

**DAPTO CITIZEN'S BOWLING CLUB LTD**  
**ABN 38 001 024 979**

**OFFICE BEARERS**

PATRONS	J. HAWKE	K. COOPER
PRESIDENT	N. HAWKE	
VICE PRESIDENT	R. LOGAN	
TREASURER		
SECRETARY/MANAGER	S. PARNIS	
DIRECTORS	G. BROWN	S. LOW
	B. McCANN	B. BAILEY
	D. COLEMAN	D. BATEY
	I. BAILEY	

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**Registered Club's Membership at 31 May, 2017 – 2,542**

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**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the ANNUAL GENERAL MEETING of the  
Dapto Citizens Bowling Club Limited  
will take place on Saturday 26<sup>th</sup> August, 2017 at 9.30 am at the Clubhouse.

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**AGENDA OF ANNUAL GENERAL MEETING**

1. Call for apologies and welcome guests.
2. To confirm the **Minutes** of the previous **Annual General Meeting**.
3. To confirm the Patrons for the ensuing year.
4. To receive and consider the **Directors Report and Declaration, Report of the Auditor and Financial Statements**.
5. To declare the results of the election of **Directors** to hold office in accordance with the **Articles of Association**.
6. To approve honorariums.
7. To deal with any business of which due notice has been given.

**MEMBERS PLEASE NOTE**

Members are requested to advise the **Secretary**, in writing, seven (7) days prior to the date of the **Annual General Meeting** of any query relating to the **Financial Report** on which further information may be required. Such information will be extracted from the records and be available at the **Annual General Meeting**.

## CLUB CHAMPIONSHIP WINNERS 2016

<u>MEN</u>	<u>Winner</u>	<u>Runner Up</u>
<b>Major Singles</b>	Brett Pieper	Rick Malley
<b>Pairs</b>	Andrew Lynn Warren Haviland	Ernie Moane Gordon West
<b>Triples</b>	Brian Harriott Paul Luke Jarrod Hamilton	Rod Pymont Simon Marott Mark Cooper
<b>Fours</b>	P. McIver I. Bailey C. Green T. Suckley	R. Lawrence D. Cookson J. Drinkwater A. Spears
<b>Minor Singles</b>	Craig Thompson	Derrek Batey
<b>Pairs</b>	John Hellyer Ian Tindal	Mark Sunderland Wayne Ford
<b>Mixed Pairs</b>	Lyn Thelan Brett Pieper	Linda Meiser Cayne Ford
 <u>WOMEN</u>		
<b>Major Singles</b>	Sally Golding	Sue McCormack
<b>Pairs</b>	Jenette Campbell Dianne Lienert	Linda Headington Helen Rusten
<b>Triples</b>	Linda Headington Helen Rusten Julie Feltham	Sue Cox Nola Turner Nolene Bullen
<b>Fours</b>	A. Grant K. Gordon H. Downie J. Villy	H. Quirk H. Clift V. Franks (Sub – M. Boyer) C. Docherty
<b>Minor Singles</b>	Lyn Thelan	Chris Ellem

# **Dapto Citizens Bowling Club Limited**

ABN: 38 001 024 979

## **Financial Statements**

**For the Year Ended 31 May 2017**

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Financial Statements

For the year ended 31 May 2017

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# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## President's Report

To all Members

I would like to report on the progress of the Club for the period 2016-2017. We are proud to report a profit of \$458755.

I'd like to say congratulations and thank you to our Secretary/Manager Shaun Parnis, you have done an excellent job, with another great result for the club.

I'd also like to take this opportunity to say a big thank you to all staff including administration, bar and courtesy bus drivers for all their hard work and dedication to our club over the past twelve months.

I'd like to thank our Head Green Keeper- John, Jordan and Blake for the hard work they have done in maintaining our greens and getting our greens ready to the highest order.

Thanks to Brett Pieper and his helpers for their continued commitment in organising the bowls; we do appreciate the hard work involved.

To all our championship winners, Congratulations. I would also like to congratulate Brett Pieper on winning the Zone Champ of Champ Singles and the Mens number 1& 4 pennant sides representing at State. I would also like to thank all bowlers for your commitment and sportsmanship on and off the green. Good luck to all our bowlers next year.

To Madam President Chris Ellem and Lady Bowlers, congratulations on your achievements throughout the year, in particular the women involved in the number 1 Zone pennant winners and thank you for all your help throughout the year.

To all members who have lost loved ones this year I would like to extend to you and your family our deepest sympathy.

In concluding my report I would like to thank all members on the Board of Management for their ongoing support and hard work throughout the year.

**Noel Hawke**  
**President**

# Dapto Citizens Bowling Club Limited

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## Secretary Manager's Report

Financial year 2016/2017 proved to be a challenging, yet successful year for the club; management and the board have continued their strong working relationship to take the club forward and to ensure the long term sustainability of the club looking into the future.

I would like to take this chance to thank Noel and the board of directors for the working relationship/environment they have provided me with throughout the year and to thank them for their support, vision and ability to work as a team to achieve these great results for the club.

On the greens, we have seen John, Jordan and Blake endure some torrential weather conditions, making life quite difficult, on that note thanks for all their hard work so that the members can enjoy the result of their dedication.

To the bar staff, who continually try to pursue to offer a better service for our members and guests, they are the frontline of the club and do a terrific job to create a welcoming atmosphere in the club.

To George Brown and Pete Millard, who together take on much of the maintenance duties around the club, again thank you.

To the volunteers of the club, who there are many, a sincere thankyou and public appreciation, your work behind the scenes is often done without thanks.

To Brett Pieper and his right hand man, Brett Bailey, thanks for all your work with the bowls, the club has a large membership and this takes a lot of commitment to ensure smooth running of a very demanding program. To the committee and members of the women's bowling club, it has been a pleasure working with you and look forward to continuing our strong relationship for the future.

Management is continually implementing strategies to achieve the goals set by the board. In a trying social environment, the club has continued to prosper. The club has taken the initiative to increase its brand and attract new members. The car giveaway was a huge success, as well as the Wacky Wednesday promotion which gave one of our members the chance to win \$500000. Management looks forward to the challenges of the upcoming year.

The club has made numerous and significant contributions to the local community throughout this year. Management and Board are readily mindful of our purpose and commitment to the local community.

Finally, to the members who support this wonderful club day in and day out, thank you. You are the foundation of this club and your support is appreciated.

**Shaun Parnis**

**Secretary/Manager**

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Directors' Report

31 May 2017

Your directors present their report on Dapto Citizens Bowling Club Limited for the financial year ended 31 May 2017.

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Office Held	Years	
		Experience	Qualifications
N D Hawke	President	20	Retired
R Logan	Vice President	20	Retired
D Coleman	Director	4	Retired
J Stephen <sup>2</sup>	Director	16	Retired
G Brown	Director	15	Retired
G West <sup>2</sup>	Director	4	Retired
I Bailey	Director	6	Warehouse Supervisor
S Low	Director	4	Retired
B McCann	Director	2	Retired
B J Paull <sup>2</sup>	Treasurer	26	Retired
D Batey	Director	8	Retired
B Bailey <sup>1</sup>	Director	1	Retired

<sup>1</sup> Appointed 28th August 2016

<sup>2</sup> Not reappointed 28th August 2016

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

### Review of operations

The profit of the Company the year amounted to \$ 458,755 (2016: \$ 516,583).

### Principal activities

The principal activities of Dapto Citizens Bowling Club Limited during the financial year were to maintain and conduct a Bowling Club for the accommodation of the members of the Club, to promote the game of Bowls and to encourage social activities between the members of the Club.

No significant changes in the nature of the entity's activity occurred during the financial year.

### Short term objectives

The Company's short term objectives are to continue to provide quality facilities for the benefit of members and guests.

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# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Directors' Report

31 May 2017

### Long term objectives

From a long-term perspective, the Company seeks to improve the facilities and services that we can offer to our members.

### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- implement cost cutting measures to areas that are deemed non-value added; and
- to overview current activities of the Club and diversify into different activities that will appeal to many in the local community.

### Members guarantee

Dapto Citizens Bowling Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10, subject to the provisions of the company's constitution.

At 31 May 2017 the collective liability of members was \$ 25,420 (2016: \$ 26,320).

### Meetings of directors

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
N D Hawke	12	12
R Logan	11	12
D Coleman	10	12
J Stephen	2	3
G Brown	10	12
G West	2	3
I Bailey	12	12
S Low	12	12
B McCann	11	12
B J Paull	3	3
D Batey	11	12
B Bailey	11	12



# Dapto Citizens Bowling Club Limited

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## Directors' Report

31 May 2017

### Non-audit services

The Board of Directors, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that these services disclosed in the notes to the financial statements did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 May 2017 has been received and can be found on page of the financial report.

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

**N D Hawke**  
**Director**

Dated 25 July 2017

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001  
to the Directors of Dapto Citizens Bowling Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 May 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.

Daley & Co  
Chartered Accountants

Michael Mundt  
Partner

25 July 2017

Wollongong

Liability limited by a scheme approved under Professional Standards Legislation.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 May 2017

	Note	2017 \$	2016 \$
Revenue	4	<b>3,750,577</b>	3,828,452
Other income	4	<b>49,963</b>	63,146
Bar trading - cost of sales		<b>(723,832)</b>	(710,416)
Bar trading - operating costs		<b>(442,300)</b>	(430,410)
Poker machine - operating expenses		<b>(415,396)</b>	(425,623)
Bowling and green expenses		<b>(374,907)</b>	(381,792)
Promotions and member benefits expense		<b>(170,293)</b>	(168,897)
Keno, TAB and bingo expense		<b>(130,878)</b>	(134,716)
Raffle expenses		<b>(124,453)</b>	(153,921)
Occupancy costs		<b>(303,605)</b>	(313,452)
Finance costs		<b>(230)</b>	(18,821)
Administrative expenses		<b>(551,741)</b>	(553,232)
Other expenses		<b>(104,150)</b>	(83,735)
<b>Result for the year</b>		<b>458,755</b>	516,583
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>458,755</b>	516,583

The accompanying notes form part of these financial statements.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

## Balance Sheet

As at 31 May 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	1,016,875	553,673
Trade and other receivables	7	12,924	11,582
Inventories	8	68,016	66,233
Other assets	9	26,622	24,048
TOTAL CURRENT ASSETS		<u>1,124,437</u>	655,536
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,739,095	3,996,169
Intangible assets	11	234,710	234,710
TOTAL NON-CURRENT ASSETS		<u>4,973,805</u>	4,230,879
TOTAL ASSETS		<u>6,098,242</u>	4,886,415
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	12	928,939	319,494
Borrowings	13	102,402	13,126
Employee benefits	14	114,667	103,005
TOTAL CURRENT LIABILITIES		<u>1,146,008</u>	435,625
NON-CURRENT LIABILITIES			
Borrowings	13	35,001	-
Employee benefits	14	29,810	22,122
TOTAL NON-CURRENT LIABILITIES		<u>64,811</u>	22,122
TOTAL LIABILITIES		<u>1,210,819</u>	457,747
NET ASSETS		<u>4,887,423</u>	4,428,668
<b>EQUITY</b>			
Retained earnings		4,887,423	4,428,668
TOTAL EQUITY		<u>4,887,423</u>	4,428,668

The accompanying notes form part of these financial statements.

# Dapto Citizens Bowling Club Limited

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## Statement of Changes in Equity

For the Year Ended 31 May 2017

	<b>Retained Earnings \$</b>
<b>Balance at 1 June 2015</b>	3,919,115
Profit attributable to members of the entity	516,583
Retrospective adjustment upon change in accounting policy	(7,030)
<b>Balance at 31 May 2016</b>	<u>4,428,668</u>
Profit attributable to members of the entity	<u>458,755</u>
<b>Balance at 31 May 2017</b>	<u><u>4,887,423</u></u>

The accompanying notes form part of these financial statements.

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# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Statement of Cash Flows

For the Year Ended 31 May 2017

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	4,209,189	4,290,926
Payments to suppliers and employees	(3,485,497)	(3,482,391)
Finance costs	(230)	(18,821)
Net cash provided by operating activities	18(a) <u>723,462</u>	<u>789,714</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(279,533)	(175,828)
Proceeds from sale of property, plant and equipment	-	28,280
Net cash used by investing activities	<u>(279,533)</u>	<u>(147,548)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	59,880	-
Repayment of borrowings	(40,607)	(545,179)
Net cash provided/(used) by financing activities	<u>19,273</u>	<u>(545,179)</u>
Net increase in cash and cash equivalents held	463,202	96,987
Cash and cash equivalents at beginning of year	553,673	456,686
Cash and cash equivalents at end of financial year	6 <u>1,016,875</u>	<u>553,673</u>

The accompanying notes form part of these financial statements.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

### For the Year Ended 31 May 2017

The financial report covers Dapto Citizens Bowling Club Limited as an individual entity. Dapto Citizens Bowling Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Dapto Citizens Bowling Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2. Summary of Significant Accounting Policies

##### (a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

##### Sale of goods

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 involvement in those goods.

##### Donations

Donations and bequests are recognised as revenue when received.

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 2. Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Interest revenue

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

##### Rental income

Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### Subscriptions

Revenue from the provision of membership subscriptions is recognised in the year to which the membership relates.

#### (b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which it incurs them.

#### (c) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.



# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 2. Summary of Significant Accounting Policies

#### (e) Leases

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

#### (g) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line and reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 2. Summary of Significant Accounting Policies

#### (g) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings	2%
Plant and Equipment	5 - 40%
Furniture, Fixtures and Fittings	5 - 20%
Motor Vehicles	22.5%
Poker Machines	22.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (h) Financial instruments

##### Initial recognition and measurement

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 2. Summary of Significant Accounting Policies

#### (h) Financial instruments

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

##### *Financial liabilities*

Financial liabilities are classified as other financial liabilities depending on the purpose for which the liability was acquired.

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 2. Summary of Significant Accounting Policies

#### (h) Financial instruments

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

#### (i) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 2. Summary of Significant Accounting Policies

**(i) Impairment of non-financial assets**

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

**(j) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

**(k) Goods and services tax (GST)**

Revenue, 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 Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 3. Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - impairment of property, plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 4. Revenue and Other Income

#### Revenue from continuing operations

	2017	2016
	\$	\$
<b>Sales revenue</b>		
- Bar sales	1,598,268	1,641,176
- Poker machine revenue	1,655,453	1,706,455
- Poker machine GST rebate	17,180	17,180
- TAB and Keno revenue	120,543	105,046
- Bingo revenue	54,827	53,716
- Raffle income	125,185	116,349
- Subscriptions and nominations	22,880	23,605
- Green fees and raffles	86,084	86,562
- Other revenue	70,157	78,363
	<u>3,750,577</u>	<u>3,828,452</u>
<b>Other income</b>		
- Interest income	4,007	2,523
- Rental income	45,956	40,675
- Profit on disposal of property, plant and equipment	-	19,948
	<u>49,963</u>	<u>63,146</u>
<b>Total Revenue</b>	<u><u>3,800,540</u></u>	<u><u>3,891,598</u></u>

### 5. Result for the Year

#### Expenses

Depreciation expense	271,066	251,892
Interest expense	230	18,821
Employee benefits expense	104,150	83,735
Superannuation contributions	76,211	72,376
Loss on disposal of property, plant and equipment	1,013	-

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 6. Cash and cash equivalents

	<b>2017</b>	<b>2016</b>
	\$	\$
Cash on hand	<b>165,700</b>	115,000
Cash at bank	<b>851,175</b>	438,673
	<b><u>1,016,875</u></b>	<u>553,673</u>

### 7. Trade and other receivables

Trade and other receivables	<b><u>12,924</u></b>	<u>11,582</u>
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### 8. Inventories

Finished goods	<b><u>68,016</u></b>	<u>66,233</u>
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### 9. Other assets

Prepayments	<b><u>26,622</u></b>	<u>24,048</u>
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# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 10. Property, plant and equipment

	<b>2017</b>	<b>2016</b>
	\$	\$
Land and buildings		
At cost	<b>5,251,377</b>	4,552,169
Accumulated depreciation	<b>(1,327,740)</b>	(1,254,317)
	<b>3,923,637</b>	3,297,852
Plant and equipment		
At cost	<b>1,309,398</b>	1,143,837
Accumulated depreciation	<b>(997,888)</b>	(948,717)
	<b>311,510</b>	195,120
Furniture, fixtures and fittings		
At cost	<b>297,276</b>	206,920
Accumulated depreciation	<b>(160,949)</b>	(152,525)
	<b>136,327</b>	54,395
Motor vehicles		
At cost	<b>38,179</b>	38,179
Accumulated depreciation	<b>(31,067)</b>	(21,522)
	<b>7,112</b>	16,657
Poker machines		
At cost	<b>1,198,292</b>	1,160,341
Accumulated depreciation	<b>(837,783)</b>	(728,196)
	<b>360,509</b>	432,145
<b>Total property, plant and equipment</b>	<b>4,739,095</b>	3,996,169

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 10. Property, plant and equipment

#### (a) Movements in Carrying Amounts

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

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Poker Machines	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 June 2016</b>						
Balance at the beginning of year	3,297,855	195,116	54,395	16,657	432,146	3,996,169
Additions	699,205	165,565	90,356	-	59,879	1,015,005
Disposals	-	-	-	-	(1,013)	(1,013)
Depreciation expense	(73,423)	(49,171)	(8,424)	(9,545)	(130,503)	(271,066)
<b>Balance at 31 May 2017</b>	<b>3,923,637</b>	<b>311,510</b>	<b>136,327</b>	<b>7,112</b>	<b>360,509</b>	<b>4,739,095</b>

#### (b) Core and Non-Core Property

As required under section 41J of the Registered Clubs Act 1976, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Board considers as core property the licensed premises from which the Club operates at Fowlers Road, Dapto.

The properties located at 34 and 36 Craig Crescent Dapto are not considered to be core properties of the Club given that they are not the defined premises of the club, nor facilities provided by the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

On the 24th May 2017, the Club purchase a property located at 16 Toronto Avenue, Dapto. The property is not considered to be core property given that it has the same characteristics as above. A resolution to ratify the property as being non-core property will be put to members at the upcoming Annual General Meeting.

### 11. Intangible Assets

	2017	2016
	\$	\$
Gaming machine entitlements - at cost	<b>234,710</b>	234,710

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 12. Trade and other payables

	Note	2017 \$	2016 \$
CURRENT			
Trade payables		130,487	137,128
Deferred income		14,980	14,995
Other payables		783,472	167,371
		<u>928,939</u>	<u>319,494</u>

#### Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:			
- total current		928,939	319,494
Less:			
amounts received in advance		14,980	14,995
Financial liabilities as trade and other payables	19	<u>913,959</u>	<u>304,499</u>

### 13. Borrowings

CURRENT			
Secured liabilities:			
Interest bearing finance lease liabilities	(a)	102,402	13,126
<b>Total current borrowings</b>		<u>102,402</u>	<u>13,126</u>
NON-CURRENT			
Secured liabilities:			
Interest bearing finance lease liabilities	(a)	35,001	-
<b>Total non-current borrowings</b>		<u>35,001</u>	<u>-</u>

#### (a) Leased Liabilities

Leased liabilities are secured by the underlying leased assets.

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 14. Employee benefits

	2017	2016
	\$	\$
CURRENT		
Employee benefits	<u>114,667</u>	103,005
NON-CURRENT		
Long service leave	<u>29,810</u>	<u>22,122</u>

### 15. Leasing commitments

#### (a) Finance leases

Minimum lease payments:

- not later than one year

102,402      13,349

102,402      13,349

Less future finance charges

-      (223)

Minimum lease payments

102,402      13,126

#### (b) Other commitments

Contractual commitments

-      23,909

### 16. Interests of Key Management Personnel

The total remuneration paid to key management personnel of the Company is \$ 144,391 (2016: \$ 132,106).

### 17. Related Party Transactions

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

Key Management Personnel often participate in bowling activities whereby they can receive prize monies and vouchers. These prizes are received under the normal terms and conditions applicable to all members participating in such activities and are not considered to be remuneration and hence have not been included in the disclosures in this note 16.

# Dapto Citizens Bowling Club Limited

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 17. Related Party Transactions

Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Company's business. These costs are not considered to be remuneration and hence have not been included in this disclosure.

### 18. Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

	2017	2016
	\$	\$
Result for the year	458,755	516,583
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	271,066	251,892
- (profit)/loss on disposal of property, plant and equipment	1,013	(19,948)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(1,342)	(1,746)
- (increase)/decrease in inventories	(1,783)	4,329
- (increase)/decrease in other assets	(2,574)	(7,232)
- increase/(decrease) in trade and other payables	(21,023)	24,503
- increase in provisions	19,350	21,333
Cashflow from operations	<u>723,462</u>	<u>789,714</u>

#### (b) Non-cash financing and investing activities

Acquisition of assets by means of finance leases	<u>105,004</u>	<u>24,090</u>
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# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 19. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		<b>2017</b>	<b>2016</b>
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	6	<b>1,016,875</b>	553,673
Trade and other receivables	7	<b>12,924</b>	11,582
<b>Total financial assets</b>		<b><u>1,029,799</u></b>	<u>565,255</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables	12	<b>913,959</b>	304,499
Borrowings	13	<b>137,403</b>	13,126
<b>Total financial liabilities</b>		<b><u>1,051,362</u></b>	<u>317,625</u>

### Net fair values

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

### 20. Events after the end of the Reporting Period

The financial report was authorised for issue on 25 July 2017 by the Board of Directors.

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.

# Dapto Citizens Bowling Club Limited

ABN: 38 001 024 979

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## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirement; and
  - b. give a true and fair view of the financial position as at 31 May 2017 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

**N D Hawke**

**Director**

Dated 25 July 2017

## **Independent Audit Report to the members of Dapto Citizens Bowling Club Limited**

### **Report on the Financial Report**

We have audited the accompanying financial report of Dapto Citizens Bowling Club Limited, which comprises the balance sheet as at 31 May 2017, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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.

### **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 the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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*.



## **Independent Audit Report to the members of Dapto Citizens Bowling Club Limited**

### **Opinion**

In our opinion the financial report of Dapto Citizens 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 31 May 2017 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Daley & Co  
Chartered Accountants

Michael Mundt  
Partner

Wollongong

25 July 2017

Liability limited by a scheme approved under Professional Standards Legislation.