

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

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The financial report was authorised for issue by the Directors on 24 September 2018. The Co-operative has the power to amend and re-issue the financial report.

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

DIRECTORS' REPORT

Your Directors' present their report for the financial year ended 30 June 2018.

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

Name	Special Responsibilities	Qualifications and Experience	Years Service as a Director
Ian Stirrat	President	Has over 30 year of work experience for the Newcastle Permanent Building Society.	9
George Pyke	Vice President	Over 45 years' experience in the consulting engineering field. As a civil engineer he worked in Australia and spent in excess of 12 years working overseas in Fiji, Malaysia, Indonesia, the Middle East and the Philippines.	4
Michael Hanna		28 years in RAAF retired in 2006. Member of Stockton support for Westpac Rescue Helicopter Service. Returned serviceman and member of Stockton RSL sub-branch.	5
Trevor Jones		Worked as marine engineer and maintenance foreman for BHP Newcastle for 15 years. Maintenance engineer, Tomago Aluminum for 23 years. Senior Vice President, Medowie Soccer Club. President, Stockton Tennis Club.	3
Karina Mills		A local Stockton resident who volunteers at Stockton Bowling Club to conduct Sunday raffles. Member of Foster Carers Reference Group and member of Newcastle and Central Coast community based advisory group.	1
Marie Mulheron		Previous Director and Vice President of Stockton Bowling Club. Stockton Women's Bowling Club Treasurer for 14 years. Newcastle Women's Bowling Association Member for 6 years and previous treasurer of Glenbrook Women's Bowling Club for 3 years.	1
Greg Douglas		Worked as a self employed builder and experience in management at RAAF. Founded Hawkesbury Triathlon Club where was the President for 5 years. Head swim coach at Fins Swim School for 8 years, now coach at Stockton Swim Centre.	1

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

2. Activities

The principal activities of the Co-operative in the course of the financial year ended 30 June 2018 were promotion of the game of bowls for the benefit of its members.

3. Results

The net result of operations after income tax was a profit of \$8,118 (2017 profit \$9,630).

4. Short and Long Term Objectives

The Club's short and long term objectives are to encourage and promote the sport of bowling.

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

- Maintain or increase existing revenue levels and control costs to continue profitability which will allow the Club's premises to be continually improved; and
- Ensure greens are kept to an optimum standard by employing quality greenkeepers and undertaking regular maintenance when financial circumstances permit.

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

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
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DIRECTORS' REPORT (Cont.)

5. Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Co-operative indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs expenses in successfully defending legal proceedings.

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors' and Officers (including former and future Directors' and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

6. Directors' Benefits

Since the end of the previous financial year no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due to be received by Directors' shown in the accounts or received as the fixed salary of a full time employee of the Club) by reason of a contract made by the Club or by a related corporation with the Director or with a firm of which they are a member, or with a Company in which they have a substantial financial interest.

7. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and is set out on page 4 of the financial report.

8. Dividends

The Club is prohibited from paying dividends under its constitution.

9. Meeting Attendances

The number of Board meetings held during the financial year ended 30 June 2018 was 15, consisting of 12 ordinary meetings and 3 special meeting. The details of each Directors' attendances at those meetings is given below:

<u>Director</u>	<u>Normal</u>	<u>Special</u>	<u>Held Whilst In Office</u>
Ian Stirrat	6	2	15
Michael Hanna	11	3	15
Trevor Jones	9	1	15
George Pyke (Vice President 25 September 2017)	10	3	15
Karina Mills (appointed 25 September 2017)	6	2	11
Marie Mulheron (appointed 25 September 2017)	8	2	11
Greg Douglas (appointed 22 June 2018)	2	0	2
Patrick Callaghan (resigned 12 February 2018)	4	3	9
Alan Holder (resigned 25 September 2017)	3	0	4
Jacqueline Haines (resigned 25 September 2017)	2	0	3

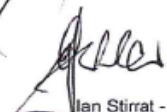
10. Property Report

The land on which the Clubhouse and Greens are situated is leased from the Department of Lands. The Directors have determined that all property of the Club shall be classified as follows in accordance with section 41J of the Registered Clubs Acts 1976 :

Core Property - The Clubhouse and Greens at Mitchell Street, Stockton 2295

Non-Core Property - Nil

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


 George Pyke - Director

 Ian Stirrat - Director

Date: 24 September 2018



AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS' OF
STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

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

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Date: 24 September 2018
Warabrook, NSW

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A member firm of DFK International a worldwide association of independent accounting firms and business advisers

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STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

INDEPENDENT AUDIT REPORT TO MEMBERS

To the members of Stockton Bowling Club Co-operative Limited

Report on the Financial Report

Opinion

We have audited the financial report of Stockton Bowling Club Co-operative Limited (the Co-Operative), which comprises the Statement of Financial Position as at 30 June 2018 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cashflows for the year then ended and notes to the financial statements including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of Stockton Bowling Club Co-Operative Limited is in accordance with the Co-operatives National Law (NSW) 2014, including:

- (a) giving a true and fair view of the Co-Operative's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Co-Operatives National Regulation (NSW).

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report, which indicates that the Co-Operative has a deficiency in working capital such that current liabilities exceeded current assets by \$332,411. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Co-Operative's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Co-operative's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Detailed Profit and Loss Statement.

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.

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STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

INDEPENDENT AUDIT REPORT TO MEMBERS

Responsibilities of the Directors for the Financial Report

The Directors of the Co-operative 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 Co-Operatives National Law 2014 (NSW) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Co-Operative for the year ended 30 June 2018 included on the Co-Operative's web site. The Co-Operative's Directors are responsible for the integrity of the the Co-Operative's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Date: 24 September 2018
Warabrook, NSW

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STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
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DIRECTORS' DECLARATION


The Directors' of the Co-operative declare that:

- 1 The financial statements and notes, as set out on pages 8 to 17 are in accordance with the Co-operatives National Law 2014 (NSW), including:
 - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Co-operatives National Regulation (NSW) and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Co-operative's financial position as at 30 June 2018 and of the performance for the year ended on that date.
- 2 There are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

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

Date: 24 September 2018


George Pyke - Director


Ian Stirrat - Director

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	96,708	56,950
Trade and Other Receivables	7	9,637	9,668
Inventories	8	27,478	30,461
Other Assets	9	41,942	30,540
TOTAL CURRENT ASSETS		175,765	127,619
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	817,010	823,367
TOTAL NON-CURRENT ASSETS		817,010	823,367
TOTAL ASSETS		992,775	950,986
CURRENT LIABILITIES			
Trade and Other Payables	11	126,019	84,753
Borrowings	12	208,294	200,241
Provisions	13	168,485	154,992
Other Liabilities	14	5,378	6,260
TOTAL CURRENT LIABILITIES		508,176	446,246
NON-CURRENT LIABILITIES			
Borrowings	12	21,907	39,338
Provisions	13	1,576	12,404
TOTAL NON-CURRENT LIABILITIES		23,483	51,742
TOTAL LIABILITIES		531,659	497,988
NET ASSETS		461,116	452,998
MEMBERS' FUNDS			
Accumulated Profits		461,116	452,998
TOTAL MEMBERS FUNDS		461,116	452,998

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

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

Note	2018 \$	2017 \$
Bar Sales	1,063,045	1,000,931
Cost of Goods Sold	347,839	345,359
Bar Gross Profit (\$)	715,206	655,572
Bar Gross Profit (%)	67.3%	65.5%
Cigarette Sales	6,086	5,407
Cost of Goods Sold	4,900	2,902
Cigarette Gross Profit (\$)	1,186	2,505
Cigarette Gross Profit (%)	19.5%	46.3%
Poker Machine Net Revenue	621,271	622,199
Paper Gaming Commission	53,923	58,370
Raffle & Bingo Sales	49,520	50,266
Members Subscriptions	15,231	19,423
Gala & Green Fees	10,155	9,225
Insurance Recoveries	27,896	7,597
Interest Received	232	90
Kitchen Rental	14,554	15,600
Other Bowls Income	6,056	5,591
Grant Funding Received	25,560	-
Sundry Income	51,115	28,303
Total Trading and Other Income	1,591,905	1,474,741
Expenses		
Bar Direct Expenses	348,268	327,249
Poker Machine Direct expenses	112,647	109,795
Paper Gaming Expenses	32,694	36,411
Raffle & Bingo Expenses	64,160	63,113
Members Amenities	201,192	185,946
Clubhouse Expenses	292,454	249,361
Greens & Bowling Activities	112,893	103,366
Administration Expenses (excluding Finance Costs)	401,031	374,154
Finance costs	18,448	15,716
Total Expenses	1,583,787	1,465,111
Net Profit/(Loss) Before Income Tax	8,118	9,630
Income Tax Expense	-	-
Net Profit/(Loss) After Income Tax	8,118	9,630
Other Comprehensive Income/(Expenses)	-	-
Total Comprehensive Income/(Loss)	8,118	9,630

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

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2018

Note	2018 \$	2017 \$
Cash Flows from Operating Activities		
Receipts from Members and Guests	2,099,289	2,005,252
Payments to Suppliers and Employees	(1,950,448)	(1,892,638)
Grant funding received	25,560	-
Interest Received	232	90
Interest Paid	(18,448)	(15,716)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	156,185	96,988
Cash Flows from Investing Activities		
Proceeds on Sale of Plant and Equipment	6,820	-
Payments for Plant and Equipment	(113,869)	(140,292)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	(107,049)	(140,292)
Cash Flows from Financing Activities		
Proceeds from borrowings	120,086	173,860
Repayment of borrowings	(129,464)	(131,645)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	(9,378)	42,215
Net Increase/(Decrease) in Cash Held	39,758	(1,089)
Cash at the Beginning of the Financial Year	56,950	58,039
Cash and Cash Equivalents at the End of the Financial Year	96,708	56,950

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

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Profits \$	Total \$
Balance at 1 July 2016	443,368	443,368
Net Profit/(Loss) for the year	9,630	9,630
Balance at 30 June 2017	452,998	452,998
Net Profit/(Loss) for the year	8,118	8,118
Balance at 30 June 2018	461,116	461,116

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

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1 Statement of Significant Accounting Policies

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Co-Operatives National Law 2014 (NSW). Stockton Bowling Club Co-Operative Limited is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

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

Statement of Compliance

The financial report complies with Australian Accounting Standards - Reduced Disclosure Standards as issued by the Australian Accounting Standards Board (AASB), being AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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

Deficiency in Working Capital

The Company has a deficiency in working capital with current assets of \$175,765 compared to current liabilities of \$508,176 representing a deficiency in working capital of \$332,411 (2017: \$318,627). Current liabilities includes;

- the entire Commonwealth Bank Loan being \$111,690 which is included as a current liability as the Club does not have an unconditional right to defer settlement for a period of at least 12 months, however the Directors do not expect to be required to repay the full drawn amount on the facility within the next 12 months.
- employee leave entitlements of \$168,485 which is included as a current liability, however the Directors do not expect to be required to settle the full amount owing to employees within the next 12 months.

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

- The Club generated positive net operating cashflows of \$156,185 ,and a profit of \$8,118 during the current year.
- The Club has a cash balance at 30 June 2018 of \$96,708.
- The Directors do not foresee any issues in continuing to meet the terms and conditions of its loans with the Bank.
- The Directors expect cashflows going forward to continue to be strong based on recent results.
- The Directors' consider that trading conditions will improve, while continued controlling of costs is also anticipated and it is expected the Club' should generate sufficient cashflow to cover immediate obligations.

It is on this basis that the Directors have determined that the going concern basis is appropriate.

Property, Plant and Equipment

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

Property, Plant and Equipment are depreciated so as to write off the assets over their estimated useful life of the assets as follows:

Buildings	25 - 50 years
Plant and Equipment	2 - 14 years
Poker Machines	2 - 3 years
Furniture and Fittings	2 - 20 years

Impairment

At each reporting date, the Co-Operative assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Co-Operative makes a formal estimate of the recoverable amount. Where the carrying amount of the asset exceeds the recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the administration expense line item.

Recoverable Amount of Assets

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use can not be estimated to be close to its fair value less cost to sell and it does not generate cash in flows that are largely independent of those of other assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where the future economic benefits of an asset are not dependent on the assets ability to generate net cash inflows and if deprived of the asset the Co-Operative would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Income Tax

The Co-operative is exempt from income tax under Section 50-45 of the Income Tax Assessment Act (1997).

Inventories

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

Trade Debtors and Other Receivables

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

Cash and Cash Equivalents

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

Revenue Recognition

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

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Co-operative.

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

Interest income is recognised as it accrues.

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

Other revenue is recognised as it accrues.

Employee Benefits

Short Term

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

Other Long Term

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

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

Accounts Payable

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

Goods and Services Tax

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

Borrowings

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

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

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2 Significant Accounting Judgements, Estimates and Assumptions

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

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

Significant accounting estimates and assumptions

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

Useful lives of property, plant and equipment

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

3 Other Information

The Club, being incorporated in New South Wales, Australia under the Co-Operatives Act has its registered office and principle place of business at Mitchell Street, Stockton.

	2018	2017
	\$	\$
4 Operating Revenue		
Bar Sales	1,063,045	1,000,931
Cigarette Sales	6,086	5,407
Poker Machine Net Revenue	621,271	622,199
Paper Gaming Commission	53,923	58,370
Raffle & Bingo Sales	49,520	50,266
Members Subscriptions	15,231	19,423
Gala & Green Fees	10,155	9,225
Insurance Recoveries	27,896	7,597
Interest Received	232	90
Kitchen Rental	14,554	15,600
Other Bowls Income	6,056	5,591
Sponsorship	4,912	1,084
Grant Funding Received	25,560	-
Sundry Income	46,203	27,219
Total	1,944,644	1,823,002

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017			
		\$	\$			
5	Operating Profit/(Loss)					
	The operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:					
	Credits					
	Interest Received / Receivable	232	90			
	Profit on Disposal of Assets	6,820	-			
	Charges					
	Depreciation Plant & Equipment	21,723	21,300			
	Buildings	54,653	55,370			
	Furniture & Fittings	1,777	2,020			
	Poker Machines	34,672	27,199			
		112,825	105,889			
	Loss on Disposal of Assets	7,401	-			
	Interest Paid/Payable	18,448	15,716			
	Employee Benefits - Wages	633,553	606,766			
	- Superannuation	56,823	56,823			
	- Leave Provisions	2,665	5,357			
		693,041	668,946			
6	Cash and Cash Equivalents					
	Cash and Cash Equivalents	96,708	56,950			
		96,708	56,950			
7	Trade and Other Receivables					
	Debtors Trade	4,637	4,668			
	TAB Security Deposit	5,000	5,000			
		9,637	9,668			
8	Inventories					
	Stock on Hand - Bar	25,011	28,927			
	Stock on Hand - Other	2,467	1,534			
		27,478	30,461			
9	Other Current Assets					
	Prepayments	41,942	30,540			
		41,942	30,540			
10	Property, Plant and Equipment					
		Plant & Equipment	Buildings	Furniture & Fittings	Poker Machines	Total
		\$	\$	\$	\$	\$
	Year ended 30 June 2018					
	At 1 July 2017,					
	Net of Accumulated Depreciation/Amortisation	106,440	527,594	15,903	173,430	823,367
	Additions	34,559	-	-	79,310	113,869
	Less: Disposals	4,850	-	-	2,551	7,401
	Less: Depreciation/Amortisation	21,723	54,653	1,777	34,672	112,825
	At 30 June 2018					
	Net of Accumulated Depreciation/Amortisation	114,426	472,941	14,126	215,517	817,010
	At 1 July 2017					
	Cost or Fair Value	420,702	1,175,572	126,853	581,329	2,304,456
	Accumulated Depreciation/Amortisation	314,262	647,978	110,950	407,899	1,481,089
	Net Carrying Amount	106,440	527,594	15,903	173,430	823,367
	At 30 June 2018					
	Cost or Fair Value	441,061	1,175,572	126,853	506,202	2,249,688
	Accumulated Depreciation/Amortisation	326,635	702,631	112,727	290,685	1,432,678
	Net Carrying Amount	114,426	472,941	14,126	215,517	817,010

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
11 Trade and Other Payables		
Creditors - Trade	60,622	43,369
Other Creditors and Accruals	60,139	39,609
GST Payable	5,258	1,775
	126,019	84,753
12 Borrowings		
Current		
Insurance Premium Funding	28,242	22,112
CBA Loan - Business (Secured)	111,690	139,675
CBA Loan - Hire Purchase (Secured)	17,431	38,454
Loan - Secured	50,931	-
	208,294	200,241
Non Current		
CBA Loan - Hire Purchase (Secured)	21,907	39,338
	21,907	39,338
<i>Loan - Commonwealth Bank</i>		
The loan with the Commonwealth Bank is for a 5 year term with a variable interest rate and the current rate is 8.27%. The loan is repayable monthly with repayments of \$3,210 per month. The Club's liability is secured by way of:		
i) First Registered Company Charge by Stockton Bowling Club Co-operative Limited over the whole of its assets and undertakings including uncalled capital.		
ii) First Registered Mortgage by Stockton Bowling Club Co-operative Limited over all Going Concern business perpetual lease located at 122 Mitchell Street, Stockton NSW 2295.		
<i>Hire Purchase Loans</i>		
The hire purchase loans are with the Commonwealth Bank for terms of 2 years to 4 years with interest rates fixed for each loan and the current rate of 6.64% and 6.80%. These loans are secured by way of first registered charge over the assets acquired (poker machines, solar equipment and combi oven).		
<i>Loan - Secured</i>		
The loan with Singleton Diggers Club is for a 2 year term with a nominal interest rate of 5%. The loan is repayable monthly with repayments of \$3,509 per month. The loan is secured by way of first registered charge over the assets acquired (poker machines).		
13 Provisions		
Current		
Provision for Annual Leave	101,945	104,322
Provision for Long Service Leave	66,540	50,670
	168,485	154,992
Non Current		
Provision for Long Service Leave	1,576	12,404
	1,576	12,404
14 Other Liabilities		
Current		
Subscriptions in Advance	5,378	6,260
	5,378	6,260
15 Related Parties		
The names of the persons who were Directors of the Club at any time during the year are as they appear in the attached Directors' Report.		
The spouse of Director Ian Stirrat is employed by the Club under normal award terms and conditions.		
The stepson of Gordon Laffan is employed by the Club under normal award terms and conditions.		
<i>Key Management Personnel</i>		
The total remuneration paid to key management personnel of the Co-Operative during the year was as follows:		
Short term employee benefits	94,304	86,656
Long term employee benefits	2,589	2,558
Post Employment benefits	8,240	7,622
	105,133	96,836

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
16	Commitments for Expenditure		
(a)	Lease Agreements		
	<i>Operating Leases</i>		
	Total commitments in respect of operating leases are as follows:		
	Payable not later than one year	3,420	2,189
	Payable later than one year but not later than five years	9,120	-
		12,540	2,189
		12,540	2,189
(b)	Hire Purchase Agreements		
	Total commitments in respect of hire purchase agreements are as follows:		
	Payable not later than one year	19,982	42,129
	Payable later than one year but not later than five years	22,514	42,496
	Future finance charges	(3,158)	(6,833)
	Total hire purchase liabilities	39,338	77,792
		39,338	77,792
	Hire purchase liabilities are reflected in the Statement of Financial Position as follows:		
	Payable not later than one year	17,431	38,454
	Payable later than one year but not later than five years	21,907	39,338
		39,338	77,792
(c)	The Club has a lease in perpetuity with the Department of Lands. The annual rent for 2018 was \$15,198.		

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

TRADING ACCOUNT	2018	2017
	\$	\$
STATEMENT OF BAR TRADING		
Sales	1,063,045	1,000,931
LESS COST OF SALES		
Opening Stock	28,927	26,406
Purchases	343,923	347,880
	<u>372,850</u>	<u>374,286</u>
Closing Stock	25,011	28,927
	<u>347,839</u>	<u>345,359</u>
GROSS PROFIT	<u>715,206</u>	<u>655,572</u>
DIRECT EXPENSES		
Leasing Charges	-	7,753
Members Discount	62,891	42,174
Promotions	9,692	4,515
Repairs & Maintenance	25,503	27,684
Wages	250,182	245,123
	<u>348,268</u>	<u>327,249</u>
NET PROFIT	<u>366,938</u>	<u>328,323</u>
STATEMENT OF CIGARETTE TRADING		
Sales	6,086	5,407
LESS COST OF SALES		
Opening Stock	1,492	1,721
Purchases	5,835	2,673
	<u>7,327</u>	<u>4,394</u>
Closing Stock	2,427	1,492
	<u>4,900</u>	<u>2,902</u>
GROSS PROFIT	<u>1,186</u>	<u>2,505</u>
STATEMENT OF POKER MACHINE OPERATIONS		
Net Revenue	621,271	622,199
DIRECT EXPENSES		
EBET Liability	(1,394)	5,714
Data Monitoring	16,427	16,014
Depreciation	34,671	27,199
Gaming Tax Rebate	(17,180)	(17,180)
Promotions	6,836	5,109
Repairs and Maintenance	18,249	16,015
Licenses	798	-
Hopper Movement	-	3,953
Sundry	3	16
Wages	54,237	52,955
	<u>112,647</u>	<u>109,795</u>
NET PROFIT	<u>508,624</u>	<u>512,404</u>

Detailed Profit and Loss Statement
Not Covered by Audit Report on Pages 5 and 6
Prepared for the information of Members

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
STATEMENT OF PAPER GAMING		
Keno Commission	41,700	47,492
TAB Commission	12,223	10,878
	<u>53,923</u>	<u>58,370</u>
DIRECT EXPENSES		
Keno Expenses	2,717	6,525
TAB Expenses	29,977	29,886
	<u>32,694</u>	<u>36,411</u>
NET PROFIT/LOSS	<u>21,229</u>	<u>21,959</u>
STATEMENT OF RAFFLE & BINGO		
Sales	49,520	50,266
Purchases	64,160	63,113
NET LOSS	<u>(14,640)</u>	<u>(12,847)</u>
TOTAL TRADING PROFIT	<u>883,337</u>	<u>852,344</u>
INCOME		
Gross Profit Trading	883,337	852,344
Commissions	19,465	17,596
Concert Ticket Sales	8,518	3,859
Employee Subsidy	1,500	-
Gala & Green Fees	10,155	9,225
Hot Food And Coffee	43	1,942
Insurance Recoveries	27,896	7,597
Interest Received	232	90
Kitchen Rental	14,554	15,600
Members Subscriptions	15,231	19,423
Other Bowls Income	6,056	5,591
Profit on Sale	6,820	-
Sponsorship	4,912	1,084
Funding Received	25,560	-
Sundry Income	9,857	3,822
TOTAL INCOME	<u>1,034,136</u>	<u>938,173</u>

Detailed Profit and Loss Statement
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STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
LESS EXPENSES		
MEMBERS AMENITIES		
Club Promotions	79,245	78,734
Entertainment	106,385	93,563
Members Badge Draw	10,556	7,923
Members Amenities	4,836	4,623
Refreshments	170	1,103
	<u>201,192</u>	<u>185,946</u>
CLUBHOUSE		
Cleaning Materials	16,212	14,682
Cleaning Wages	44,120	43,046
Consultancy	-	-
Depreciation	70,848	74,561
Depreciation - Kitchen	4,491	2,203
Electricity, Gas and Heating	47,975	34,369
Rates	13,891	19,455
Rent - Land	15,198	14,932
Repairs and Maintenance	71,651	37,230
Security	8,068	8,883
	<u>292,454</u>	<u>249,361</u>
GREENS & BOWLING ACTIVITIES		
Bowls	4,933	3,306
Depreciation - Greens	2,814	1,926
Repairs & Maintenance	20,752	17,019
Wages	84,394	81,115
	<u>112,893</u>	<u>103,366</u>

Detailed Profit and Loss Statement
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STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 54 349 023 257)

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
ADMINISTRATION		
Advertising	10,005	11,196
Audit & Accountancy	15,145	14,200
Bank Charges	1,744	2,124
Bookkeeping Services	7,200	7,200
Computer Maintenance	3,446	2,508
Donations	3,737	6,266
Fees and Permits	11,336	7,868
Hire of Plant and Equipment	5,275	4,777
Insurance	29,874	23,723
Insurance - Workers Compensation	10,504	11,280
Interest	18,448	15,716
Legal Cost	673	-
Loss on Disposal of Assets	7,401	-
Postage, Printing & Stationery	6,893	12,167
Provision for Leave	1,959	8,526
Reception Wages	11,916	10,451
Staff Amenities	2,548	965
Staff Training	3,615	6,496
Subscriptions & Licenses	6,898	5,491
Sundry Expenses	5,150	263
Superannuation	56,823	54,079
Telephone	9,785	9,678
Training Wages	5,263	3,846
Travelling Expenses	-	24
Uniforms	400	796
Wages	183,441	170,230
	<u>419,479</u>	<u>389,870</u>
TOTAL EXPENSES	<u>1,026,018</u>	<u>928,543</u>
OPERATING PROFIT	<u>8,118</u>	<u>9,630</u>

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