

**TELARAH BOWLING CLUB**  
**(ABN 42 000 616 704)**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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The financial report was authorised for issue by the Directors on 18 September 2017. The Club has the power to amend and re-issue the financial report.

**TELARAH BOWLING CLUB**  
**(ABN 42 000 616 704)**

**DIRECTORS' REPORT**

Your Directors presents their report for the financial year ended 30 June 2017.

**1. Directors**

The names of the Directors' in office at the date of this report are:

<b>Name</b>	<b>Occupation/Qualification</b>	<b>Position</b>	<b>Years service as a Director</b>
N Savertsen	Retired Project Manager	President	10
H Morrison	Retired Printer	Vice-President	3
D Smith	Employment Consultant		3
V Bowtell	Retired Domestic Duties		10
D Cheetham	Office Administrator		6
B Lee	Sales Representative		1
G Wahle	Retired Corrections Officer		6

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated at item 7.

**2. Activities**

The principal activities of the Club during the financial period were:

The running of a licensed Club in accordance with its objectives for the benefit of its members.

**3. Objectives of the Club**

The Club's short and long term objectives are to:

Provide the best facilities available to members and their guests with a special interest in bowling activities.

To achieve these objectives the Club has adopted the following strategies;

- Maintain or increase existing revenue levels and control costs to return to profitability which will allow the Club's premises to be continually improved ;
- Ensure greens are kept to an optimum standard by employing quality greenkeepers and undertaking regular maintenance ;
- Employing a bowls co-ordinator and ensuring appropriate support for bowlers of all skill levels.

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

**4. Results**

The net result of operations was a loss of \$81,428 (2016: Profit of \$130,986).

**5. Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 4 of the financial report. In addition, details of non-audit services provided by the auditor DFK Crosbie are contained in Note 17 of the financial report.

DFK Crosbie continues to hold office in accordance with Section 307 of the Corporations Act. The Club may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Club is important.

**6. Limited by Guarantee**

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any obligations of the Club. At 30 June 2017 the collective liability of members was \$49,680 (2016 \$58,280)

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**DIRECTORS' REPORT (Cont.)**

**7. Meeting Attendances**

During the financial year ended 30 June 2017 the total number of meetings held was 14, comprising of 12 ordinary and 2 special meetings. The details of each Directors' attendances at those meetings is given below:

<b><u>Director</u></b>	<b><u>Normal</u></b>	<b><u>Special</u></b>	<b><u>No. Held while in Office</u></b>
N Savertsen	12	2	14
H Morrison	12	2	14
D Smith	12	2	14
V Bowtell	10	2	14
D Cheetham	10	2	14
B Lee (elected at AGM)	7	2	10
G Wahle (appointed on 24 April 2017)	2	1	3
G Reiner (elected at AGM, resigned on 18 April 2017)	4	1	6
J Payne (did not stand at AGM)	4	0	4

**8. Property Report**

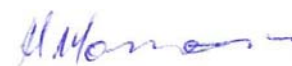
The land on which the Clubhouse is situated is owned by the Club. The Directors have determined that all property of the Club shall be classified as follows in accordance with section 41J of the Registered Clubs Acts 1976:

Core Property - Freehold land and buildings and leased car park situated at Clark Street, Telarah  
 Non-Core Property - nil

Signed in accordance with a resolution of the Board of Directors.



Neale Savertsen - Director



Hugh Morrison - Director

**Date: 18 September 2017**



LEADING ACCOUNTANTS AND BUSINESS ADVISERS  
**AUDITOR'S INDEPENDENCE DECLARATION**  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
**TO THE DIRECTORS OF**  
**TELARAH BOWLING CLUB**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 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.



Shaun Mahony - Partner



DFK Crosbie Partners  
Chartered Accountants

Date: 18 September 2017  
Warabrook

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**TELARAH BOWLING CLUB**

**(ABN 42 000 616 704)**

**INDEPENDENT AUDIT REPORT TO MEMBERS**

To the Members of Telarah Bowling Club

**Report on the Financial Report**

**Opinion**

We have audited the financial report of Telarah Bowling Club (the Club), which comprises the statement of financial position as at 30 June 2017 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, a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of Telarah Bowling Club is in accordance with the Corporation Act 2001, including:

- (i) giving a true and fair view of the Club's financial position as at 30 June 2017 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Club in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter**

*Inherent Uncertainty Regarding Continuation as a Going Concern*

Without qualification to the opinion expressed above, attention is drawn to Note 2 to the financial statements which indicates that the Club has a deficiency in working capital such that current liabilities exceeded current assets by \$1,800,892. This together with the other matters set out in Note 2 indicate the existence of uncertainty as to whether the Club will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. In our opinion, knowledge of the uncertainty affecting the Club's ability to continue as a going concern is necessary for proper understanding of the financial report.

**Responsibilities of the Directors for the Financial Report**

The Directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

**Matters relating to the electronic presentation of the audited financial report**

The auditor's report relates to the financial report of the Club for the year ended 30 June 2017 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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## INDEPENDENT AUDIT REPORT TO MEMBERS

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

Shaun Mahony - Partner

DFK Crosbie Partners  
Chartered Accountants

**Date: 18 September 2017**  
**Warabrook NSW**

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**TELARAH BOWLING CLUB**  
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**DIRECTORS' DECLARATION**

The Directors of the Club declare that:

- 1 The financial statements and notes, as set out on pages 8 to 21 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory reporting requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Club.
- 2 In the Directors' opinion there are reasonable grounds to believe that Telarah Bowling Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and signed for on behalf of the Directors by:



Neale Savertsen - Director



Hugh Morrison - Director

**Date: 18 September 2017**

**TELARAH BOWLING CLUB**  
**(ABN 42 000 616 704)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	63,341	79,691
Receivables	8	11,563	21,722
Inventories	9	24,432	22,005
Other Assets	10	39,683	36,505
Investments	11	5,000	5,000
<b>TOTAL CURRENT ASSETS</b>		<b>144,019</b>	<b>164,923</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	12	3,277,551	3,443,184
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,277,551</b>	<b>3,443,184</b>
<b>TOTAL ASSETS</b>		<b>3,421,570</b>	<b>3,608,107</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	183,014	221,058
Borrowings	14	1,686,970	1,710,228
Provisions	15	62,130	39,944
Other Liabilities	16	12,797	8,985
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,944,911</b>	<b>1,980,215</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	97,000	158,136
Provisions	15	13,073	21,742
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>110,073</b>	<b>179,878</b>
<b>TOTAL LIABILITIES</b>		<b>2,054,984</b>	<b>2,160,093</b>
<b>NET ASSETS</b>		<b>1,366,586</b>	<b>1,448,014</b>
<b>MEMBERS' FUNDS</b>			
Accumulated Profits		1,366,586	1,448,014
<b>TOTAL MEMBERS' FUNDS</b>		<b>1,366,586</b>	<b>1,448,014</b>

To be read in conjunction with the attached notes to the Financial Statements



**TELARAH BOWLING CLUB**  
**(ABN 42 000 616 704)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

Notes	2017 \$	2016 \$
Bar Sales	775,536	799,038
Cost of Goods Sold	318,664	332,039
Bar Gross Profit (\$)	456,872	466,999
Bar Gross Profit (%)	58.91%	58.45%
Poker Machine Net Revenue	1,127,129	1,217,200
Bistro Sales	106,407	-
Paper Gaming Commission	70,770	59,726
Bowls Income	10,896	11,122
Insurance Recoveries	14,158	169,941
Interest Received	111	242
Profit/Loss on Sale of Fixed Assets	6,900	11,227
Rents Received	12,734	21,659
Subscription Income	17,207	20,478
Other Income	223,956	241,406
<b>Total Income</b>	<b>2,047,140</b>	<b>2,220,000</b>
<b>Less Operating Expenses</b>		
Bar Direct Expenses	229,841	232,632
Poker Machine Direct Expenses	349,472	402,228
Bistro Direct Expenses	108,469	-
Paper Gaming Direct Expenses	22,476	24,049
Bowls Direct Expenses	71,550	122,281
Members Amenities	330,754	317,886
Clubhouse	389,200	375,806
Administration (excluding Borrowing Costs)	494,360	475,779
Borrowing Costs	132,446	138,353
<b>Total Expenses</b>	<b>2,128,568</b>	<b>2,089,014</b>
<b>Net Profit/(Loss) Before Income Tax</b>	<b>6</b>	<b>(81,428)</b>
Income Tax Expense	1	-
<b>Net Profit/(Loss) After Income Tax</b>		<b>(81,428)</b>
Other Comprehensive Income/(Expenses)	-	-
<b>Total Comprehensive Income/(Loss)</b>	<b>(81,428)</b>	<b>130,986</b>

To be read in conjunction with the attached notes to the Financial Statements

**TELARAH BOWLING CLUB**  
**(ABN 42 000 616 704)**

**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

Notes	2017 \$	2016 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from Members and Guests	2,602,100	2,732,982
Payments to Suppliers and Employees	(2,236,559)	(2,145,742)
Interest Received	111	242
Interest Paid	(146,483)	(131,919)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	219,169	455,563
<b>22</b>		
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sale of Property, Plant and Equipment	6,900	11,682
Payments for Property, Plant and Equipment	(158,025)	(625,589)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	(151,125)	(613,907)
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowings	301,692	433,143
Repayment of Borrowings	(386,086)	(367,973)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	(84,394)	65,170
<b>Net Increase/(Decrease) in Cash Held</b>	(16,350)	(93,174)
<b>Cash and Cash Equivalents at the Beginning of the Financial Year</b>	79,691	172,865
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	63,341	79,691
<b>22</b>		

To be read in conjunction with the attached notes to the Financial Statements

**TELARAH BOWLING CLUB**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Accumulated Profits \$	Total \$
<b>Balance at 1 July 2015</b>	1,317,028	1,317,028
Net Profit/(Loss)	130,986	130,986
<b>Balance at 30 June 2016</b>	1,448,014	1,448,014
Net Profit/(Loss)	(81,428)	(81,428)
<b>Balance at 30 June 2017</b>	1,366,586	1,366,586

To be read in conjunction with the attached notes to the Financial Statements

**TELARAH BOWLING CLUB**  
**(ABN 42 000 616 704)**

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

**1 Statement of Significant Accounting Policies**

**Basis**

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Telarah Bowling Club (the Club) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian dollars.

The following is a summary of the significant accounting policies adopted by the Club in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Club and the revenue can be reliably measured.

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Club.

Revenue from membership subscriptions is recognised upon receipt of money for the period to which the membership relates.

Interest income is recognised as it accrues.

The profit or loss on disposal of asset is brought to account at the date an unconditional contract is signed.

Other revenue is recognised as it accrues.

**Income Tax**

The Club is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997.

**Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. The amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the statement of financial position. Cash flows are included in the statement of cashflows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

**Cash and Cash Equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cashflows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Trade Debtors and Other Receivables**

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost, less any impairment losses. Trade receivables are due within 30 days from the date of recognition. The recoverability of trade debtors is reviewed regularly, with any uncollectible debts written off.

**Inventories**

Inventories are measured at the lower of cost and current replacement value.

**Other Assets**

This includes prepayments. Prepayments are payments made in advance for goods and services which are to be received in the future.

**TELARAH BOWLING CLUB**  
**(ABN 42 000 616 704)**

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

**Property, Plant and Equipment**

Property, Plant and Equipment and Poker Machines are depreciated so as to write off the assets over their estimated useful life to the Club.

Rates are as follows:

Buildings	2.5% - 10%
Plant and Equipment	10% - 40%
Poker Machines	20%-25%
Greens and Equipment	7.5% - 20%

*Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost 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. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the administration expense line item.

**Accounts Payable**

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Club. Trade accounts payable are normally settled within 30 days.

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Co-Operative has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**Borrowing Costs**

Borrowing Costs are recognised as an expense when incurred.

**TELARAH BOWLING CLUB**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**Employee Benefits**

***Short Term***

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

***Other Long Term***

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been selected and used.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

**Comparatives**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**2 Deficiency in Working Capital**

As at balance date, current assets totalled \$144,019 compared to current liabilities of \$1,944,911 giving a working capital deficit of \$1,800,892 with the loan facilities from BankWest with a total of \$1,516,494 being classified as a current liability due to the loan agreement containing a review clause which limits the Club from having an unconditional right to defer settlement of the loan, despite the Club having fulfilled all its obligations to the Bank to date. Repayments on these loans are made by the Club on a monthly basis.

The Directors have determined that the going concern basis is appropriate given:

- The Club generated positive net operating cashflows of \$219,169 during the current year.
- The Club has a cash balance at 30 June 2017 of \$63,341.
- The Directors do not foresee any issues in continuing to meet the terms and conditions of its loans with the Bank.
- The Directors expect cashflows going forward to continue to be strong based on recent results.

**3 Significant Accounting Judgements, Estimates and Assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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.

**Significant accounting estimates and assumptions**

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**Useful lives of property, plant and equipment**

The useful life of Property, Plant and Equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence.

**4 Limited by Guarantee**

The Club is an incorporated body having no share capital and the liability of Members is limited by guarantee. The registered address of the Club is Clark Street, Telarah.

**TELARAH BOWLING CLUB**  
**(ABN 42 000 616 704)**

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

	2017	2016
	\$	\$
<b>5 Operating Revenue</b>		
Bar Sales	775,536	799,038
Poker Machine Net Revenue	1,127,129	1,217,200
Bistro Sales	106,407	-
Paper Gaming Commission	70,770	59,726
Bowls Income	10,896	11,122
Insurance Recoveries	14,158	169,941
Interest Received	111	242
Rent	12,734	21,659
Profit on Sale of Fixed Assets	6,900	11,227
Subscription Income	17,207	20,478
Other Income	223,956	241,406
Total	<u>2,365,804</u>	<u>2,552,039</u>
<b>6 Operating Profit</b>		
Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:		
<b>Credits</b>		
Interest Received/Receivable	111	242
Profit on Sale of Assets	6,900	11,227
<b>Charges</b>		
Depreciation		
- Poker Machines	130,219	122,882
- Plant and Equipment	43,151	37,227
- Greens and Greens Equipment	25,894	17,944
- Land and Buildings	124,394	153,676
Total Depreciation	<u>323,658</u>	<u>331,729</u>
Finance costs	132,446	138,353
Loss on sale of assets	-	(741)
Employee Benefits		
- Wages	596,767	558,994
- Superannuation	58,631	55,396
- Leave Provisions	14,467	(13,183)
	<u>669,865</u>	<u>601,207</u>

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

	2017	2016			
	\$	\$			
<b>7 Cash and Cash Equivalents</b>					
<b>Current</b>					
Cash and Cash Equivalents	63,341	79,691			
	<u>63,341</u>	<u>79,691</u>			
<b>8 Receivables</b>					
<b>Current</b>					
Debtors Trade	11,563	21,722			
	<u>11,563</u>	<u>21,722</u>			
<b>9 Inventories</b>					
<b>Current</b>					
Bar Stock on Hand - at Cost	24,432	22,005			
	<u>24,432</u>	<u>22,005</u>			
<b>10 Other Assets</b>					
<b>Current</b>					
Prepayments	39,683	36,505			
	<u>39,683</u>	<u>36,505</u>			
<b>11 Investments</b>					
<b>Current</b>					
TAB Term Deposit	5,000	5,000			
	<u>5,000</u>	<u>5,000</u>			
<b>12 Property, Plant and Equipment</b>					
	Land and Buildings	Plant & Equipment	Poker Machines	Greens and Equipment	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>					
At 1 July 2016,					
Net of Accumulated Depreciation/Amortisation	2,585,844	145,016	317,951	394,373	3,443,184
Additions	37,790	112,348	6,701	1,186	158,025
Disposals	-	-	-	-	-
Less: Depreciation/Amortisation	124,394	43,151	130,219	25,894	323,658
At 30 June 2017					
Net of Accumulated Depreciation/Amortisation	<u>2,499,240</u>	<u>214,213</u>	<u>194,433</u>	<u>369,665</u>	<u>3,277,551</u>
<b>At 1 July 2016</b>					
Cost or Fair Value	4,242,186	556,776	1,474,111	543,470	6,816,543
Accumulated Depreciation/Amortisation	1,656,342	411,760	1,156,160	149,097	3,373,359
Net Carrying Amount	<u>2,585,844</u>	<u>145,016</u>	<u>317,951</u>	<u>394,373</u>	<u>3,443,184</u>
<b>At 30 June 2017</b>					
Cost or Fair Value	4,279,976	664,811	1,407,305	544,656	6,896,748
Accumulated Depreciation/Amortisation	1,780,736	450,598	1,212,872	174,991	3,619,197
Net Carrying Amount	<u>2,499,240</u>	<u>214,213</u>	<u>194,433</u>	<u>369,665</u>	<u>3,277,551</u>



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

**12 Property, Plant and Equipment (cont.)**

	Land and Buildings	Plant & Equipment	Poker Machines	Greens and Greens Equipment	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2016</b>					
At 1 July 2015,					
Net of Accumulated Depreciation/Amortisation	2,690,056	125,768	243,117	91,579	3,150,520
Additions	18,670	56,581	228,510	321,828	625,589
Disposals	-	106	-	1,090	1,196
Less: Depreciation/Amortisation	122,882	37,227	153,676	17,944	331,729
At 30 June 2016					
Net of Accumulated Depreciation/Amortisation	<u>2,585,844</u>	<u>145,016</u>	<u>317,951</u>	<u>394,373</u>	<u>3,443,184</u>
<b>At 1 July 2015</b>					
Cost or Fair Value	3,550,126	640,536	1,257,838	282,755	5,731,255
Accumulated Depreciation/Amortisation	860,070	514,768	1,014,721	191,176	2,580,735
Net Carrying Amount	<u>2,690,056</u>	<u>125,768</u>	<u>243,117</u>	<u>91,579</u>	<u>3,150,520</u>
<b>At 30 June 2016</b>					
Cost or Fair Value	4,242,186	556,776	1,474,111	543,470	6,816,543
Accumulated Depreciation/Amortisation	1,656,342	411,760	1,156,160	149,097	3,373,359
Net Carrying Amount	<u>2,585,844</u>	<u>145,016</u>	<u>317,951</u>	<u>394,373</u>	<u>3,443,184</u>

**2017**  
**\$**

**2016**  
**\$**

**13 Trade and Other Payables**

**Current**

Creditors - Trade	154,678	193,603
GST Payable	28,336	27,455
	<u>183,014</u>	<u>221,058</u>

**14 Borrowings**

**Current**

Bank West Loan 1 (Secured - Note 20)	1,276,831	1,240,732
Bank West Loan 2 (Secured - Note 20)	239,663	326,387
Insurance Loan	24,328	20,848
Lease Liabilities	96,148	72,261
Other Borrowings	50,000	50,000
	<u>1,686,970</u>	<u>1,710,228</u>

**Non-Current**

Lease Liabilities	97,000	108,136
Other Borrowings	-	50,000
	<u>97,000</u>	<u>158,136</u>

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	2017	2016
	\$	\$
<b>15 Provisions</b>		
<b>Current</b>		
Provision for Annual Leave	46,327	38,294
Provision for Long Service Leave	15,103	-
Provision for Members Draw	700	1,650
	<u>62,130</u>	<u>39,944</u>
<b>Non current</b>		
Provision for Long Service Leave	13,073	21,742
	<u>13,073</u>	<u>21,742</u>
<b>16 Other Liabilities</b>		
<b>Current</b>		
Income in Advance	12,797	8,985
	<u>12,797</u>	<u>8,985</u>
<b>17 Auditor's Remuneration</b>		
Amounts received, or due to be receivable by the Auditor of the Club for:		
<u>DFK Crosbie</u>		
Audit Services	12,300	11,870
Accounting and Other Services	13,400	13,330
	<u>25,700</u>	<u>25,200</u>
<b>18 Contingent Liabilities</b>		

*Bank Guarantee*

The Club has a bank guarantee for \$5,000 issued in favour of TAB Limited. The guarantee is provided by the Commonwealth Bank of Australia and is secured by a term deposit held with the Bank.

*Bonus Points*

At 30 June 2017, the Club had a contingent liability in relation to bonus points of \$29,259, which may be redeemed by members at any time.

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

**19 Related Parties**

The names of persons who were Directors of the Club at any time during the year are as they appear in the attached Directors' Report.

**Key Management Personnel**

	<b>2017</b>	<b>2016</b>
The total of remuneration paid to key management personnel of the Club during the year were as follows:	<b>\$</b>	<b>\$</b>
Short term employee benefits	94,448	89,673
Long term employee benefits	3,684	1,951
Post employee benefits	14,032	13,673
	112,164	105,297

**Related Party Transactions**

The Club acquired promotional goods from Hunter Sales and Rentals with a total value of \$3,000. Hunter Sales and Rentals is owned by the son-in-law of Hugh Morrison (Director).

**20 Additional Financial Instrument Disclosure**

The financial assets and liabilities subject to interest rate risk are:

**a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The financial assets and liabilities subject to interest rate risk are:

*Bank Accounts*

The Club has various bank accounts where interest is received when the account is in credit and charged when the accounts are in debit at the market variable rate.

*Interest Bearing Deposits*

As at 30 June 2017 the Club held an Interest Bearing Deposits with the Commonwealth Bank totalling \$5,000 with an interest rate of 2.2%.

*Loan - Bankwest*

The \$239,663 loan with Bankwest is for a 5 year term with a variable interest rate which at balance date was 7.85%. Minimum principal and interest payments are \$9,157 per month. The interest only loan with Bankwest of \$1,276,831 has a 5 year term with a variable interest rate which at balance date was 7.85%. The Club's liability is secured by way of :

- i) Registered freehold property mortgage over property at Clark Street, Telarah from Telarah Bowling Club;
- ii) General Security Interest Registered over all assets and undertakings of Telarah Bowling Club.

*Lease Liabilities*

Interest on these liabilities is fixed for the term of the lease agreement. As at 30 June 2017 the Club had 4 lease agreements. Interest is calculated based on the interest rate implicit in the lease. The assets to which they relate are pledged as security against the liability.

*Other Borrowings*

The unsecured \$50,000 loan is for a 2 year term with a fixed interest rate at 3.0%. This loan is payable on the anniversary date of the loan.

All other financial assets and liabilities are not subject to interest rate risk as they are non-interest bearing.

**b) Credit Risk**

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. The Directors regularly monitor interest rate returns and deal with well established and recognised financial institutions. Credit is not generally extended to customers.

The maximum credit risk in financial asset of the Club which have been recognised on the Statement of Financial Position, is carrying amount net of any provision for doubtful debts.

The Club has reviewed the credit quality of its financial assets and expects all receivables to be recovered within due collection periods. No collateral or security is held in respect of any receivables.

**c) Liquidity Risk**

The risk that the Club will encounter difficulties in meeting its obligations associated with its financial liabilities is managed by ensuring sufficient funds are available at all times to cover its financial liabilities.

**d) Net Fair Value of Financial Assets**

The Club's financial assets and liabilities included in the statement of financial position are carried at amounts that approximate net fair value.

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>21 Commitments for Expenditure</b>		
<b>(a) Rental Agreements</b>		
Total commitments in respect of rental agreements excluding rental of the car park are as follows:		
Payable not later than one year	18,263	6,396
Later than one year but not later than five years	48,687	9,594
	66,950	15,990
<p>The Club has a lease in perpetuity with Maitland Council (the Council) in regards to car park rental. Annual rent for the year ended 30 June 2017 was \$10,738 and the Council may review the rental rate at its discretion.</p>		
<b>(c) Lease Commitments</b>		
Total commitments in relation to lease agreements are as follows:		
Payable not later than one year	107,216	87,553
Payable Later than one year but not later than five years	100,488	120,594
Minimum Payments	207,704	208,147
Less : Future Finance Charges	(14,556)	(27,750)
Total	193,148	180,397
<p>These are reflected in the statement of financial position as follows:</p>		
Lease liability - current	96,148	72,261
Lease liability - non-current	97,000	108,136
Total	193,148	180,397

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

	2017 \$	2016 \$
<b>22 Notes to Statement of Cashflows</b>		
<i>1. Reconciliation of Cash</i>		
For the purpose of the statement of cashflows, cash includes cash on hand and at call deposits with a bank or financial institution, net of bank overdrafts if any, and excludes investments with a maturity of greater than three months.		
Cash and Cash Equivalents	63,341	79,691
	63,341	79,691
<i>2. Reconciliation from the net profit/(loss) after tax to the net cashflows from operations.</i>		
<b>Operating Profit/(Loss) After Tax</b>	(81,428)	130,986
<u>Non-Cashflow in Operating Profit/(Loss)</u>		
Depreciation	323,658	331,729
Profit on Sale of Assets	(6,900)	(11,227)
Loss on Sale of Assets	-	741
Jackpot Provision	(950)	900
Bad Debts Written Off	10,744	-
Employee Leave Entitlements	14,467	(13,183)
	259,591	439,946
<u>Changes in Assets and Liabilities</u>		
Decrease/(increase) in Receivables	(585)	15,485
Decrease/(Increase) in Inventories	(2,427)	(1,064)
Decrease/(increase) in Other Assets	(3,178)	(2,829)
Increase/(decrease) in Trade and Other Payables	(38,044)	2,923
Increase/(decrease) in Income in Advance	3,812	1,102
<b>Net Cash From Operating Activities</b>	219,169	455,563

*3. Unused Financing Facilities*

The Club has an unused financing facility with Bankwest totalling \$78,079 as at 30 June 2017.

**23 New Accounting Standards and Interpretation**

Title of Standard	Impact	Application Date **
AASB 9 Financial Instruments AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009) AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transitional Disclosures AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments AASB 2014-1 Amendments to Australian Accounting Standards AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9	While the Club has not yet undertaken a detailed assessment of the classification and measurement of financial assets and liabilities, given the limited nature of its financial assets and liabilities it is not expected that there will be an significant change to the basis of accounting for these assets and liabilities.	1 January 2018
AASB 15 Revenue from Contracts with Customers	The changes in revenue recognition requirements may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.	1 January 2019
AASB 16 Leases	The changes in accounting for leases may cause changes to the timing and amount of expenses recorded in the financial statements as well as additional disclosures. The impact of AASB 16 has not yet been quantified.	1 January 2019

\*\* Applicable to reporting periods commencing on or after the given dates.