors took reasonable steps to ascertain whether any assets were unlikely to realise, in the ordinary course of business, their value as shown in the accounting records of the company. Where the book value of any of these assets was in excess of such reasonable value it was either written down to an amount which might be expected to realise or adequate provision made for excess.

At the date of this report the Directors are not aware of any circumstances which would render the values attributed to current assets in the accounting misleading.

Adoption of Australian Equivalents to International Financial Reports Standards

As a result of the introduction of Australian Equivalents to International Financial Reporting Standards the company's financial report has been prepared in accordance with these standards. Adjustments arising from the transition are included in the notes to accounts

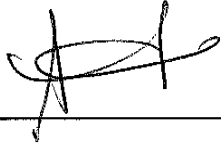
Auditors Independence Declaration

As required under Section 307C of the Corporations Act 2001, the Auditor's independence Declaration has been received and is included in the notes to the accounts.

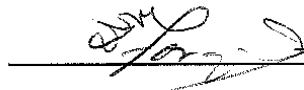
Directors' Benefits

Since the end of the previous financial year, no director of the company has received or has become entitled to receive a benefit by reason of a contract made by the company or a related corporation with him or a firm of which he is a member or with a company in which he has a substantial financial interest.

Signed in accordance with a resolution of the directors
this Twenty Sixth day of July 2017



Director

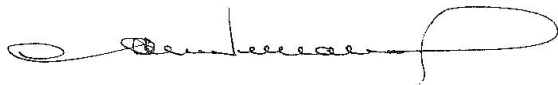


Director

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of Section 307C of the Corporations Act 2001, as lead auditor of Engadine Bowling & Recreation Club Limited for the year ended 30 June, 2017, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the Auditor Independence Requirements of the Corporations Act 2001 in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'A B Williams', with a large, stylized flourish at the end.

A B WILLIAMS
Registered Company Auditor

24th July, 2017

ENGADINE BOWLING AND RECREATION CLUB LIMITED
 CONCISE FINANCIAL REPORT
 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2017

A.B.N. 96 744 536 639

CURRENT ASSETS	<u>2017</u>	<u>2016</u>
Inventories	64,118	52,294
Cash at Bank	166,943	92,179
Cash on Hand	95,000	85,000
Investments	381,887	343,261
Others	6,289	9,718
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TOTAL CURRENT ASSETS	714,237	582,452
NON-CURRENT ASSETS		
Property	9,356,703	9,299,339
Clubhouse Equipment	1,386,807	1,360,574
Bowling Green Equipment	33,611	36,623
Motor Vehicle	--	--
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TOTAL NON-CURRENT ASSETS	10,777,121	10,696,536
TOTAL ASSETS	11,491,358	11,278,988
CURRENT LIABILITIES		
Trade Creditors and Accrued Charges	355,704	267,815
Provisions	95,073	88,296
Secured Creditors	294,444	346,729
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TOTAL CURRENT LIABILITIES	745,221	702,840
NON-CURRENT LIABILITIES		
Secured Creditors	2,284,665	2,552,281
TOTAL NON-CURRENT LIABILITIES	<hr/>	<hr/>
TOTAL LIABILITIES	3,029,886	3,255,121
NET ASSETS	8,461,472	8,023,867
MEMBERS EQUITY		
Retained Profits	8,026,600	7,588,995
Reserves	434,872	434,872
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TOTAL EQUITY	8,461,472	8,023,867

ENGADINE BOWLING AND RECREATION CLUB LIMITED
 CONCISE FINANCIAL REPORT
 STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 30 JUNE, 2017

A.B.N. 96 744 536 639

	<u>2017</u>	<u>2016</u>
REVENUE FROM ORDINARY ACTIVITIES:		
Poker Machine Clearances	2,185,746	2,224,302
Bar Sales	2,168,765	2,044,225
TAB and Keno Commissions	72,299	78,156
Members Subscriptions	62,127	60,061
Courtesy Bus Contributions	13,561	12,662
Function Room Income	37,885	38,568
Greens Fees	77,596	83,824
State Government GST Expenditure Offset	17,180	17,180
Bistro Rental	88,228	82,061
Other Income	153,756	179,617
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TOTAL REVENUE	4,877,143	4,820,656
TRADING AND OTHER OPERATING EXPENSES:		
Poker Machine expenses	484,031	590,615
Cost of Goods Sold	926,531	879,050
Other Bar expenses	69,862	91,394
Administration and Overhead expenses	2,860,688	2,614,656
Interest on Loan Facilities	98,426	90,375
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TOTAL EXPENSES	4,439,538	4,266,090
PROFIT/LOSS FROM ORDINARY ACTIVITIES	437,605	554,566

ENGADINE BOWLING AND RECREATION CLUB LIMITED
 CONCISE FINANCIAL REPORT
 STATEMENT OF CASH FLOWS

A.B.N. 96 744 536 639

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and visitors	4,545,680	4,463,642
Payments to suppliers and employees	(4,064,988)	(4,116,185)
Other operating income	<u>331,463</u>	<u>357,014</u>
Net Cash provided by (used in) Operating Activities	812,155	704,471
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Furniture & Clubhouse Equipment	(22,757)	(317,618)
Purchase of Poker Machines	(224,711)	(128,030)
Purchase of Greens Equipment	(1,520)	(5,822)
Expenditure on Clubhouse Renovations	<u>(57,364)</u>	<u>(593,305)</u>
Net Cash provided by (used in) Investing Activities	<u>(306,352)</u>	<u>(1,044,775)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additional Hire Purchase Facilities	--	302,871
Repayment of Loan and Hire Purchase Facilities	(392,413)	(408,216)
Additional Loan - Commonwealth Bank	<u>--</u>	<u>500,000</u>
Net Cash provided by (used in) Financing Activities	(392,413)	394,655
NET (DECREASE)/INCREASE IN CASH HELD	113,390	54,351
CASH HELD AT 30 JUNE, 2016	<u>435,440</u>	<u>381,089</u>
CASH HELD AT 30 JUNE, 2017	<u><u>548,830</u></u>	<u><u>435,440</u></u>
RECONCILIATION OF CASH HELD:		
Cash at Bank	166,943	92,179
Investments	<u>381,887</u>	<u>343,261</u>
	<u><u>548,830</u></u>	<u><u>435,440</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are a general purpose financial report that have been prepared in accordance with applicable accounting standards and other mandatory professional reporting requirements and the Corporations Act 2001.

The accounts have been prepared under the historical cost convention and therefore do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies adopted are consistent with those applied in the previous year except as otherwise indicated.

NON-CURRENT ASSETS:

The club's land and buildings have been included in the accounts at a valuation made on the completion of the clubhouse in September, 1995 with renovations and other acquisitions recorded at cost. Items of Plant and Equipment are depreciated so as to write off their cost over the useful life.

PROVISIONS FOR HOLIDAY PAY, SICK PAY AND LONG SERVICE LEAVE:

Charges have been made against profits to provide for accrued leave in accordance with employees entitlements under relevant statutes and awards.

INCOME TAX:

No Income Tax has been provided for in the accounts as the income of the club is exempt under Division 50 of the Income Tax Assessment Act.

		<u>2017</u>	<u>2016</u>
NOTE 1	INVENTORIES		
	Bar Stocks as certified by the Club's computerised records at cost or realisable value	64,118	52,294
NOTE 2	CASH AT BANK		
	Commonwealth Bank of Australia, Engadine	166,943	92,179
NOTE 3	INVESTMENTS		
	Commonwealth Bank of Australia, Engadine	381,887	343,261
NOTE 4	OTHER CURRENT ASSETS		
	Prepaid Expenditure & Other Debtors	6,289	9,718

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017 (Continued)

		<u>2017</u>	<u>2016</u>
NOTE 5	PROPERTY		
	Land & Buildings:		
	61-63 Cambrai Avenue at Valuation and Additions at Cost	5,378,173	5,378,173
	Renovations at Cost to Date	<u>3,978,530</u>	<u>3,921,166</u>
		9,356,703	9,299,339
NOTE 6	CLUBHOUSE EQUIPMENT		
	Furniture and Fixtures at Cost	4,703,199	4,429,498
	Less Accumulated Depreciation	<u>3,316,392</u>	<u>3,068,924</u>
		1,386,807	1,360,574
NOTE 7	BOWLING GREENS EQUIPMENT		
	Lighting, Machinery and Equipment at Cost	221,443	219,923
	Less Accumulated Depreciation	<u>187,832</u>	<u>183,300</u>
		33,611	36,623
NOTE 8	MOTOR VEHICLE		
	Motor Vehicle at Cost	55,354	55,354
	Less Accumulated Depreciation	<u>55,354</u>	<u>55,354</u>
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NOTE 9	TRADE CREDITORS AND ACCRUED CHARGES		
	Trade Creditors	146,448	83,972
	Accrued Charges	55,972	39,557
	Members Subscriptions in Advance	83,312	73,860
	GST Accrued June Quarter	<u>69,972</u>	<u>70,426</u>
		355,704	267,815
NOTE 10	PROVISIONS		
	Accrued Holiday and Sick Pay and Long Service Leave	95,073	88,296

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017 (Continued)

	<u>2017</u>	<u>2016</u>
NOTE 11	SECURED CREDITORS	
	Commonwealth Bank of Australia	
	Loan Repayments to be effected over a period of one year	
	87,000	60,000
	Hire Purchase repayments to be effected over a period of one year	
	<u>207,444</u>	<u>286,729</u>
	294,444	346,729
NOTE 12	NON-CURRENT LIABILITIES	
	Commonwealth Bank of Australia	
	Fully Drawn Loan Facilities:	
	Better Business Bill Facility	
	2,138,409	2,225,409
	Hire Purchase Facilities	
	<u>146,256</u>	<u>326,872</u>
	2,284,665	2,552,281
	Loans secured by Real Property and Equitable Mortgages and subject to revision by the Bank during the tenure of the loan.	
NOTE 13	RETAINED PROFITS	
	Accumulated Profits at Beginning of Year	
	7,588,995	7,034,429
	Add: Profit/(Loss) for Current Year	
	<u>437,605</u>	<u>554,566</u>
	8,026,600	7,588,995

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017 (Continued)

		<u>2017</u>	<u>2016</u>
NOTE 14	RESERVES		
	Assets Revaluation Reserve at Beginning of Year	434,872	434,872
NOTE 15	WAGES		
	Administration	75,089	70,785
	Bar	389,269	367,138
	Bingo	4,814	4,736
	Bowls Manager	68,672	23,400
	Cellar	33,554	41,000
	Competitions	6,829	6,491
	Courtesy Bus	32,956	27,494
	Front Desk	128,327	120,614
	Functions	29,532	14,413
	Gaming Promotions	47,648	4,226
	Greens	152,610	127,302
	Managerial	250,055	265,208
	Marketing	778	1,702
	Staff Training	23,206	15,130
	Work Health Safety	339	2,103
		<hr/> 1,243,678	<hr/> 1,091,742
NOTE 16	AUDITOR'S REMUNERATION		
	For auditing the accounts of the club	12,000	12,000
NOTE 17	CONTRACTUAL LIABILITIES:		
	Leasing and Hire Purchase Agreements exist in connection with Poker Machines and other acquisitions extending into future accounting periods.		

DETAILED POKER MACHINE TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2017

	<u>2017</u>	<u>2016</u>
Poker Machine Clearances	2,185,746	2,224,302
Less Expenditure:		
Community Development Expenditure	19,601	23,130
Data Monitoring Services and Link Contributions	31,493	30,608
Leasing and Rental Charges	22,695	83,502
Maintenance	39,175	46,004
Poker Machine Duty	331,272	342,701
Poker Machine Promotions	15,735	36,541
System Support Services	<u>24,060</u>	<u>28,129</u>
NET PROFIT	1,701,715	1,633,687

DETAILED BAR TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2017

Sales	2,168,765	2,044,225
Less Cost of Sales:		
Opening Inventory	52,294	49,343
Purchases	<u>938,355</u>	<u>882,001</u>
	990,649	931,344
Closing Inventory	<u>64,118</u>	<u>52,294</u>
	926,531	879,050
GROSS PROFIT	1,242,234	1,165,175
Less Expenditure:		
Counter Snacks	8,744	11,736
Free Drinks	5,185	12,271
Maintenance	22,335	22,370
Promotions	<u>33,598</u>	<u>45,017</u>
Total Expenditure	69,862	91,394
NET PROFIT	1,172,372	1,073,781

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2017

		<u>2017</u>	<u>2016</u>
Poker Machine Surplus		1,701,715	1,633,687
Bar Trading Surplus		1,172,372	1,073,781
Other Income:			
Green Fees		77,596	83,824
Competitions		(16,930)	(8,926)
Courtesy Bus Contributions		13,561	12,662
Bistro Rental		88,228	82,061
Subscriptions		62,127	60,061
Keno Commission		47,112	53,513
TAB Commission		25,187	24,643
Function Room Income		37,885	38,568
State Government GST Expenditure Offset		17,180	17,180
Sundry Income		170,686	188,543
		<hr/>	<hr/>
		3,396,719	3,259,597
Less Administration and Overhead Expenditure:			
Accountancy Fees	16	12,000	12,000
Advertising		5,227	20,803
Affiliation Fees		24,894	25,677
Bank Charges		13,275	13,851
Bingo Expenses		8,418	17,211
Bowling Expenses		122,913	102,065
Compliance & Licence Fees		10,451	7,507
Computer Expenses		32,472	29,823
Contract Cleaner		87,656	98,140
Council Rates		6,292	6,185
Courtesy Bus		9,297	9,729
Depreciation - Clubhouse Equipment		247,468	239,642
- Greens Equipment		4,532	4,058
- Motor Vehicle		--	8,300
Electricity		81,418	82,000
Hire Purchase Charges		14,788	17,023
Insurance		63,052	58,608
Interest on Loan Facilities		98,426	90,375
Keno Expenses		4,525	6,057
Leasing Equipment		6,547	6,428
Legal Expenses and Consultants Fees		6,943	17,381
Maintenance - Greens		34,198	30,124
- Clubhouse & Equipment		86,423	83,078
- Kitchen & Bistro		26,544	21,875
Marketing		42,701	24,661
Members Benefits		112,075	53,421
Membership Cards		4,225	2,957
		<hr/>	<hr/>
		1,166,760	1,088,979

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017 (Continued)

	<u>2017</u>	<u>2016</u>
Carried forward	1,166,760	1,088,979
Payroll Tax	31,843	29,054
Postages, Printing and Stationery	25,814	19,276
Security Patrol	53,086	44,516
Sky Channel/Foxtel	56,244	57,357
Social Functions	79,433	81,538
Special Functions	5,004	4,897
Staff Expenses and Training	53,493	39,357
Sundry Expenses	16,704	11,442
Superannuation	119,064	110,702
TAB Expenses	12,082	11,610
Telephone	9,846	12,158
Trade Waste	23,380	24,816
Wages	15 1,243,678	1,091,742
Water Rates	15,806	14,961
Provision for Holiday Pay	37,224	48,239
Provision for Long Service Leave	9,653	14,387
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TOTAL ADMINISTRATION AND OVERHEAD EXPENDITURE	2,959,114	2,705,031
NET OPERATING PROFIT	437,605	554,566

ENGADINE BOWLING AND RECREATION CLUB LIMITED

INDEPENDENT AUDIT REPORT TO THE MEMBERS

I have audited the attached financial report of Engadine Bowling & Recreation Club Limited comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Statements and Directors' Declaration for the year ended 30 June, 2017. The company's directors are responsible for the financial report. I have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

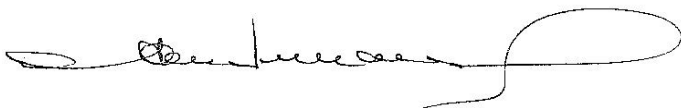
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of Engadine Bowling & Recreation Club Limited are in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June, 2017 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



A B WILLIAMS, A.C.P.A.
Registered Company Auditor

Sydney, 24th July, 2017