

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

CONTENTS

Directors' Report	2-3
Auditor's Independence Declaration	4
Audit Report to Members	5-6
Directors' Declaration	7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Cashflows	10
Statement of Changes in Equity	11
Notes to and Forming Part of the Financial Statements	12-21

The financial report was authorised for issue by the Directors on 19 September 2016. The Club has the power to amend and re-issue the financial report.

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

DIRECTORS' REPORT

Your Directors presents 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	Occupation/Qualification	Position	Years service as a Director
J Payne	Retired Finance Manager	President	11 years
N Savertsen	Retired Project Manager	Vice President	9 years
D Smith	Employment Consultant	Director	2 year
V Bowtell	Retired Domestic Duties	Director	9 years
D Cheetham	Office Administrator	Director	5 years
H Morrison	Retired Printer	Director	2 year
N Whittle(deceased 11 July 2016)	Retired Steel Worker	Director	5 years

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated at item 7.

2. Activities

The principal activities of the Club during the financial period were:

The running of a licensed Club in accordance with its objectives for the benefit of its members.

3. Objectives of the Club

The Club's short and long term objectives are to:

Provide the best facilities available to members and their guests with a special interest in bowling activities.

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 ;
- Ensure greens are kept to an optimum standard by employing quality greenkeepers and undertaking regular maintenance ;
- Employing a bowls co-ordinator and ensuring appropriate support for bowlers of all skill levels.

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

4. Results

The net result of operations, after applicable income tax, was a profit of \$130,986 (2015 profit \$92,091).

5. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 4 of the financial report. In addition, details of non-audit services provided by the auditor DFK Crosbie are contained in Note 16 of the financial report.

DFK Crosbie continues to hold office in accordance with Section 307 of the Corporations Act. The Club may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Club is important.

6. Limited by Guarantee

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any obligations of the Club. At 30 June 2016 the collective liability of members was \$58,280 (2015 \$63,020)

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

DIRECTORS' REPORT (Cont.)

7. Meeting Attendances

During the financial year ended 30 June 2016 the total number of meetings held was 13, comprising of 12 ordinary and 1 special meetings. The details of each Directors' attendances at those meetings is given below:

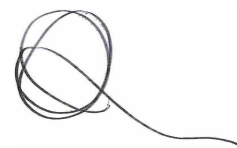
<u>Director</u>	<u>Normal</u>	<u>Special</u>	<u>No. Held while in Office</u>
J Payne	12	1	13
N Savertsen	11	1	13
V Bowtell	12	1	13
N Whittle (deceased 11 July 2016)	10	1	13
D Cheetham	11	1	13
H Morrison	12	1	13
D Smith	12	1	13

8. Property Report

The land on which the Clubhouse is situated is owned by the Club. 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 - Freehold land and buildings and leased car park situated at Clark Street, Telarah
 Non-Core Property - nil

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



John Payne - Director



Neale Savertsen - Director

Date: 19 September 2016



AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
TELARAH BOWLING CLUB 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

Date: 19 September 2016
Warabrook

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

Newcastle

Cnr Pacific Hwy and Warabrook Blvd,
Warabrook, NSW 2304
Box 29 Hunter region MC NSW 2310
Ph: 02 4923 4000 | F: 02 4923 4040
www.dfkcrosbie.com.au

Gold Coast

Level 2, 7 Short Street Southport QLD 4215
PO Box 2147 Southport QLD 4215
Ph: 07 5591 4444 | F: 07 5531 1000
www.dfkcrosbie.com.au

Sydney

Level 1, Suite 107 Edgecliff Centre
203 New South Head Rd Edgecliff NSW 2027
Ph: 02 9301 5200 | F: 02 9363 0335
www.dfkcrosbie.com.au



TELARAH BOWLING CLUB LIMITED

(ABN 42 000 616 704)

INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Telarah Bowling Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Telarah Bowling Club Limited (the Club), which comprises the statement of financial position as at 30 June 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the Club 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 Corporations Act 2001. 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 Telarah Bowling Club Limited for the year ended 30 June 2016 included on the Club's web site. The Club's Directors are responsible for the integrity of the 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 Telarah Bowling Club Limited has been dated the same date as this auditor's report.

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

Newcastle

Cnr Pacific Hwy and Warabrook Blvd.
Warabrook, NSW 2304
Box 29 Hunter region MC NSW 2310
Ph: 02 4923 4000 | F: 02 4923 4040
www.dfkcrosbie.com.au

Gold Coast

Level 2, 7 Short Street Southport QLD 4215
PO Box 2147 Southport QLD 4215
Ph: 07 5591 4444 | F: 07 5531 1000
www.dfkcrosbie.com.au

Sydney

Level 1, Suite 107 Edgecliff Centre
203 New South Head Rd Edgecliff NSW 2027
Ph: 02 9301 5200 | F: 02 9363 0335
www.dfkcrosbie.com.au



TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

INDEPENDENT AUDIT REPORT TO MEMBERS (cont.)

Audit Opinion

In our opinion,

- (a) The financial report of Telarah Bowling Club Limited is in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of Telarah Bowling Club 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 Corporations Regulations 2001.

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 \$1,815,292. 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

Dated : 19 September 2016
Warabrook NSW

DFK Crosbie Partners
 Chartered Accountants

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

Newcastle

Cnr Pacific Hwy and Warabrook Blvd,
 Warabrook, NSW 2304
 Box 29 Hunter region MC NSW 2310
 Ph: 02 4923 4000 | F: 02 4923 4040
www.dfkcrosbie.com.au

Gold Coast

Level 2, 7 Short Street Southport QLD 4215
 PO Box 2147 Southport QLD 4215
 Ph: 07 5591 4444 | F: 07 5531 1000
www.dfkcrosbie.com.au

Sydney

Level 1, Suite 107 Edgecliff Centre
 203 New South Head Rd Edgecliff NSW 2027
 Ph: 02 9301 5200 | F: 02 9363 0335
www.dfkcrosbie.com.au

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

DIRECTORS' DECLARATION

The Directors of the Club declare that:

1

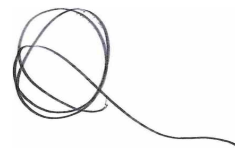
The financial statements and notes, as set out on pages 8 to 21 are in accordance with the Corporations Act 2001 and:

- (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 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 Club.

2

In the Directors' opinion there are reasonable grounds to believe that Telarah Bowling Club Limited 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:



John Payne - Director



Neale Savertsen - Director

Dated : 19 September 2016

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	79,691	172,865
Receivables	7	21,722	37,207
Inventories	8	22,005	20,941
Other Assets	9	36,505	33,676
Investments	10	5,000	5,000
TOTAL CURRENT ASSETS		164,923	269,689
NON-CURRENT ASSETS			
Property, Plant and Equipment	11	3,443,184	3,150,520
TOTAL NON-CURRENT ASSETS		3,443,184	3,150,520
TOTAL ASSETS		3,608,107	3,420,209
CURRENT LIABILITIES			
Trade and Other Payables	12	221,058	218,135
Borrowings	13	1,710,228	1,776,337
Provisions	14	39,944	54,937
Other Liabilities	15	8,985	7,883
TOTAL CURRENT LIABILITIES		1,980,215	2,057,292
NON-CURRENT LIABILITIES			
Borrowings	13	158,136	26,857
Provisions	14	21,742	19,032
TOTAL NON-CURRENT LIABILITIES		179,878	45,889
TOTAL LIABILITIES		2,160,093	2,103,181
NET ASSETS		1,448,014	1,317,028
MEMBERS' FUNDS			
Accumulated Profits		1,448,014	1,317,028
TOTAL MEMBERS' FUNDS		1,448,014	1,317,028

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

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

	Notes	2016 \$	2015 \$
Bar Sales		799,038	798,272
Cost of Goods Sold		332,039	326,270
Bar Gross Profit (\$)		466,999	472,002
Bar Gross Profit (%)		58.45%	59.13%
Poker Machine Net Revenue		1,217,200	1,298,769
Paper Gaming Commission		59,726	53,459
Bowls Income		11,122	4,493
Insurance Recoveries		169,941	104,154
Interest Received		242	295
Profit/Loss on Sale of Fixed Assets		11,227	-
Rents Received		21,659	15,317
Subscription Income		20,478	24,474
Other Income		241,406	236,548
Total Income		2,220,000	2,209,511
Less Operating Expenses			
Bar Direct Expenses		232,632	246,654
Poker Machine Direct Expenses		402,228	414,352
Paper Gaming Direct Expenses		24,049	27,118
Bowls Direct Expenses		122,281	106,963
Members Amenities		317,886	320,616
Clubhouse		375,806	353,727
Administration (excluding Borrowing Costs)		475,779	531,246
Borrowing Costs		138,353	116,744
TOTAL EXPENSES		2,089,014	2,117,420
Net Profit/(Loss) Before Income Tax	5	130,986	92,091
Income Tax Expense	1	-	-
Net Profit/(Loss) After Income Tax		130,986	92,091
Other Comprehensive Income/(Expenses)		-	-
Total Comprehensive Income/(Loss)		130,986	92,091

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

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from Members and Guests		2,732,982	2,816,953
Payments to Suppliers and Employees		(2,145,742)	(2,388,166)
Interest Received		242	295
Interest Paid		(131,919)	(116,744)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	22	<u>455,563</u>	<u>312,338</u>
Cash Flows from Investing Activities			
Transfer of Short Term Deposits		-	2,945
Proceeds from Sale of Property, Plant and Equipment		11,682	-
Payments for Property, Plant and Equipment		(625,589)	(725,141)
<i>Net Cash Flows provided by (used in) Investing Activities</i>		<u>(613,907)</u>	<u>(722,196)</u>
Cash Flows from Financing Activities			
Proceeds from Borrowings		433,143	818,678
Repayment of Borrowings		(367,973)	(285,034)
<i>Net Cash Flows provided by (used in) Financing Activities</i>		<u>65,170</u>	<u>533,644</u>
Net Increase/(Decrease) in Cash Held		(93,174)	123,786
Cash and Cash Equivalents at the Beginning of the Financial Year		<u>172,865</u>	<u>49,079</u>
Cash and Cash Equivalents at the End of the Financial Year	22	<u><u>79,691</u></u>	<u><u>172,865</u></u>

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

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

	Accumulated Profits \$	Total \$
Balance at 1 July 2014	1,224,937	1,224,937
Net Profit/(Loss)	92,091	92,091
Balance at 30 June 2015	1,317,028	1,317,028
Net Profit/(Loss)	130,986	130,986
Balance at 30 June 2016	1,448,014	1,448,014

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

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

1 Statement of Significant Accounting Policies

Basis

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Telarah Bowling Club Limited Limited (the Club) 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.

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

Income Tax

The Club 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.

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.

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 cash outflows have been selected and 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 Club. Trade accounts payable are normally settled within 30 days.

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

Property, Plant and Equipment

Property, Plant and Equipment and Poker Machines are depreciated so as to write off the assets over their estimated useful life to the Club.

Rates are as follows:

Buildings	2.5% - 10%
Plant and Equipment	10% - 40%
Poker Machines	20%-25%
Greens and Equipment	7.5% - 20%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generated unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generated units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the administration expense line item.

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 Club and the revenue can be reliably measured.

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Club.

Revenue from membership subscriptions is recognised upon receipt of money for the period to 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.

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

Intangible Assets

Intangible assets acquired separately are capitalised at cost, the useful lives of these intangible assets are assessed to be either finite or indefinite. Those with finite lives are amortised over that period on a straight line basis. Intangible assets are tested for impairment where an indicator for impairment exists.

Comparatives

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

Deficiency in Working Capital

As at balance date, current assets totalled \$164,923 compared to current liabilities of \$1,980,215. The full loan value with Bankwest has been classified as current as the Club does not have an unconditional right to defer settlement of the loan for more than 12 months given the terms of the loan facility provide the right of the bank to review the facility at any time and terminate the facility if they choose, requiring full payment within 30 days. Despite this deficiency the financial report has been prepared on a going concern basis, that is the continuity of normal business operations and the realisation of assets and settlement of liabilities in the ordinary course of business. The Club is dependent upon favourable trade terms from its creditors continuing as well as continued support from its bank. A projected improvement in trading levels together with a controlling of expenses as well as positive operating cashflow, has provided the basis for the Directors being of the opinion that the going concern basis upon which the report has been prepared is appropriate.

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 Club not continue as a going concern.

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 Limited by Guarantee

The Club is an incorporated body having no share capital and the liability of Members is limited by guarantee. The registered address of the Club is Clark Street, Telarah.

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

4 Operating Revenue

	2016	2015
	\$	\$
Bar Sales	799,038	798,272
Poker Machine Net Revenue	1,217,200	1,298,769
Paper Gaming Commission	59,726	53,459
Bowls Income	11,122	4,493
Insurance Recoveries	169,941	104,154
Interest Received	242	295
Rent	21,659	15,317
Profit on Sale of Fixed Assets	11,227	-
Subscription Income	20,478	24,474
Other Income	241,406	236,548
Total	2,552,039	2,535,781

5 Operating Profit

Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:

Credits

Interest Received/Receivable	242	295
Profit on Sale of Assets	11,227	-

Charges

Depreciation		122,882	142,056
- Poker Machines			
- Plant and Equipment		37,227	31,854
- Greens and Greens Equipment		17,944	10,856
- Land and Buildings		153,676	108,940
Total Depreciation		331,729	293,706
Finance costs		138,353	116,744
Loss on sale of assets		(741)	(5,586)
Employee Benefits			
- Wages		515,770	606,183
- Superannuation		55,396	73,324
- Leave Provisions		(13,183)	(18,929)
		557,983	660,578

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

	2016	2015			
	\$	\$			
6 Cash and Cash Equivalents					
Cash and Cash Equivalents	79,691	172,865			
	<u>79,691</u>	<u>172,865</u>			
7 Receivables					
Debtors Trade	21,722	37,207			
	<u>21,722</u>	<u>37,207</u>			
8 Inventories					
Bar Stock on Hand - at Cost	22,005	20,941			
	<u>22,005</u>	<u>20,941</u>			
9 Other Assets					
Current					
Prepayments	36,505	33,676			
	<u>36,505</u>	<u>33,676</u>			
10 Investments					
TAB Term Deposit	5,000	5,000			
	<u>5,000</u>	<u>5,000</u>			
11 Property, Plant and Equipment					
	Land and	Plant &	Poker	Greens and	Total
	Buildings	Equipment	Machines	Equipment	\$
	\$	\$	\$	\$	\$
Year ended 30 June 2016					
At 1 July 2015,					
Net of Accumulated Depreciation/Amortisation	2,690,056	125,768	243,117	91,579	3,150,520
Additions	18,670	56,581	228,510	321,828	625,589
Disposals	-	106	-	1,090	1,196
Less: Depreciation/Amortisation	122,882	37,227	153,676	17,944	331,729
At 30 June 2016					
Net of Accumulated Depreciation/Amortisation	<u>2,585,844</u>	<u>145,016</u>	<u>317,951</u>	<u>394,373</u>	<u>3,443,184</u>
At 1 July 2015					
Cost or Fair Value	3,550,126	640,536	1,257,838	282,755	5,731,255
Accumulated Depreciation/Amortisation	860,070	514,768	1,014,721	191,176	2,580,735
Net Carrying Amount	<u>2,690,056</u>	<u>125,768</u>	<u>243,117</u>	<u>91,579</u>	<u>3,150,520</u>
At 30 June 2016					
Cost or Fair Value	4,242,186	556,776	1,474,111	543,470	6,816,543
Accumulated Depreciation/Amortisation	1,656,342	411,760	1,156,160	149,097	3,373,359
Net Carrying Amount	<u>2,585,844</u>	<u>145,016</u>	<u>317,951</u>	<u>394,373</u>	<u>3,443,184</u>

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

11 Property, Plant and Equipment (cont.)

	Land and Buildings	Plant & Equipment	Poker Machines	Greens and Greens Equipment	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2015					
At 1 July 2013,					
Net of Accumulated Depreciation/Amortisation	2,125,695	90,910	283,603	107,356	2,607,564
Additions	673,301	66,712	101,570	664	842,247
Disposals	-	-	-	5,585	5,585
Less: Depreciation/Amortisation	108,940	31,854	142,056	10,856	293,706
At 30 June 2015					
Net of Accumulated Depreciation/Amortisation	<u>2,690,056</u>	<u>125,768</u>	<u>243,117</u>	<u>91,579</u>	<u>3,150,520</u>
At 1 July 2014					
Cost or Fair Value	3,550,126	640,536	1,257,838	282,755	5,731,255
Accumulated Depreciation/Amortisation	1,491,305	553,180	1,076,651	185,199	3,306,335
Net Carrying Amount	<u>2,058,821</u>	<u>87,356</u>	<u>181,187</u>	<u>97,556</u>	<u>2,424,920</u>
At 30 June 2015					
Cost or Fair Value	3,550,126	640,536	1,257,838	282,755	5,731,255
Accumulated Depreciation/Amortisation	860,070	514,768	1,014,721	191,176	2,580,735
Net Carrying Amount	<u>2,690,056</u>	<u>125,768</u>	<u>243,117</u>	<u>91,579</u>	<u>3,150,520</u>

2016
\$

2015
\$

12 Trade and Other Payables

Current

Creditors - Trade	193,603	184,541
GST Payable	27,455	33,594
	<u>221,058</u>	<u>218,135</u>

13 Borrowings

Current

Bank West Loan 1 (Secured - Note 20)	1,240,732	1,259,472
Bank West Loan 2 (Secured - Note 20)	326,387	406,192
Insurance Loan	20,848	17,849
Lease Liabilities	72,261	92,824
Other Borrowings	50,000	-
	<u>1,710,228</u>	<u>1,776,337</u>

Non-Current

Lease Liabilities	108,136	26,857
Other Borrowings	50,000	-
	<u>158,136</u>	<u>26,857</u>

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

	2016	2015
	\$	\$
14 Provisions		
Current		
Provision for Annual Leave	38,294	38,067
Provision for Long Service Leave	-	16,120
Provision for Members Draw	1,650	750
	39,944	54,937
Non current		
Provision for Long Service Leave	21,742	19,032
	21,742	19,032
15 Other Liabilities		
Current		
Income in Advance	8,985	7,883
	8,985	7,883
16 Auditor's Remuneration		
Amounts received, or due to be receivable by the Auditor of the Club for:		
<u>DFK Crosbie</u>		
Audit Services	11,870	11,500
Accounting and Other Services	13,330	13,850
	25,200	25,350

17 Contingent Liabilities

Bank Guarantee

The Club has a bank guarantee for \$5,000 issued in favour of TAB Limited. The guarantee is provided by the Commonwealth Bank of Australia and is secured by a term deposit held with the Bank.

Bonus Points

At 30 June 2016, the Club had a contingent liability in relation to bonus points of \$27,138, which may be redeemed by members at any time.

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

18 Related Parties

The names of persons who were Directors of the Club at any time during the year are as they appear in the attached Directors' Report.

Key Management Personnel

The total of remuneration paid to key management personnel of the Club during the year were as follows:

	2016	2015
	\$	\$
Short term employee benefits	89,673	86,986
Long term employee benefits	1,951	2,290
Post employee benefits	13,673	13,581
	105,297	102,857

19 Additional Financial Instrument Disclosure

The financial assets and liabilities subject to interest rate risk are:

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:

Bank Accounts

The Club has various bank accounts where interest is received when the account is in credit and charged when the accounts are in debit at the market variable rate.

Interest Bearing Deposits

As at 30 June 2016 the Club held an Interest Bearing Deposits with the Commonwealth Bank totalling \$5,000 with an interest rate of 2.2%.

Loan - Bankwest

The \$326,387 loan with Bankwest is for a 5 year term with a variable interest rate which at balance date was 7.95%. Minimum principal and interest payments are \$9,157 per month. The interest only loan with Bankwest of \$1,240,732 has a 5 year term with a variable interest rate which at balance date was 7.95%. The Club's liability is secured by way of :

- i) Registered freehold property mortgage taken over property at Clark Street, Telarah from Telarah Bowling Club Limited ;
- ii) General Security Interest Registered over all assets and undertakings of Telarah Bowling Club Limited.

Lease Liabilities

Interest on these liabilities is fixed for the term of the lease agreement. As at 30 June 2016 the Club had six lease agreements. Interest is calculated based on the interest rate implicit in the lease. The assets to which they relate are pledged as security against the liability.

All other financial assets and liabilities are not subject to interest rate risk as they are non-interest bearing.

Other Borrowings

The unsecured \$100,000 loan is for a 2 year term with a fixed interest rate at 3.0%. This loan is payable in 2 instalments of \$50,000 on the anniversary date of the loan.

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.

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

21 Commitments for Expenditure

(a) Capital Commitments	2016	2015
	\$	\$
New Synthetic Bowls Green	-	233,173
Poker Machines - funded via finance lease arrangement	-	72,310
	<u>-</u>	<u>305,483</u>

(b) Rental Agreements

Total commitments in respect of rental agreements excluding rental of the car park are as follows:

Payable not later than one year	6,396	9,966
Later than one year but not later than five years	9,594	15,990
	<u>15,990</u>	<u>25,956</u>

The Club has a lease in perpetuity with Maitland Council (the Council) in regards to car park rental. Annual rent for the year ended 30 June 2016 was \$10,738 and the Council may review the rental rate at its discretion.

(c) Lease Commitments

Total commitments in relation to lease agreements are as follows:

Payable not later than one year	100,345	92,824
Later than one year but not later than five years	<u>139,782</u>	<u>26,857</u>
Minimum Payments	240,127	119,681
Less : Future Finance Charges	<u>(59,730)</u>	<u>-</u>
Total	<u>180,397</u>	<u>119,681</u>

These are reflected in the statement of financial position as follows:

Lease liability - current	72,261	92,824
Lease liability - non-current	<u>108,136</u>	<u>26,857</u>
Total	<u>180,397</u>	<u>119,681</u>

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

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

22 Notes to Statement of Cashflows

1. 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	79,691	172,865
	79,691	172,865

2. Reconciliation from the net profit/(loss) after tax to the net cashflows from operations.

Operating Profit/(Loss) After Tax	130,986	92,091
Non-Cashflow in Operating Profit/(Loss)		
Depreciation	331,729	293,706
Profit on Sale of Assets	(11,227)	-
Loss on Sale of Assets	741	5,585
Jackpot Provision	900	(1,901)
Employee Leave Entitlements	(13,183)	(18,929)
	439,946	370,552
Changes in Assets and Liabilities		
Decrease/(increase) in Receivables	15,485	(24,114)
Decrease/(Increase) in Inventories	(1,064)	(132)
Decrease/(increase) in Other Assets	(2,829)	(2,488)
Increase/(decrease) in Current Payables	9,062	(28,340)
Increase/(decrease) in Income in Advance	1,102	(1,966)
Increase/(decrease) in GST Payable	(6,139)	(1,174)
Net Cash From Operating Activities	455,563	312,338

3. Unused Financing Facilities

The Club has an unused financing facility with Bankwest totalling \$106,064.

23 New Accounting Standards and Interpretation

Title of Standard	Issue Date	Application Date **
AASB 9 Financial Instruments	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 a significant change to the basis of accounting for these assets and liabilities.	1 January 2018
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		
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.

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

TRADING ACCOUNT	2016	2015
	\$	\$
STATEMENT OF BAR TRADING		
Sales	799,038	798,272
LESS COST OF SALES		
Opening Inventory	20,941	20,809
Purchases	333,103	326,402
Closing Inventory	22,005	20,941
	<u>332,039</u>	<u>326,270</u>
GROSS PROFIT	466,999	472,002
Direct Expenses		
Freight and Cartage	5,814	8,329
Electricity and Gas	3,341	2,277
Repairs & Maintenance	15,620	5,642
Sundries & Replacements	1,509	927
Senpos Tills	5,950	14,280
Wages	200,398	215,199
Direct Expenses	<u>232,632</u>	<u>246,654</u>
NET PROFIT	234,367	225,348
STATEMENT OF POKER MACHINE OPERATIONS		
Net Revenue	1,217,200	1,298,769
Direct Expenses		
Analysis Reports	2,869	2,295
Depreciation	153,676	142,056
DMS Charges	24,529	21,892
Duty Tax	92,781	117,776
Gaming Tax Rebate	(17,183)	(17,183)
Interest paid	1,262	-
Jackpots Provision	8,194	(3,943)
Maxgaming Statewide Fees	23,978	26,256
Promotions	705	7,055
Repairs & Maintenance	21,417	28,148
Wages	90,000	90,000
Direct Expenses	<u>402,228</u>	<u>414,352</u>
NET PROFIT	814,972	884,417

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
STATEMENT OF PAPER GAMING		
Keno Commission	36,214	36,687
TAB Commission	<u>23,512</u>	<u>16,772</u>
	59,726	53,459
Direct Expenses		
Repairs and Maintenance	6,233	7,405
Sky Channel	<u>17,816</u>	<u>19,713</u>
	24,049	27,118
NET PROFIT/(LOSS)	<u>35,677</u>	<u>26,341</u>
STATEMENT OF BOWLS OPERATIONS		
Match and Green Fees	5,070	2,049
Sponsorship and Advertising	<u>6,052</u>	<u>2,444</u>
	11,122	4,493
Direct Expenses		
Administration	22,093	16,488
Affiliation Fees	4,295	5,231
Catering	3,996	2,981
Depreciation	17,945	10,856
Repairs and Maintenance	37,974	15,285
Trophies and Prizes	5,256	518
Wages	<u>30,722</u>	<u>55,604</u>
	122,281	106,963
NET PROFIT/(LOSS)	<u>(111,159)</u>	<u>(102,470)</u>
TOTAL TRADING PROFIT	973,857	1,033,636
INCOME		
Gross Profit Trading	973,857	1,033,636
Commissions	31,931	33,206
Insurance Recoveries	169,941	104,154
Interest Received	242	295
Profit on Sale of Assets	11,227	-
Loss on Sale of Assets	(741)	(5,586)
Raffle Income	193,529	187,097
Rents Received	21,659	15,317
Room Hire	13,861	14,789
Subscription Income	20,478	24,474
Sundry Income	<u>2,826</u>	<u>7,042</u>
TOTAL INCOME	<u>1,438,810</u>	<u>1,414,424</u>

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
LESS EXPENSES		
MEMBERS AMENITIES		
Bus Hire	43,451	33,682
Entertainment	22,308	37,615
Members Amenities	208,569	204,015
Promotions	43,442	42,719
Reward Centre	116	2,585
	<u>317,886</u>	<u>320,616</u>
CLUBHOUSE		
Cleaning	66,427	63,776
Depreciation	160,108	140,794
Electricity & Heating	86,530	97,633
Repairs & Maintenance	62,741	51,524
	<u>375,806</u>	<u>353,727</u>

TELARAH BOWLING CLUB LIMITED
(ABN 42 000 616 704)

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
ADMINISTRATION		
Advertising	12,894	19,384
Bank Charges	810	9,354
Computer Expenses	18,008	16,758
Donations	6,677	8,607
Door Wages	56,975	43,847
General Expenses	3,458	15,334
Insurance	69,783	65,252
Interest - Insurance Loan	1,563	2,831
Interest - Hire Purchase	-	1,395
Interest - Loan	136,790	112,518
Legal Costs	300	250
Loss from Theft	9,490	-
Printing & Stationery	11,000	10,742
Professional Fees	26,000	25,350
Provision for Employee Leave	1,740	5,591
Rates	13,681	15,654
Rental Costs	16,601	17,134
Security	11,441	11,439
Staff Amenities & Drinks	2,930	2,914
Staff Training	2,086	1,156
Subscriptions & Licenses	31,194	28,436
Superannuation	55,396	73,324
Telephone	9,191	10,826
Uniforms	542	889
Wages & Salaries	115,582	149,005
	<u>614,132</u>	<u>647,990</u>
TOTAL EXPENSES	<u>1,307,824</u>	<u>1,322,333</u>
Operating Profit / (Loss) Before Income Tax	130,986	92,091
Income Tax Expense	-	-
Operating Profit / (Loss) After Income Tax	<u>130,986</u>	<u>92,091</u>