

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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The financial report was authorised for issue by the Directors on 30 August 2016. 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 2016.

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.	7
Patrick Callaghan		Over thirty three years' experience in a customer service environment, which includes over fifteen years in business management roles. Currently working as the NSW Field Services Manager for Unisys and is responsible for managing the delivery of Information Technology support throughout NSW	6
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.	3
George Pyke		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.	2
Leigh Irwin	Vice President	Technical Supervisor for Powerdown Australia for 15 years.	1
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.	1
Alan Holder		Participated in a number of customer focussed Executive committees including an International Bank, Department of Defence (separate top secret security sites for Army, Navy and Airforce). Worked with the NSW Attorney General for the implementation of a Courts Administration System.	1
Mark Hutchison	former Vice President	(resigned 5 September 2015)	5
Sharon Watt		(resigned 5 September 2015)	1
Mike Smith		(resigned 29 April 2016)	2

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 2016 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 \$29,447 (2015 profit \$71,052).

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
 * paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to
 with the exception of the following matter:

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors' and Officers (including former

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 2016 has been received and is set out on page 4 of the financial report. In addition, details of the non-audit services provided by the auditor DFK Crosbie are contained in Note 15 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 2016 was 11, consisting of 10 normal meetings and 1 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	10	1	11
Patrick Callaghan	9	0	11
Michael Hanna	10	0	11
George Pyke	9	1	11
Leigh Irwin (appointed 5 September 2015)	9	0	9
Trevor Jones (appointed 5 September 2015)	9	0	9
Alan Holder (appointed 29 April 2016)	0	0	2
Mark Hutchison (resigned 5 September 2015)	1	1	2
Sharon Watt (resigned 5 September 2015)	0	0	2
Mike Smith (resigned 29 April 2016)	8	1	9

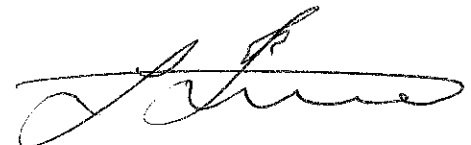
10. Property Report

The land in 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 :

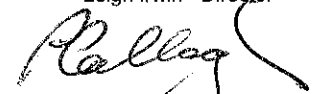
Core Property - The Clubhouse and Greens at Mitchell Street, Stockton 2295

Non-Core Property - Nil

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



Leigh Irwin - Director



Patrick Callaghan - Director

Date: 30 August 2016



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 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.

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Dated: 30 August 2016
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

We have audited the accompanying financial report of Stockton Bowling Club Co-operative Limited which comprises the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cashflows, notes to the financial statements and Directors' declaration for the year ended 30 June 2016.

Directors' Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Accounting Standards in Australia (including the Australian Accounting Interpretations) and with the Co-operatives National Law 2014 (NSW). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. 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.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of Stockton Bowling Club Co-Operative Limited for the year ended 30 June 2016 included on the Co-Operative's web site. The Co-Operative's Directors' are responsible for the integrity of 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.

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, provided to the Directors of Stockton Bowling Club Co-Operative Limited has the same date of this auditor's report.

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

INDEPENDENT AUDIT REPORT TO MEMBERS

Audit Opinion

In our opinion :

- (a) The financial report of Stockton Bowling Club Co-Operative Limited is in accordance with the Co-Operatives National Law 2014 (NSW), including:
- (i) giving a true and fair view of Stockton Bowling Club Co-Operative Limited's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Co-Operatives National Regulations (NSW); and

Emphasis of Matter

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to Note 1 to the financial statements which indicates that the Club has a deficiency in working capital such that current liabilities exceeded current assets by \$273,389. This together with the other matters set out in Note 1 indicate the existence of uncertainty as to whether the Club will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. In our opinion, knowledge of the uncertainty affecting the Club's ability to continue as a going concern is necessary for proper understanding of the financial report.

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Dated: 30 August 2016
Warabrook, NSW

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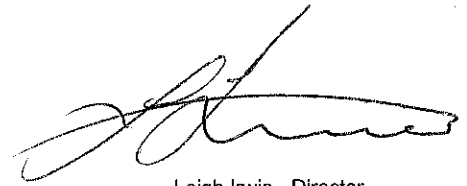
STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
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DIRECTORS' DECLARATION

The Directors' of the Co-operative declare that:

- 1 The financial statements and notes, as set out on pages 8 to 20:
 - (a) comply with Accounting Standards in Australia, the Co-operatives National Law 2014 (NSW) and other mandatory reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Co-operative.
- 2 At the date of this declaration 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:



Leigh Irwin - Director



Patrick Callaghan - Director

Dated: 30 August 2016

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	58,039	96,892
Trade and Other Receivables	7	10,508	25,556
Inventories	8	28,186	29,829
Other Assets	9	21,264	27,746
TOTAL CURRENT ASSETS		117,997	180,023
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	788,964	688,608
TOTAL NON-CURRENT ASSETS		788,964	688,608
TOTAL ASSETS		906,961	868,631
CURRENT LIABILITIES			
Trade and Other Payables	11	95,709	76,762
Borrowings	12	142,962	193,146
Provisions	13	144,234	165,948
Other Liabilities	14	8,481	5,428
TOTAL CURRENT LIABILITIES		391,386	441,284
NON-CURRENT LIABILITIES			
Borrowings	12	54,402	-
Provisions	14	17,805	13,426
TOTAL NON-CURRENT LIABILITIES		72,207	13,426
TOTAL LIABILITIES		463,593	454,710
NET ASSETS		443,368	413,921
MEMBERS' FUNDS			
Accumulated Profits		443,368	413,921

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 2016

Note	2016 \$	2015 \$
Bar Sales	1,007,567	938,573
Cost of Goods Sold	351,967	317,423
Bar Gross Profit (\$)	655,600	621,150
Bar Gross Profit (%)	65.1%	66.2%
Cigarette Sales	8,148	11,903
Cost of Goods Sold	6,293	9,733
Cigarette Gross Profit (\$)	1,855	2,170
Cigarette Gross Profit (%)	22.8%	18.2%
Poker Machine Net Revenue	567,522	622,727
Paper Gaming Commission	58,623	64,334
Raffle & Bingo Sales	47,664	50,913
Members Subscriptions	13,779	14,176
Gala & Green Fees	8,881	10,947
Insurance Recoveries	88,159	127,266
Interest Received	86	112
Kitchen Rental	22,200	9,000
Other Bowls Income	5,008	7,140
Grant Funding Received	5,000	-
Sundry Income	51,861	53,231
Total Trading and Other Income	1,526,236	1,583,166
Expenses		
Bar Direct Expenses	350,075	328,250
Poker Machine Direct expenses	103,707	125,794
Paper Gaming Expenses	36,679	45,629
Raffle & Bingo Expenses	64,762	62,388
Members Amenities	199,114	186,698
Clubhouse Expenses	276,771	256,194
Greens & Bowling Activities	104,490	98,163
Administration Expenses (excluding Finance Costs)	349,035	391,647
Finance costs	12,157	17,351
Total Expenses	1,496,790	1,512,114
Net Profit/(Loss) Before Income Tax	29,447	71,052
Income Tax Expense	1	-
Net Profit/(Loss) After Income Tax	29,447	71,052
Other Comprehensive Income/(Expenses)	-	-
Total Comprehensive Income/(Loss)	29,447	71,052

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
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STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from Members and Guests		2,062,253	2,081,512
Payments to Suppliers and Employees		(1,882,412)	(1,919,571)
Grant funding received		5,000	-
Interest Received		86	112
Interest Paid		(12,157)	(17,351)
<i>Net Cash Flows provided by (used in)</i> <i>Operating Activities</i>	20	<u>172,769</u>	<u>144,702</u>
Cash Flows from Investing Activities			
Payments for Plant and Equipment		(215,839)	(61,688)
<i>Net Cash Flows provided by (used in)</i> <i>Investing Activities</i>		<u>(215,839)</u>	<u>(61,688)</u>
Cash Flows from Financing Activities			
Proceeds from borrowings		142,601	29,813
Repayment of borrowings		(138,384)	(100,826)
<i>Net Cash Flows provided by (used in)</i> <i>Financing Activities</i>		<u>4,217</u>	<u>(71,013)</u>
Net Increase/(Decrease) in Cash Held		<u>(38,853)</u>	<u>12,001</u>
Cash at the Beginning of the Financial Year		<u>96,892</u>	<u>84,891</u>
Cash and Cash Equivalents at the End of the Financial Year	20	<u>58,039</u>	<u>96,892</u>

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Profits \$	Total \$
Balance at 1 July 2014	342,869	342,869
Net Profit/(Loss)	71,052	71,052
Balance at 30 June 2015	413,921	413,921
Net Profit/(Loss)	29,447	29,447
Balance at 30 June 2016	443,368	443,368

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

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

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, other authoritative pronouncements of the Australian Accounting Standards Board and the Co-Operatives National Law 2014 (NSW). The Stockton Bowling Club Co-Operative Limited is a not for profit entity for the purposes of preparing the financial statements.

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

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

Deficiency in Working Capital

Due to increased bar trading and insurance recoveries, the Club generated a profit this year. However, there continues to be a significant deficiency in working capital with current assets of \$117,997 compared to current liabilities of \$391,387 representing a deficiency in working capital of \$273,389 (2015: \$261,261). The Club has breached its financial covenants applicable to the CBA Loan - Business during the year (in relation to total wages to total revenue) under the terms of the loan contract with the Commonwealth Bank but as at the date of this report there had been no defaulted repayments. As a consequence of this the Club's entire CBA Business loan balance has been shown as a current liability. The Directors consider that trading conditions will continue to improve in the medium future, while continued controlling of costs is also anticipated and it is expected the Club will generate sufficient cashflow to cover immediate obligations.

The above factors indicate uncertainty of the Club's ability to continue as a going concern. The ability to continue as a going concern is dependant upon the continued favourable support of both creditors and the Club's bank. If the Club is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in this financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Co-operative not continue as a going concern.

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 to the Club. The method of depreciation used is prime cost and diminishing value. Depreciation rates used are as follows :

Buildings and Club Improvements	2% - 4%
Plant and Equipment	7% - 40%
Poker Machines	30% -40%
Furniture and Fittings	5% - 40%

Impairment

At each reporting date, the Club assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Club 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 2016

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.

Borrowing Costs

Borrowing Costs are recognised as an expense when incurred.

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.

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

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

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.

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

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

4 Operating Revenue

	2016	2015
	\$	\$
Bar Sales	1,007,567	938,573
Cigarette Sales	8,148	11,903
Poker Machine Net Revenue	567,522	622,727
Paper Gaming Commission	58,623	64,334
Raffle & Bingo Sales	47,664	50,913
Members Subscriptions	13,779	14,176
Gala & Green Fees	8,881	10,947
Insurance Recoveries	88,159	127,266
Interest Received	86	112
Kitchen Rental	22,200	9,000
Other Bowls Income	5,008	7,140
Sponsorship	5,988	1,000
Grant Funding Received	5,000	-
Sundry Income	45,873	52,231
Total	<u>1,884,496</u>	<u>1,910,322</u>

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	86	112
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Charges

Depreciation	Plant & Equipment	27,244	17,444
	Buildings	54,217	58,457
	Furniture & Fittings	2,242	2,799
	Poker Machines	29,500	30,506
		<u>113,203</u>	<u>109,206</u>
Loss on Disposal of Assets		2,280	14,600
Interest Paid/Payable		12,157	17,351
Employee Benefits - Wages		591,908	573,833
	- Superannuation	54,512	52,909
	- Leave Provisions	(17,334)	(12,024)
		<u>629,086</u>	<u>614,718</u>

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

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

	2016	2015			
	\$	\$			
6 Cash and Cash Equivalents					
Cash and Cash Equivalents	58,039	96,892			
	<u>58,039</u>	<u>96,892</u>			
7 Trade and Other Receivables					
Debtors Trade	5,508	5,538			
TAB Security Deposit	5,000	5,000			
Other Debtors	-	15,018			
	<u>10,508</u>	<u>25,556</u>			
8 Inventories					
Stock on Hand - Bar	26,406	26,431			
Stock on Hand - Other	1,780	3,398			
	<u>28,186</u>	<u>29,829</u>			
9 Other Current Assets					
Prepayments	21,264	27,746			
	<u>21,264</u>	<u>27,746</u>			
10 Property, Plant and Equipment					
	Plant & Equipment	Buildings	Furniture & Fittings	Poker Machines	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2016					
At 1 July 2015,					
Net of Accumulated Depreciation/Amortisation	104,601	503,726	16,377	63,904	688,608
Additions	7,565	133,455	1,970	72,849	215,839
Less: Disposals	-	-	-	2,280	2,280
Less: Depreciation/Amortisation	27,244	54,217	2,242	29,500	113,203
At 30 June 2016					
Net of Accumulated Depreciation/Amortisation	<u>84,922</u>	<u>582,964</u>	<u>16,105</u>	<u>104,973</u>	<u>788,964</u>
At 1 July 2015					
Cost or Fair Value	422,127	1,043,611	131,662	619,453	2,216,853
Accumulated Depreciation/Amortisation	<u>317,526</u>	<u>539,885</u>	<u>115,285</u>	<u>555,549</u>	<u>1,528,245</u>
Net Carrying Amount	<u>104,601</u>	<u>503,726</u>	<u>16,377</u>	<u>63,904</u>	<u>688,608</u>
At 30 June 2016					
Cost or Fair Value	377,884	1,175,572	125,035	541,153	2,219,644
Accumulated Depreciation/Amortisation	<u>292,961</u>	<u>592,608</u>	<u>108,930</u>	<u>436,180</u>	<u>1,430,680</u>
Net Carrying Amount	<u>84,922</u>	<u>582,964</u>	<u>16,105</u>	<u>104,973</u>	<u>788,964</u>
Year ended 30 June 2015					
At 1 July 2014,					
Net of Accumulated Depreciation/Amortisation	82,521	551,393	19,800	97,012	750,726
Additions	50,898	10,790	-	-	61,688
Less: Depreciation/Amortisation	11,374	-	624	2,602	14,600
Less: Disposals	17,444	58,457	2,799	30,506	109,206
At 30 June 2015					
Net of Accumulated Depreciation/Amortisation	<u>104,601</u>	<u>503,726</u>	<u>16,377</u>	<u>63,904</u>	<u>688,608</u>
At 1 July 2014					
Cost or Fair Value	382,603	1,032,821	132,286	622,055	2,169,765
Accumulated Depreciation/Amortisation	<u>300,082</u>	<u>481,428</u>	<u>112,486</u>	<u>525,043</u>	<u>1,419,039</u>
Net Carrying Amount	<u>82,521</u>	<u>551,393</u>	<u>19,800</u>	<u>97,012</u>	<u>750,726</u>
At 30 June 2015					
Cost or Fair Value	422,127	1,043,611	131,662	619,453	2,216,853
Accumulated Depreciation/Amortisation	<u>317,526</u>	<u>539,885</u>	<u>115,285</u>	<u>555,549</u>	<u>1,528,245</u>
Net Carrying Amount	<u>104,601</u>	<u>503,726</u>	<u>16,377</u>	<u>63,904</u>	<u>688,608</u>

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
11 Trade and Other Payables		
Creditors - Trade	51,332	35,354
Other Creditors and Accruals	39,357	38,372
GST Payable	5,020	3,036
	<u>95,709</u>	<u>76,762</u>
12 Borrowings		
Current		
Insurance Premium Funding	17,181	21,289
CBA Loan - Business (Secured)	79,715	171,857
CBA Loan - Hire Purchase (Secured)	46,066	-
	<u>142,962</u>	<u>193,146</u>
Non Current		
CBA Loan - Hire Purchase (Secured)	54,402	-
	<u>54,402</u>	<u>-</u>
For security details refer to Note 19.		
13 Provisions		
Current		
Provision for Annual Leave	104,137	126,645
Provision for Long Service Leave	40,098	39,303
	<u>144,234</u>	<u>165,948</u>
Non Current		
Provision for Long Service Leave	17,805	13,426
	<u>17,805</u>	<u>13,426</u>
14 Other Liabilities		
Current		
Subscriptions in Advance	8,481	5,428
	<u>8,481</u>	<u>5,428</u>
15 Auditor's Remuneration		
Amounts received, or due to be receivable by the Auditor of the Co-operative for:		
Audit Services	13,804	13,492
Accountancy and Other Services	-	-
	<u>13,804</u>	<u>13,492</u>
16 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 Leigh Irwin is employed by the Club under normal award terms and conditions.

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.

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
		\$	\$
17	Commitments for Expenditure		
(a)	Capital Commitments		
	As at the date of this report the Co-Operative had commitments for the following capital expenditure in the next year.		
	Roof Replacement	-	27,200
	Air Conditioning	-	45,050
	Greens development	-	19,455
		-	91,705
		-	91,705
(b)	Lease Agreements		
	<i>Operating Leases</i>		
	Total commitments in respect of operating leases are as follows:		
	Payable not later than one year	4,761	6,456
	Later than one year but not later than five years	2,189	6,950
		6,950	13,406
		6,950	13,406
(b)	Hire Purchase Agreements		
	Total commitments in respect of hire purchase agreements are as follows:		
	Payable not later than one year	51,000	-
	Later than one year but not later than five years	57,988	-
	Future finance charges	(8,520)	-
	Total finance lease liabilities	100,468	-
		100,468	-
	Hire purchase liabilities are reflected in the Statement of Financial Position as follows:		
	Payable not later than one year	46,066	-
	Later than one year but not later than five years	54,402	-
		100,468	-
		100,468	-
(d)	The club has a lease in perpetuity with the Department of Lands. The annual rent for 2016 was \$14,672.		
18	Key Management Personnel		
	The total remuneration paid to key management personnel of the Co-Operative during the year was as follows:		
	Short term employee benefits	77,205	74,940
	Long term employee benefits	2,113	1,756
	Post Employment benefits	7,043	6,993
		86,362	83,689
		86,362	83,689
19	Additional Financial Instrument Disclosure		
	a) Interest Rate Risk		
	Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The financial assets and liabilities subject to interest rate risk are:		
	<i>Bank Accounts</i>		
	The Co-operative's bank accounts earn interest at the market variable rate.		

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Loan - Commonwealth Bank

The loan with the Commonwealth Bank is for a 10 year term with a variable interest rate and the current rate is 6.63%. The loan is repayable monthly with repayments of \$8,450 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.

Hire Purchase Loans

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 5.79% and 6.64%. These loans are secured by way of first registered charge over the assets acquired (poker machines and solar equipment).

b) Credit Risk

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

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

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

c) Liquidity Risk

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

d) Net Fair Value of Financial Assets

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

20 Notes to Statement of Cashflows

a) Reconciliation of Cash

For the purpose of the statement of cashflows, cash includes cash on hand and at call deposits with a bank or financial institution, net of bank overdrafts if any, and excludes investments with a maturity of greater than three months

	2016	2015
	\$	\$
Cash and Cash Equivalents	58,039	96,892
	58,039	96,892
b) Reconciliation from the net profit/(loss) after tax to the net cashflows from operations.		
Profit/(Loss) after Income Tax	29,447	71,052
<u>Non-Cashflow in Operating Profit/(Loss)</u>		
Depreciation	113,201	109,206
Loss on Sale of Assets	2,280	14,600
Net Change in Leave Provisions	(17,334)	(12,024)
	127,594	182,834
<u>Changes in Assets and Liabilities</u>		
Decrease/(Increase) in Debtors	15,048	(17,753)
Decrease/(Increase) in Inventories	1,643	(5,230)
Decrease/(Increase) in Prepayments	6,483	(8,095)
Increase/(Decrease) in Trade Creditors and Accruals	16,964	(2,621)
Increase/(Decrease) in Subscription in Advance	3,053	524
Increase/(Decrease) in GST Liability	1,984	(4,957)
Net Cash From Operating Activities	172,769	144,702

STOCKTON BOWLING CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

21 New Accounting Standards and Interpretation

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

Application of the above standard is not expected to affect any of the amounts recognised in the financial statements, but will result in changes to the additional information disclosed in the financial statements. No standards have been early adopted.