

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2016

Your directors present their report on the company for the financial year ended 30 June 2016.

Principal Activities

The principal activities of the Armidale City Bowling Club Limited ("the Club") during the financial year was the operation of a Registered Bowling Club. The principal objective of the club has been, and will continue to be, to provide our guests with professional hospitality services and amenities, as well as, supporting and developing our local community.

We believe that to remain viable and competitive there is a need to instil a sense of direction and purpose in our employees, which not only encompasses the needs of members but also the long term needs and aspirations of associated interest groups within the wider community. It is our desire to encourage employees to confidently identify and make management aware of community organisations that may benefit from the club's assistance.

Vision: To be regarded as leaders within our industry, whilst servicing the needs of members, their guests and the wider community.

To be active in the development, fostering and promotion of the game of lawn bowls.

Providing turnover, cash flow and profit to meet the financial objectives of the company through providing entertainment, dining, gaming and social facilities for members and their guests.

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Richard Clutterbuck	Chairperson	41 years	Club Directors Institute Member, Directors Foundation and Management, Responsible Service of Alcohol and Responsible Conduct of Gaming, numerous CDI & Clubs NSW courses on Club Management. Retired Purchasing Officer
Terrence Ogilvie	Vice Chairperson	16 years	Club Directors Institute Member, Directors Foundation and Management, Responsible Service of Alcohol and Responsible Conduct of Gaming. Builder/Carpenter
Chris Brodbeck	Director	13 years	Club Directors Institute Member, Directors Foundation and Management, Responsible Service of Alcohol and Responsible Conduct of Gaming. Fencing Contractor
Kenton Robinson	Director	5 years	Club Directors Institute Member, Responsible Service of Alcohol and Responsible Conduct of Gaming, Hand & Machine Trade Certificate and Telecom Linesman Trade Certificate Proprietor – Furniture Removal
Rodney Chetwynd	Director	2 years	Club Directors Institute Member, Responsible Service of Alcohol and Responsible Conduct of Gaming. Graduate Certificate in Professional Practice (Management), Certificate IV Training and Assessment Inspector for Fire & Rescue NSW
Gloria Gay Riordan	Director	1 year Appointed 20/9/15	Club Directors Institute Member Retired accounts and administration

ARMIDALE CITY BOWLING CLUB LIMITED
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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2016

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Cheryl Ogilvie	Director	1 year Appointed 20/9/15	Club Directors Institute Member Accounts supervisor
Richard Kembrey	Director	1 year Appointed 20/9/15	Club Directors Institute Member Business Owner
Maree Knight	Director	3 months Appointed 23/3/16	Club Directors Institute Member Retired
Peter Meehan	Director	4 years Resigned 16/12/15	Club Directors Institute Member, Responsible Service of Alcohol and Responsible Conduct of Gaming. Finance Officer
Lewis John	Director	1 month Resigned 20/9/15	Civil Engineering award from the University of Technology Sydney and a fellow of the Institute of Public Works Engineers Australia - Professional Engineer

Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Richard Clutterbuck	12	12
Terrence Ogilvie	12	10
Chris Brodbeck	12	11
Kenton Robinson	12	10
Rodney Chetwynd	12	9
Gloria Gay Riordan	9	8
Cheryl Ogilvie	9	7
Richard Kembrey	9	7
Maree Knight	4	4
Peter Meehan	4	3
Lewis John	2	2

Short Term Objectives of the Company

The company has identified the following short term objectives:

- Maintain the financial viability of the company through routine monitoring and control, by comparison and benchmarking within the Club industry and through Key Performance Indicators (KPIs).
- To provide members with services and facilities that meet or exceed their expectations.
- Maintain the company support to the local community through financial support and provision of facilities to assist with fundraising opportunities.
- Monitor staff/director development and provide training to enhance career advancement; and complete the rejuvenation of Club facilities through trading cash flow.
- Facilitate a Club culture that is committed to four core aspects of Club operation: entertainment, people, stewardship and community.

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2016

Long Term Objectives of the Company

The company has identified the following long term objectives:

- Promote and maintain the heritage and foundation principles of the Club.
- Continued application of the Principles of Good Corporate Governance.
- Maintain relevance and long term sustainability of the Club in the Community.
- Consider diversification of business operations and prudent levels of debt with maintenance of profitability and cash flows.
- The Armidale City Bowling Club will be recognised as leaders in upholding the standards of excellence expected within our industry.
- Continue to be a market leader and early adopter in the business and hospitality industry.
- Foster an organisation that is committed to a values based culture and passionate about delivering professional hospitality services.

Performance Measurement

To achieve the objectives, the Club has developed the following strategies:

- Development of 5 year and 10 year strategic plans covering the following key areas of business planning to ensure financial viability: Property Masterplan, Services and Facilities, Food Operation, Gaming Operation, Entertainment, Promotional Activity, Marketing Strategy, Membership Communication, Staff Development and Succession Planning for Management and Directors.
- Maximising the financial returns from the company's investments to ensure ongoing success and best use of resources.
- Investment and education of key personnel and the Board in good corporate governance to ensure the Board is exercising their duties as a Director responsibility, ethically and in the best interests as the Club as a whole.
- Maintaining and nurturing a Club culture focused on our customers, our staff, our community and our values.

Membership Details

The company is incorporated as a company limited by guarantee that requires the members of the company to contribute \$3 per member towards the company liabilities on the winding up of the company. These membership numbers are at 30 June 2016.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Playing members	135	\$ 3	\$ 405
Junior playing members	1	\$ 3	\$ 3
Life members	5	\$ 3	\$ 15
Social members	5,343	\$ 3	\$ 16,029
Total	5,484	\$ 3	\$ 16,452

ARMIDALE CITY BOWLING CLUB LIMITED
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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2016

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors



Richard Clutterbuck
President



Terrence Ogilvie
Director

Dated: 15 August 2016

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
ARMIDALE CITY BOWLING CLUB LIMITED**

ABN 97 001 036 504

I declare that, to the best of my knowledge and belief, during the financial year to 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.

Crowe Horwath Central North



Kylie Ellis
Partner - Audit & Assurance
Registered Company Auditor
483424

90 Rusden Street
Armidale NSW 2350

Dated: 15 August 2016

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Sales revenue	2	2,749,469	2,666,872
Cost of goods sold		<u>(1,076,552)</u>	<u>(1,127,633)</u>
Gross profit		<u>1,672,917</u>	<u>1,539,239</u>
Other revenue	2	<u>3,349,095</u>	<u>3,393,604</u>
Total Revenue		<u>5,022,012</u>	<u>4,932,843</u>
Employee provisions		(19,855)	(20,574)
Direct bar and bistro expenses		(1,347,481)	(1,319,754)
Gaming expenses		(923,311)	(884,270)
Sponsorships and donations		(86,172)	(93,311)
Promotions		(459,524)	(461,874)
Administration expenses		(1,004,517)	(980,902)
General maintenance		(62,588)	(60,036)
Motor vehicle expenses		(5,360)	(6,243)
Bowls expenses		(142,631)	(160,199)
Insurance		(77,931)	(76,739)
Operations		<u>(682,092)</u>	<u>(725,216)</u>
Profit before income tax expense		<u>210,550</u>	<u>143,725</u>
Income tax expense	1(a)	-	-
Profit after income tax expense		<u>210,550</u>	<u>143,725</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>\$ 210,550</u>	<u>\$ 143,725</u>
Total comprehensive income attributable to members of the entity		<u>\$ 210,550</u>	<u>\$ 143,725</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,422,368	928,656
Trade and other receivables	5	51,847	67,306
Inventories	6	80,677	71,335
Financial assets	7	1,000,000	1,500,000
Other current assets	8	56,512	21,290
TOTAL CURRENT ASSETS		2,611,404	2,588,587
NON CURRENT ASSETS			
Financial assets	7	5,000	5,000
Property, plant and equipment	9	4,874,449	4,810,646
Investment property	10	14,050	7,700
Intangible assets	11	266,000	266,000
TOTAL NON CURRENT ASSETS		5,159,499	5,089,346
TOTAL ASSETS		7,770,903	7,677,933
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	213,949	313,567
Employee benefits	14	267,246	232,836
Other liabilities	15	9,909	46,179
TOTAL CURRENT LIABILITIES		491,104	592,582
NON CURRENT LIABILITIES			
Employee benefits	14	10,510	25,066
Other liabilities	15	18,758	20,304
TOTAL NON CURRENT LIABILITIES		29,268	45,370
TOTAL LIABILITIES		520,372	637,952
NET ASSETS		\$ 7,250,531	\$ 7,039,981
EQUITY			
Retained earnings		7,250,531	7,039,981
TOTAL EQUITY		\$ 7,250,531	\$ 7,039,981

The accompanying notes form part of these financial statements.

ARMIDALE CITY BOWLING CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	6,896,256	6,896,256
Profit after income tax expense	143,725	143,725
Total other comprehensive income for the year	-	-
Balance at 30 June 2015	\$ 7,039,981	\$ 7,039,981
Profit after income tax expense	210,550	210,550
Total comprehensive income for the year	-	-
Balance at 30 June 2016	\$ 7,250,531	\$ 7,250,531

ARMIDALE CITY BOWLING CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,623,199	6,634,841
Payments to suppliers and employees		(5,965,555)	(5,884,644)
Interest received		57,031	61,289
Net cash provided by (used in) operating activities		<u>714,675</u>	<u>811,486</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3,185	-
Purchase of property, plant and equipment		(724,148)	(929,166)
Payment for financial assets		500,000	-
Net cash (used in) provided by investing activities		<u>(220,963)</u>	<u>(929,166)</u>
Net increase (decrease) in cash held		493,712	(117,680)
Cash at the beginning of the financial year		<u>928,656</u>	<u>1,046,336</u>
Cash at the end of the financial year	4 (a)	<u>\$ 1,422,368</u>	<u>\$ 928,656</u>

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Armidale City Bowling Club Limited ("the Club") as an individual entity. Armidale City Bowling Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The financial statements were authorised for issue on 15 August 2016 by the directors of the company.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Accounting Policies

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

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from paying income tax under Div 50 of the Income Tax Assessment Act 1997.

(b) Inventories

Inventory is recorded on a first in first out (FIFO) basis. Inventories are measured at the lower of cost and net realisable value.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost less subsequent depreciation for buildings.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Note 1: Statement of Significant Accounting Policies

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a prime cost basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	13 - 40%
Furniture, fixtures and fittings	7.5 - 33%
Greens construction	3%
Poker Machines	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

(e) Intangibles

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the club. The company holds other poker machine entitlements that potentially have a market value. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

Note 1: Statement of Significant Accounting Policies

(f) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government or commercial bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Revenue

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 1: Statement of Significant Accounting Policies

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed on a gross basis.

(l) Comparative Figures

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

(m) Membership Subscriptions

The accrual method of accounting has been adopted whereby subscriptions received in advance are brought into account as a liability of the Club.

(n) Investment Properties

Investment properties are held at cost which includes expenditure that is directly attributable to the acquisition of the investment property.

(o) Key Management Personnel

Two Key Management Personnel exist but non compliance with AASB 124 has been chosen as not to breach confidentiality of the club.

(p) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Note 2: Revenue			
Operating activities:			
Sales of goods		<u>2,749,469</u>	<u>2,666,872</u>
Total revenue from operating activities		<u>2,749,469</u>	<u>2,666,872</u>
Non-operating activities:			
Interest received from other persons		55,802	66,173
Rental revenue for property investment		6,760	6,630
Gaming income		2,958,311	2,974,605
Other revenue		<u>328,222</u>	<u>346,196</u>
Total revenue from non-operating activities		<u>3,349,095</u>	<u>3,393,604</u>
Total revenue		<u>\$ 6,098,564</u>	<u>\$ 6,060,476</u>
Note 3: Expenses			
Depreciation expense		<u>\$ 650,810</u>	<u>\$ 622,778</u>
Note 4: Cash and Cash Equivalents			
Cash on hand		163,658	172,792
Cash at bank		312,720	316,875
Deposits at call		<u>945,990</u>	<u>438,989</u>
	4(a)	<u>\$ 1,422,368</u>	<u>\$ 928,656</u>
(a) Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		<u>1,422,368</u>	<u>928,656</u>
		<u>\$ 1,422,368</u>	<u>\$ 928,656</u>
Note 5: Trade and Other Receivables			
CURRENT			
Trade receivables		<u>51,847</u>	<u>67,306</u>
		<u>\$ 51,847</u>	<u>\$ 67,306</u>
Note 6: Inventories			
CURRENT			
Bar - trading stock		59,257	55,282
Bistro - trading stock		<u>21,420</u>	<u>16,053</u>
		<u>\$ 80,677</u>	<u>\$ 71,335</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Note 7: Financial assets			
Held-to-maturity financial assets		<u>1,005,000</u>	1,505,000
		<u>1,005,000</u>	1,505,000
Less non-current portion		<u>(5,000)</u>	(5,000)
Current portion		<u>\$ 1,000,000</u>	<u>\$ 1,500,000</u>
(a) Held-to-maturity financial assets comprise:			
- term deposits		<u>1,005,000</u>	1,505,000
		<u>\$ 1,005,000</u>	<u>\$ 1,505,000</u>
Held-to-maturity assets comprise term deposits and accrued interest with financial institutions. There are fixed rate returns upon maturity of these assets.			
Note 8: Other Assets			
CURRENT			
Accrued Interest		6,115	7,344
Prepayments		<u>50,397</u>	<u>13,946</u>
		<u>\$ 56,512</u>	<u>\$ 21,290</u>
Note 9: Property, Plant & Equipment			
Land and Buildings			
Freehold land		<u>85,757</u>	<u>85,757</u>
Buildings (at cost)		4,531,041	4,064,529
Less: Accumulated depreciation		<u>(2,014,810)</u>	<u>(1,906,033)</u>
		<u>2,516,231</u>	<u>2,158,496</u>
Bowling greens (at cost)		137,245	137,245
Less: Accumulated depreciation		<u>(77,023)</u>	<u>(73,591)</u>
		<u>60,222</u>	<u>63,654</u>
Total Land and Buildings		<u>2,662,210</u>	<u>2,307,907</u>
Plant, Equipment & Fittings (at cost)			
Plant and equipment		2,392,210	2,333,611
Less: Accumulated depreciation		<u>(1,531,862)</u>	<u>(1,390,951)</u>
		<u>860,348</u>	<u>942,660</u>
Furniture, fixture and fittings		1,131,163	1,216,010
Less: Accumulated depreciation		<u>(474,017)</u>	<u>(454,971)</u>
		<u>657,146</u>	<u>761,039</u>
Greens lighting		19,498	19,498
Less: Accumulated depreciation		<u>(19,498)</u>	<u>(19,498)</u>
		<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

Note	2016 \$	2015 \$
Note 9: Property, Plant & Equipment continued		
Plant and equipment - greens	102,200	94,291
Less: Accumulated depreciation	<u>(70,895)</u>	<u>(67,026)</u>
	<u>31,305</u>	<u>27,265</u>
Bowling Greens - greens, shed and toilet block	33,958	33,958
Less: Accumulated depreciation	<u>(27,645)</u>	<u>(26,796)</u>
	<u>6,313</u>	<u>7,162</u>
Poker Machines	1,943,271	2,032,698
Less: Accumulated depreciation	<u>(1,290,838)</u>	<u>(1,275,848)</u>
	<u>652,433</u>	<u>756,850</u>
Motor Vehicles	13,637	13,637
Less: Accumulated depreciation	<u>(8,943)</u>	<u>(5,874)</u>
	<u>4,694</u>	<u>7,763</u>
Total Plant, Equipment and Fittings	<u>2,212,239</u>	<u>2,502,739</u>
Total Property, Plant and Equipment	<u>\$ 4,874,449</u>	<u>\$ 4,810,646</u>

(a) Movements in carrying amounts

Movements in carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Plant and Equipment	Total
Balance at the beginning of the year	2,307,907	2,502,739	4,810,646
Additions	466,512	251,286	717,798
Disposals	-	(3,185)	(3,185)
Depreciation expense	<u>(112,209)</u>	<u>(538,601)</u>	<u>(650,810)</u>
Carrying amount at the end of the year	<u>\$ 2,662,210</u>	<u>\$ 2,212,239</u>	<u>\$ 4,874,449</u>

Note 10: Investment Property

Buildings (at cost)	28,303	28,303
Additions	7,117	-
Less: Accumulated depreciation	<u>(21,370)</u>	<u>(20,603)</u>
	<u>\$ 14,050</u>	<u>\$ 7,700</u>

Investment property relates to the building held at 96 Taylor Street, Armidale.

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note	2016 \$	2015 \$
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Note 11: Intangible Assets

Poker machine entitlements (at cost)	266,000	266,000
Less: accumulated impairment losses	-	-
	<u>\$ 266,000</u>	<u>\$ 266,000</u>

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in Note 1 to the financial statements.

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing was conducted at 30 June 2016.

Note 12: Trade and Other Payables

CURRENT

Unsecured liabilities;

Trade payables	93,113	193,661
Sundry payables and accrued expenses	120,836	119,906
	<u>\$ 213,949</u>	<u>\$ 313,567</u>

Note 13: Borrowings

The Club has 2 Visa Cards with Community Mutual Group. These have a combined limit of \$20,000. At balance date the unused portion of this facility is \$20,000.

Note 14: Employee Benefits

Current	267,246	232,836
Non-current	10,510	25,066
	<u>\$ 277,756</u>	<u>\$ 257,902</u>

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 15: Other Liabilities

CURRENT

Subscriptions received in advance	9,909	13,085
Prepaid income	-	33,094
	<u>\$ 9,909</u>	<u>\$ 46,179</u>

NON-CURRENT

Member subscriptions received in advance	18,758	20,304
	<u>\$ 18,758</u>	<u>\$ 20,304</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note	2016 \$	2015 \$
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Note 16: Capital and Leasing Commitments

The Director's have committed to the internal refurbishment and alterations to the Club for its office area, key lock system, HVAC system upgrade, gaming, board room table and dishwashing areas. These projects have a combined budget of \$680,000 (2015 commitments totalled \$525,000).

Note 17: Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which 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.

Note 18: Related Party Transactions

Remuneration and Retirement Benefits

Income paid or payable to all directors of the company by the company and any related parties

\$0 - \$9,999	22,408	24,617
	7	7

Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties were:

TW & DS McMillan carried out building work around the Club. T McMillan was a director of the company.	\$ -	\$ 651
C & V Brodbeck Fencing constructed a fence as part of the Club surrounds. C Brodbeck is a director of the company.	\$ 4,231	\$ 14,367

Note 19: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Armidale City Bowling Club Ltd
 92-96 Dumaresq Street
 ARMIDALE NSW 2350

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2016

In the directors' opinion

1. The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Clutterbuck
Director



Terrence Ogilvie
Director

Dated: 15 August 2016

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARMIDALE CITY BOWLING CLUB LIMITED**

ABN 97 001 036 504

Report on the financial report

We have audited the accompanying financial report of Armidale City Bowling Club Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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 Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 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 the entity's preparation of the financial report that gives a true and fair view in order 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. We confirm that the independence declaration required by the Corporations Act 2001, which has been provided to the directors of Armidale City Bowling Club Limited, would be in the same terms if given to the directors as at the time of this auditors' report.

Basis of Qualified Audit Opinion

Attention is drawn to Note 1(o) in the financial statements 'Key Management Personnel'. Two Key Management Personnel exist but non compliance with AASB 124 has been chosen as not to breach confidentiality of the club.

Qualified Audit Opinion

In our opinion except for the possible effect of the matter described in the basis for qualified opinion paragraph, the financial report of Armidale City Bowling Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2016 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Crowe Horwath Central North



Kylie Ellis
Partner - Audit & Assurance
Registered Company Auditor 483424

90 Rusden Street
Armidale NSW 2350

Dated: 26 August 2016

**DISCLAIMER
TO THE MEMBERS OF
ARMIDALE CITY BOWLING CLUB LIMITED**

ABN 97 001 036 504

The additional financial data presented on pages 23 - 28 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial 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 we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Armidale City Bowling Club Limited) in respect of such data, including any errors of omissions therein however caused.

Crowe Horwath Central North



Kylie Ellis
Partner - Audit & Assurance
Registered Company Auditor 483424
90 Rusden Street
Armidale NSW 2350

Dated: 26 August 2016

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Bar Trading		
Bar sales	<u>1,425,788</u>	<u>1,432,796</u>
Total sales	<u>1,425,788</u>	<u>1,432,796</u>
Less: Cost of Goods Sold		
Stock movement for the year	3,975	5,811
Purchases - bar	(16,607)	(12,218)
Purchases - light beer	(23,474)	(30,628)
Purchases - heavy beer	(301,612)	(303,769)
Purchases - spirits	(69,392)	(76,423)
Purchases - wine	(62,507)	(54,770)
Purchases - soft drink	(52,684)	(54,987)
Purchases - gas cylinders	(5,468)	(4,848)
Purchases - cigarettes	(16,240)	(13,847)
Purchases - café	(35,462)	(29,617)
Freight - bar	(509)	(436)
Total cost of goods sold	<u>(579,980)</u>	<u>(575,732)</u>
Net profit from bar trading	<u>\$ 845,808</u>	<u>\$ 857,064</u>
Gross profit percentage to sales	<u>59.32%</u>	<u>59.82%</u>
Less: Direct Expenses		
Depreciation	(16,637)	(15,705)
Glass replacement	(7,693)	(5,706)
Repairs and maintenance	(922)	(558)
Uniforms	(2,380)	(8,415)
Waste	(143)	-
Wages	(537,418)	(535,167)
Total direct expenses	<u>(565,193)</u>	<u>(565,551)</u>
Net profit from bar trading	<u>\$ 280,615</u>	<u>\$ 291,513</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Bistro		
Bistro sales	755,484	685,498
Banquet sales	<u>568,197</u>	<u>548,578</u>
	<u>1,323,681</u>	<u>1,234,076</u>
Cost of goods sold	<u>(496,572)</u>	<u>(551,901)</u>
Gross Profit	<u>827,109</u>	<u>682,175</u>
Less: Direct expenses		
Advertising	(10,514)	(6,563)
Cleaning materials	(1,805)	(2,980)
Electricity	(35,556)	(44,912)
Freight	(1,000)	(5,160)
Gas	(17,731)	(21,190)
Insurance - workers compensation	(10,682)	(10,910)
Promotions	(11,165)	(12,012)
Repairs and maintenance	(7,944)	(7,679)
Waste disposal	(4,225)	(4,674)
Staff expenses	(713)	(1,179)
Staff training	-	(645)
Superannuation	(54,836)	(47,171)
Uniforms	(1,267)	(2,581)
Waste	(12,749)	(8,675)
Wages	(421,622)	(427,555)
Wages - banquet	<u>(190,479)</u>	<u>(150,317)</u>
Total direct expenses	<u>(782,288)</u>	<u>(754,203)</u>
Net loss from bistro operations	<u>\$ 44,821</u>	<u>\$ (72,028)</u>
Poker Machines		
Poker machine takings	2,863,340	2,878,350
GST rebate	<u>17,180</u>	<u>17,180</u>
	<u>2,880,520</u>	<u>2,895,530</u>
Less: Poker machine expenses		
CMS - monitoring fees	(32,394)	(31,103)
Depreciation	(240,172)	(219,728)
Maintenance contracts	(34,680)	(35,358)
Parts	(8,052)	(804)
Poker machine tax	(467,129)	(466,212)
Promotions	(85,020)	(73,062)
Wages	<u>(50,517)</u>	<u>(52,296)</u>
Total direct expenses	<u>(917,964)</u>	<u>(878,563)</u>
Gross profit from poker machines	<u>\$ 1,962,556</u>	<u>\$ 2,016,967</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Keno		
Keno Income	77,791	79,075
Less: Keno expenses	<u>(5,347)</u>	<u>(5,707)</u>
Net profit	<u>\$ 72,444</u>	<u>\$ 73,368</u>
Rental Operations		
Rent received	6,760	6,630
Less: Direct expenses		
Depreciation - buildings	(767)	(708)
Depreciation - equipment	(195)	(256)
Insurance	-	(977)
Rates - municipal	(2,618)	(2,097)
Rates - water	<u>(436)</u>	<u>(535)</u>
Total direct expenses	<u>(4,016)</u>	<u>(4,573)</u>
Net profit from rental operations	<u>\$ 2,744</u>	<u>\$ 2,057</u>
ACBC Community Assistance		
Proceeds - community assistance	<u>13,022</u>	<u>17,432</u>
Payments	<u>(500)</u>	<u>(9,500)</u>
Held for community assistance	<u>\$ 12,522</u>	<u>\$ 7,932</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Income		
Net profit/(loss) from trading:		
Bar net profit	280,615	291,513
Poker Machines gross profit	1,962,556	2,016,967
Bistro net profit	44,821	(72,028)
Keno net profit	72,444	73,368
Rental property profit	2,744	2,057
Held for community assistance	12,522	7,932
Bowls nominations fees	5,839	5,392
ATM/ snack commission	43,541	44,437
TAB income	8,528	14,210
Hire of facilities	72,706	77,838
Raffles	130,188	125,301
Members subscriptions	28,627	27,882
Interest received - investments	36,772	52,805
Interest received - cash management	19,030	13,368
Insurance recoveries	-	984
Community Partnership Account	3,217	3,324
Sponsorship income	15,482	16,664
Vending machine income	5,565	6,607
Environmental levy	67	165
Super draw services income	1,440	5,960
Total Income	2,746,704	2,714,746
Expenditure		
<u>Bowls & Greens Expenses</u>		
Bowling greens maintenance	(26,287)	(24,222)
Bowling pennant team expenses	(8,143)	(14,474)
Bowling trophies and prizes	(17,706)	(21,882)
Capitation fees - bowls	(6,134)	(5,614)
Bowling clothes	(9,770)	(17,184)
Greens wages	(68,653)	(70,700)
Greens superannuation	(5,938)	(6,123)
	<u>(142,631)</u>	<u>(160,199)</u>
<u>General Maintenance</u>		
Cleaning materials	(30,325)	(29,907)
First aid supplies	(1,013)	(970)
Garden and grounds	(4,413)	(2,413)
Laundry	(26,617)	(26,306)
Pest control	(220)	(440)
	<u>(62,588)</u>	<u>(60,036)</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<u>Administration Expenses</u>		
Accommodation	(718)	(2,711)
Audit fees	(14,444)	(14,050)
Audit fees - other services	(3,014)	(2,950)
Bad debt expenses	(3,782)	(2,757)
Bank charges	(228)	(234)
Bank charges EFTPOS	(10,029)	(6,368)
Computer fees and programs	(42,294)	(36,055)
Conference expenses	(15,662)	(7,596)
Consultants fees	(43,348)	(21,982)
Directors fees	(22,408)	(24,617)
Taxes, fees and charges	(7,339)	(6,402)
Freight	(6,941)	(3,975)
Internet expenses	(300)	(1,199)
Legal and collection costs	(4,748)	(7,439)
Licences and fees	(8,317)	(8,134)
Postage	(5,270)	(1,215)
Printing and stationery	(39,799)	(35,540)
Staff expenses	(17,260)	(22,654)
Subscriptions	(16,524)	(15,059)
Administration wages	(387,594)	(372,140)
Cleaning wages	(141,110)	(160,786)
Uniforms	(4,716)	(3,037)
Room hire wages	(18,119)	(23,719)
Travelling expenses	(1,317)	(736)
Superannuation	(97,166)	(104,075)
Payroll tax	(70,842)	(67,600)
Telephone and fax	(21,228)	(27,872)
	<u>(1,004,517)</u>	<u>(980,902)</u>
<u>Employee Provisions</u>		
Provision for annual leave	(1,475)	(7,019)
Provision for long service leave	(18,380)	(13,555)
	<u>(19,855)</u>	<u>(20,574)</u>
<u>Insurance</u>		
Insurance - general and building	(48,456)	(46,525)
Insurance - workers compensation	(26,195)	(25,822)
Insurance - GST free	(3,280)	(4,392)
	<u>(77,931)</u>	<u>(76,739)</u>
<u>Motor Vehicle</u>		
Motor vehicle running expenses	(2,292)	(3,175)
Depreciation- motor vehicle	(3,068)	(3,068)
	<u>(5,360)</u>	<u>(6,243)</u>

ARMIDALE CITY BOWLING CLUB LIMITED
ABN 97 001 036 504

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<u>Operations</u>		
Electricity	(84,247)	(105,778)
Gas	(8,119)	(10,200)
Lighting replacement	(1,259)	(1,124)
Rates - water	(10,175)	(12,912)
Rates - municipal	(28,193)	(39,205)
Repairs and maintenance - air conditioning	(4,223)	(7,236)
Repairs and maintenance - buildings	(38,287)	(36,607)
Repairs and maintenance - equipment	(70,602)	(76,887)
Waste disposal	(9,410)	(8,121)
Security monitor	(32,823)	(38,552)
Depreciation - plant and equipment	(173,787)	(180,209)
Depreciation - furniture and fittings clubhouse	(103,893)	(101,261)
Depreciation - buildings	(108,777)	(97,806)
Depreciation - greens	(3,432)	(3,430)
Depreciation - greens lighting	-	(466)
Depreciation - greens shed and toilet	(849)	(849)
	<u>(678,076)</u>	<u>(720,643)</u>
<u>Promotions</u>		
Advertising	(46,151)	(53,216)
Bingo expenses	(35,512)	(32,248)
Catering expenses - general	(3,969)	(4,195)
Catering expenses - bistro	-	(295)
Club functions	(22,019)	(33,084)
Entertainment - general	(46,234)	(44,902)
Entertainment - live bands	(52,762)	(53,688)
Hire of equipment	(14,479)	(15,706)
Members expenses - directors	(3,420)	(7,001)
Members expenses - draws	(352)	(3,248)
Members expenses - cash draws	(22,964)	(45,271)
Members expenses - stationery	(7,190)	(2,640)
Members expenses - floral tributes	(504)	(145)
Promotions	(54,479)	(27,796)
Raffle expenses	(149,489)	(138,439)
	<u>(459,524)</u>	<u>(461,874)</u>
<u>Sponsorships and Donations</u>		
Sponsorships	(69,891)	(47,639)
Donations	(15,781)	(36,172)
	<u>(85,672)</u>	<u>(83,811)</u>
Total Expenditure	<u>(2,536,154)</u>	<u>(2,571,021)</u>
Net Operating Profit before Income Tax Expense	<u>210,550</u>	<u>143,725</u>
Other comprehensive income	-	-
Total Comprehensive Profit	<u>\$ 210,550</u>	<u>\$ 143,725</u>