

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

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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The financial report was authorised for issue by the Directors on 13 September 2017. 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 2017.

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.	8
Alan Holder	Vice-President	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.	2
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.	7
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.	4
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.	3
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.	2
Jacqueline Haines		Currently a member of Australian Institute of Company Directors; Engineers Without Borders Australia and Conscious Capitalism Australia and has 11 eleven years experience as a managing director, and three years' experience as a Non Executive Director including the positions of Chair of board, Chair of Risk & Audit committee, and Member of Work, Health & Safety committee.	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 2017 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 \$9,630 (2016 profit \$29,447).

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 2017 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 2017 was 12, consisting of 11 ordinary 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	6	0	12
Patrick Callaghan	11	1	12
Michael Hanna	10	1	12
George Pyke	11	1	12
Trevor Jones	4	0	12
Alan Holder	5	0	12
Jacqueline Haines (appointed on 26 September 2016)	5	1	9
Leigh Irwin (did not stand for re-election)	2	0	4

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



Patrick Callaghan - Director

Date: 13 September 2017



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 2017 there have been:

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

Shaun Mahony - Partner

DFK Crosbie Partners

DFK Crosbie Partners
Chartered Accountants

Date: 13 September 2017
Warabrook, NSW

Newcastle

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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 2017 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, 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 2017 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.

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 Co-Operative has a deficiency in working capital such that current liabilities exceeded current assets by \$318,627. This together with the other matters set out in Note 1 indicate the existence of uncertainty as to whether the Co-operative 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 Co-operative's ability to continue as a going concern is necessary for proper understanding of the financial report.

Responsibilities of the Directors for the Financial Report

The Directors of the 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.

Liability limited by a scheme approved under the Professional Standards Legislation



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

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 2017 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: 13 September 2017
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 18 are in accordance with the Co-operatives National Law 2014 (NSW) and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements, the Co-operatives National Regulation (NSW) and other mandatory reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the 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:



George Pyke - Director



Patrick Callaghan - Director

Date: 13 September 2017

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	56,950	58,039
Trade and Other Receivables	7	9,668	10,508
Inventories	8	30,461	28,186
Other Assets	9	30,540	21,264
TOTAL CURRENT ASSETS		127,619	117,997
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	823,367	788,964
TOTAL NON-CURRENT ASSETS		823,367	788,964
TOTAL ASSETS		950,986	906,961
CURRENT LIABILITIES			
Trade and Other Payables	11	84,753	95,709
Borrowings	12	200,241	142,962
Provisions	13	154,992	144,234
Other Liabilities	14	6,260	8,481
TOTAL CURRENT LIABILITIES		446,246	391,386
NON-CURRENT LIABILITIES			
Borrowings	12	39,338	54,402
Provisions	13	12,404	17,805
TOTAL NON-CURRENT LIABILITIES		51,742	72,207
TOTAL LIABILITIES		497,988	463,593
NET ASSETS		452,998	443,368
MEMBERS' FUNDS			
Accumulated Profits		452,998	443,368
TOTAL MEMBERS FUNDS		452,998	443,368

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 2017

Note	2017 \$	2016 \$
Bar Sales	1,000,931	1,007,567
Cost of Goods Sold	345,359	351,967
Bar Gross Profit (\$)	655,572	655,600
Bar Gross Profit (%)	65.5%	65.1%
Cigarette Sales	5,407	8,148
Cost of Goods Sold	2,902	6,293
Cigarette Gross Profit (\$)	2,505	1,855
Cigarette Gross Profit (%)	46.3%	22.8%
Poker Machine Net Revenue	622,199	567,522
Paper Gaming Commission	58,370	58,623
Raffle & Bingo Sales	50,266	47,664
Members Subscriptions	19,423	13,779
Gala & Green Fees	9,225	8,881
Insurance Recoveries	7,597	88,159
Interest Received	90	86
Kitchen Rental	15,600	22,200
Other Bowls Income	5,591	5,008
Grant Funding Received	-	5,000
Sundry Income	28,303	51,861
Total Trading and Other Income	1,474,741	1,526,236
Expenses		
Bar Direct Expenses	327,249	350,075
Poker Machine Direct expenses	109,795	103,707
Paper Gaming Expenses	36,411	36,679
Raffle & Bingo Expenses	63,113	64,762
Members Amenities	185,946	199,114
Clubhouse Expenses	249,361	276,771
Greens & Bowling Activities	103,366	104,490
Administration Expenses (excluding Finance Costs)	374,154	349,035
Finance costs	15,716	12,157
Total Expenses	1,465,111	1,496,790
Net Profit/(Loss) Before Income Tax	9,630	29,447
Income Tax Expense	1	-
Net Profit/(Loss) After Income Tax	9,630	29,447
Other Comprehensive Income/(Expenses)	-	-
Total Comprehensive Income/(Loss)	9,630	29,447

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 2017

Note	2017 \$	2016 \$
Cash Flows from Operating Activities		
Receipts from Members and Guests	2,005,252	2,062,253
Payments to Suppliers and Employees	(1,892,638)	(1,882,412)
Grant funding received	-	5,000
Interest Received	90	86
Interest Paid	(15,716)	(12,157)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	96,988	172,770
Cash Flows from Investing Activities		
Payments for Plant and Equipment	(140,292)	(215,839)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	(140,292)	(215,839)
Cash Flows from Financing Activities		
Proceeds from borrowings	173,860	142,601
Repayment of borrowings	(131,645)	(138,384)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	42,215	4,217
Net Increase/(Decrease) in Cash Held	(1,089)	(38,853)
Cash at the Beginning of the Financial Year	58,039	96,892
Cash and Cash Equivalents at the End of the Financial Year	56,950	58,039

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 2015	413,921	413,921
Net Profit/(Loss) for the year	29,447	29,447
Balance at 30 June 2016	443,368	443,368
Net Profit/(Loss) for the year	9,630	9,630
Balance at 30 June 2017	452,998	452,998

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

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

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

As at balance date, current assets totalled \$127,619 compared to current liabilities of \$446,246 giving a working capital deficit of \$318,627 with the entire balance of the Commonwealth Bank Loan Facility of \$139,675 being classified as a current liability due to the loan agreement containing a review clause which limits the Co-Operative from having an unconditional right to defer settlement of the loan, despite the Co-Operative having fulfilled all its obligations to the Bank to date. Repayments on this lending facility are expected to be made on a monthly basis. The Co-operative was able to generate a net profit of \$9,630 and net cash received from operating activities during the year totalled \$96,988.

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

- The Club generated positive net operating cashflows of \$96,988 during the current year.
- The Club has a cash balance at 30 June 2017 of \$56,950.
- 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.

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 to the Co-Operative. 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 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 2017

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.

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

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

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.

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 2017

4 Operating Revenue

	2017	2016
	\$	\$
Bar Sales	1,000,931	1,007,567
Cigarette Sales	5,407	8,148
Poker Machine Net Revenue	622,199	567,522
Paper Gaming Commission	58,370	58,623
Raffle & Bingo Sales	50,266	47,664
Members Subscriptions	19,423	13,779
Gala & Green Fees	9,225	8,881
Insurance Recoveries	7,597	88,159
Interest Received	90	86
Kitchen Rental	15,600	22,200
Other Bowls Income	5,591	5,008
Sponsorship	1,084	5,988
Grant Funding Received	-	5,000
Sundry Income	27,219	45,871
Total	1,823,002	1,884,496

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	90	112
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Charges

Depreciation	Plant & Equipment	21,300	27,244
	Buildings	55,370	54,217
	Furniture & Fittings	2,020	2,242
	Poker Machines	27,199	29,500
		105,889	113,203
Loss on Disposal of Assets		-	2,280
Interest Paid/Payable		15,716	12,157
Employee Benefits - Wages		606,766	591,908
	- Superannuation	54,079	54,512
	- Leave Provisions	5,357	(17,334)
		666,202	629,086

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

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

	2017	2016			
	\$	\$			
6 Cash and Cash Equivalents					
Cash and Cash Equivalents	56,950	58,039			
	<u>56,950</u>	<u>58,039</u>			
7 Trade and Other Receivables					
Debtors Trade	4,668	5,508			
TAB Security Deposit	5,000	5,000			
	<u>9,668</u>	<u>10,508</u>			
8 Inventories					
Stock on Hand - Bar	28,927	26,406			
Stock on Hand - Other	1,534	1,780			
	<u>30,461</u>	<u>28,186</u>			
9 Other Current Assets					
Prepayments	30,540	21,264			
	<u>30,540</u>	<u>21,264</u>			
10 Property, Plant and Equipment					
	Plant & Equipment	Buildings	Furniture & Fittings	Poker Machines	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2017					
At 1 July 2016,					
Net of Accumulated Depreciation/Amortisation	84,922	582,964	16,105	104,973	788,964
Additions	42,818	-	1,818	95,656	140,292
Less: Depreciation/Amortisation	21,300	55,370	2,020	27,199	105,889
At 30 June 2017					
Net of Accumulated Depreciation/Amortisation	<u>106,440</u>	<u>527,594</u>	<u>15,903</u>	<u>173,430</u>	<u>823,367</u>
At 1 July 2016					
Cost or Fair Value	377,884	1,175,572	125,035	541,153	2,219,644
Accumulated Depreciation/Amortisation	292,961	592,608	108,930	436,180	1,430,680
Net Carrying Amount	<u>84,922</u>	<u>582,964</u>	<u>16,105</u>	<u>104,973</u>	<u>788,964</u>
At 30 June 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	<u>106,440</u>	<u>527,594</u>	<u>15,903</u>	<u>173,430</u>	<u>823,367</u>

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

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

	2017 \$	2016 \$
11 Trade and Other Payables		
Creditors - Trade	43,369	51,332
Other Creditors and Accruals	39,609	39,357
GST Payable	1,775	5,020
	<u>84,753</u>	<u>95,709</u>
12 Borrowings		
Current		
Insurance Premium Funding	22,112	17,181
CBA Loan - Business (Secured)	139,675	79,715
CBA Loan - Hire Purchase (Secured)	38,454	46,066
	<u>200,241</u>	<u>142,962</u>
Non Current		
CBA Loan - Hire Purchase (Secured)	39,338	54,402
	<u>39,338</u>	<u>54,402</u>
13 Provisions		
Current		
Provision for Annual Leave	104,322	104,137
Provision for Long Service Leave	50,670	40,098
	<u>154,992</u>	<u>144,234</u>
Non Current		
Provision for Long Service Leave	12,404	17,805
	<u>12,404</u>	<u>17,805</u>

Loan - Commonwealth Bank

The loan with the Commonwealth Bank is for a 5 year term with a variable interest rate and the current rate is 8.11%. The loan is repayable monthly with repayments of \$3,250 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%, 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).

14 Other Liabilities		
Current		
Subscriptions in Advance	6,260	8,481
	<u>6,260</u>	<u>8,481</u>

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.

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	86,656	77,205
Long term employee benefits	2,558	2,113
Post Employment benefits	7,622	7,043
	<u>96,836</u>	<u>86,362</u>

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

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

		2017	2016
		\$	\$
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	2,189	4,761
	Payable later than one year but not later than five years	-	2,189
		2,189	6,950
(b)	Hire Purchase Agreements		
	Total commitments in respect of hire purchase agreements are as follows:		
	Payable not later than one year	42,129	51,000
	Payable later than one year but not later than five years	42,496	57,988
	Future finance charges	(6,833)	(8,520)
	Total finance lease liabilities	77,792	100,468
	Hire purchase liabilities are reflected in the Statement of Financial Position as follows:		
	Payable not later than one year	38,454	46,066
	Payable later than one year but not later than five years	39,338	54,402
		77,792	100,468
(c)	The club has a lease in perpetuity with the Department of Lands. The annual rent for 2017 was \$14,932.		

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

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
TRADING ACCOUNT		
STATEMENT OF BAR TRADING		
Sales	1,000,931	1,007,567
LESS COST OF SALES		
Opening Stock	26,406	26,431
Purchases	347,880	351,942
	<u>374,286</u>	<u>378,373</u>
Closing Stock	28,927	26,406
	<u>345,359</u>	<u>351,967</u>
GROSS PROFIT	<u>655,572</u>	<u>655,600</u>
DIRECT EXPENSES		
Leasing Charges	7,753	31,012
Members Discount	42,174	49,150
Promotions	4,515	4,922
Repairs & Maintenance	27,684	22,903
Wages	245,123	242,088
	<u>327,249</u>	<u>350,075</u>
NET PROFIT	<u>328,323</u>	<u>305,525</u>
STATEMENT OF CIGARETTE TRADING		
Sales	5,407	8,148
LESS COST OF SALES		
Opening Stock	1,721	2,359
Purchases	2,673	5,655
	<u>4,394</u>	<u>8,014</u>
Closing Stock	1,492	1,721
	<u>2,902</u>	<u>6,293</u>
GROSS PROFIT	<u>2,505</u>	<u>1,855</u>
STATEMENT OF POKER MACHINE OPERATIONS		
Net Revenue	622,199	567,522
DIRECT EXPENSES		
EBET Liability	5,714	-
Data Monitoring	16,014	15,563
Depreciation	27,199	29,501
Gaming Tax Rebate	(17,180)	(17,180)
Promotions	5,109	5,684
Repairs and Maintenance	16,015	15,426
Licenses	-	355
Hopper Movement	3,953	1,196
Sundry	16	980
Wages	52,955	52,182
	<u>109,795</u>	<u>103,707</u>
NET PROFIT	<u>512,404</u>	<u>463,814</u>

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

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
STATEMENT OF PAPER GAMING		
Keno Commission	47,492	45,187
TAB Commission	<u>10,878</u>	<u>13,436</u>
	<u>58,370</u>	<u>58,623</u>
DIRECT EXPENSES		
Keno Expenses	6,525	5,470
TAB Expenses	<u>29,886</u>	<u>31,209</u>
	<u>36,411</u>	<u>36,679</u>
NET PROFIT/LOSS	<u>21,959</u>	<u>21,944</u>
STATEMENT OF RAFFLE & BINGO		
Sales	50,266	47,664
Purchases	<u>63,113</u>	<u>64,762</u>
NET LOSS	<u>(12,847)</u>	<u>(17,098)</u>
TOTAL TRADING PROFIT	<u>852,344</u>	<u>776,703</u>
INCOME		
Gross Profit Trading	852,344	776,040
Commissions	17,596	15,263
Concert Ticket Sales	3,859	12,241
Employee Subsidy	-	1,364
Gala & Green Fees	9,225	8,881
Hot Food And Coffee	1,942	3,809
Insurance Recoveries	7,597	88,159
Interest Received	90	86
Kitchen Rental	15,600	22,200
Members Subscriptions	19,423	13,779
Other Bowls Income	5,591	5,008
Sponsorship	1,084	5,988
Funding Received	-	5,000
Sundry Income	<u>3,822</u>	<u>13,197</u>
TOTAL INCOME	<u>938,173</u>	<u>971,013</u>

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

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
LESS EXPENSES		
MEMBERS AMENITIES		
Club Promotions	78,734	70,099
Entertainment	93,563	108,610
Members Badge Draw	7,923	14,891
Members Amenities	4,623	4,680
Refreshments	1,103	834
	<hr/>	<hr/>
	185,946	199,114
CLUBHOUSE		
Cleaning Materials	14,682	11,817
Cleaning Wages	43,046	41,532
Consultancy	-	16,092
Depreciation	74,561	79,245
Depreciation - Kitchen	2,203	1,953
Electricity, Gas and Heating	34,369	52,801
Rates	19,455	19,763
Rent - Land	14,932	14,672
Repairs and Maintenance	37,230	29,308
Security	8,883	9,589
	<hr/>	<hr/>
	249,361	276,771
GREENS & BOWLING ACTIVITIES		
Bowls	3,306	1,028
Depreciation - Greens	1,926	2,505
Repairs & Maintenance	17,019	22,553
Wages	81,115	78,404
	<hr/>	<hr/>
	103,366	104,490

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

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
ADMINISTRATION		
Advertising	11,196	11,702
Audit & Accountancy	14,200	13,804
Bank Charges	2,124	1,314
Bookkeeping Services	7,200	7,200
Christmas Expenses	-	7,540
Computer Maintenance	2,508	2,443
Courtesy Bus	-	160
Donations	6,266	2,243
Fees and Permits	7,868	1,705
Hire of Plant and Equipment	4,777	6,414
Insurance	23,723	28,600
Insurance - Workers Compensation	11,280	10,763
Interest	15,716	12,157
Loss on Disposal of Assets	-	2,280
Postage, Printing & Stationery	12,167	8,014
Provision for Leave	8,526	(10,436)
Reception Wages	10,451	10,416
Staff Amenities	965	838
Staff Training	6,496	4,757
Subscriptions & Licenses	5,491	6,495
Sundry Expenses	263	187
Superannuation	54,079	54,512
Telephone	9,678	10,120
Training Wages	3,846	3,622
Travelling Expenses	24	112
Uniforms	796	565
Wages	170,230	163,664
	<u>389,870</u>	<u>361,192</u>
TOTAL EXPENSES	<u>928,543</u>	<u>941,567</u>
OPERATING PROFIT	<u>9,630</u>	<u>29,447</u>