

Raymond Terrace Bowling Club Co-op Ltd

ABN: 11 468 826 325

**Annual Financial Report for the
Financial Year Ended 31 March 2014**

Raymond Terrace Bowling Club Co-op Ltd

Annual Financial Report for the Financial Year Ended 31 March 2014

	PAGE
Directors' Report	1
Auditor's Independence Declaration	4
Independent Auditors Report	5
Directors' Declaration	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Disclaimer	25
Income & Expenditure Statement	26
Bar Trading Statement	27
Gaming & Catering Trading Statements	28
Bowls Shop & Coffee Shop Trading Statements	29
Bowls Operations Statement	30
Schedule of Expenses	31

Raymond Terrace Bowling Club Co-op Ltd

Directors' Report

The directors of Raymond Terrace Bowling Club Co-op Ltd submit herewith the annual financial report of the co-operative for the financial year ended 31 March 2014. In order to comply with the provisions of the Co-operative Act 1992, the directors report as follows:

The names of the directors of the co-operative who held office during the year and at the date of this report are:

<u>NAME</u>	<u>QUALIFICATIONS</u>	<u>EXPERIENCE</u>	<u>SPECIAL RESPONSIBILITIES</u>
C O'Brien	Retired	16 years	President
J Elkin	Retired	14 years	Vice President
M Kelty	Open cut examiner	16 years	Treasurer
I Chapman	Fitter/Machinist	12 years	Director (Resigned 18/11/13)
M Harriss	Retired	14 years	Director (Resigned 18/11/13) (Appointed 13/4/14)
A North	Retired	7 years	Director (Resigned 7/7/13) (Appointed 13/4/14)
M Auger	Retired	3 years	Director (Resigned 18/11/13)
R Gleeson	Manager	1 year	Director (Appointed 7/7/13)
S Evans	Boilermaker	0 year	Director (Appointed 13/4/14)

PRINCIPAL ACTIVITIES

The principal activities of the Co-operative in the course of the financial year were the promotion of Lawn Bowls and the provision of amenities to members and their guests. There was no significant change in the nature of these activities during the year.

RESULTS

The co-operative generated a net profit of \$231,359 in the current financial year (2013: \$262,452).

CHANGES IN THE STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the co-operative other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

There has not been any other matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the co-operative, the results of those operations, or the state of affairs of the co-operative in future financial years.

Raymond Terrace Bowling Club Co-op Ltd

Directors' Report

(Continued)

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the co-operative in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the co-operative. Accordingly, this information has not been disclosed in this report.

DIRECTORS DECLARATIONS

No director of the co-operative has received or become entitled to receive a benefit by reason of a contract made by the co-operative or by a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

ENVIRONMENTAL ISSUES

The co-operative's operations are subject to significant environmental regulation under the law of the Commonwealth and State. The Directors are not aware of any significant breaches of the legislation during the financial year which are material in nature.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

C O'Brien	13/13	J Elkin	13/13
M Kelly	13/13	M Harriss	8/8
I Chapmar	6/8	A North	2/3
M Aunger	8/8	R Gleeson	10/10

EMPLOYEES

As at 31 March 2014, the co-operative employed 29 staff (2013: 26).

ADDITIONAL CO-OPERATIVE INFORMATION

Principal Place of Business

2 Jacaranda Avenue
RAYMOND TERRACE, NSW

Registered Office

2 Jacaranda Avenue
RAYMOND TERRACE, NSW

Raymond Terrace Bowling Club Co-op Ltd

Directors' Report

(Continued)

INDEMNIFICATION OF DIRECTORS' AND INSURANCE PREMIUMS

The co-operative has not, during or since 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 and expenses in successfully defending legal proceedings; or

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 defend legal proceedings; with the exception of the following.

During the financial year the co-operative paid a premium to insure certain officers of the co-operative. The officers of the co-operative are previously listed in this report. The liabilities insured include the cost and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the co-operative.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 4 of the financial report.

Signed in accordance with a resolution of the directors.

On behalf of the Board

.....
Director

.....
Director

Raymond Terrace, May 2014

Raymond Terrace Bowling Club Co-op Ltd

Auditor's Independence Declaration

We declare that, to the best of our knowledge and belief, during the year ended 31 March 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Co-operatives (Accounts and Audit) Regulation 2000 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

373 HIGH ST
MAITLAND, NSW

MAY 2014

PEARSON SMART AUDIT

M J MATTHEWS (Partner)
REGISTERED COMPANY AUDITOR

Raymond Terrace Bowling Club Co-op Ltd

Independent Audit Report to the Members

We have audited the accompanying financial report of Raymond Terrace Bowling Club Co-op Ltd, which comprises the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 co-operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Co-operative Act 1992. This responsibility includes establishing and maintaining internal control 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 "Presentation of Financial Statements", that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

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 control relevant 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act.

Raymond Terrace Bowling Club Co-op Ltd

Independent Audit Report to the Members

(Continued)

Auditor's Opinion

In our opinion:

- (a) the financial report of Raymond Terrace Bowling Club Co-op Ltd is in accordance with the Co-operative Act 1992 and the Co-operatives (Accounts & Audit) Regulation 2000, including:
 - (i) giving a true and fair view of the co-operative's financial position as at 31 March 2014 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 (Accounts & Audit) Regulations 2000; and

- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

373 HIGH STREET
MAITLAND, NSW

MAY 2014

PEARSON SMART AUDIT

M MATTHEWS (Partner)
REGISTERED COMPANY AUDITOR

Raymond Terrace Bowling Club Co-op Ltd

Directors Declaration

The directors of the co-operative declare that:

- (a) in the directors' opinion, 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Co-operatives (Accounts and Audit) Regulations 2000, including compliance with accounting standards and give a true and fair view of the financial position and performance of the co-operative for the year ended 31 March 2014.

Signed in accordance with a resolution of the directors.

On behalf of the Board

Director
Raymond Terrace, May 2014

Director
Raymond Terrace, May 2014

Raymond Terrace Bowling Club Co-op Ltd

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 March 2014

	Note	2014 \$	2013 \$
Sales revenue	2(a)	4,544,155	4,709,014
Cost of sales	2(b)	(409,904)	(420,347)
Gross profit		4,134,251	4,288,667
Other income	2(a)	154,372	88,901
Employee benefits expense		(1,241,000)	(1,182,917)
Depreciation and amortisation expense	2(b)	(573,817)	(584,861)
Other bar expense		(23,906)	(27,541)
Other gaming expense		(827,542)	(862,833)
Other catering expense		(33,898)	(35,657)
Other bowls expense		(252,880)	(251,554)
Administration expense		(1,104,221)	(1,169,753)
Profit before income tax expense		231,359	262,452
Income tax expense		-	-
Profit from continuing operations	17	231,359	262,452
Profit attributable to members		231,359	262,452
Other comprehensive income		-	-
Total comprehensive income		231,359	262,452

Notes to the financial statements are included on pages 12 to 24.

Raymond Terrace Bowling Club Co-op Ltd

Statement of Financial Position as at 31 March 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	5	811,563	788,204
Trade and other receivables	6	4,913	18,368
Inventories	7	36,549	39,286
Other	8	98,445	43,107
Total current assets		951,470	888,965
Non-current assets			
Property, plant and equipment	9	9,787,453	9,714,734
Investment property	10	468,500	468,005
Total non-current assets		10,255,953	10,182,739
Total assets		11,207,423	11,071,704
Current liabilities			
Trade and other payables	11	235,305	239,964
Borrowings	12	403,968	260,000
Provisions	14	273,266	225,995
Total current liabilities		912,539	725,959
Non-current liabilities			
Provisions	15	31,648	23,544
Borrowings	13	399,676	690,000
Total non-current liabilities		431,324	713,544
Total liabilities		1,343,863	1,439,503
Net assets		9,863,560	9,632,201
Equity			
Reserves	16	520,390	520,390
Retained earnings	17	9,343,170	9,111,811
Total equity		9,863,560	9,632,201

Notes to the financial statements are included on pages 12 to 24.

Raymond Terrace Bowling Club Co-op Ltd

Statement of Changes in Equity for the Financial Year Ended 31 March 2014

	Retained earnings \$	Reserves \$	Total attributable to equity holders of the entity \$
Balance at 1 April 2012	8,849,359	520,390	9,369,749
Profit for the year	262,452	-	262,452
Balance at 31 March 2013	9,111,811	520,390	9,632,201
Profit for the year	231,359	-	231,359
Balance at 31 March 2014	9,343,170	520,390	9,863,560

Notes to the financial statements are included on pages 12 to 24.

Raymond Terrace Bowling Club Co-op Ltd

Statement of Cash Flows for the Financial Year Ended 31 March 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		5,178,610	5,261,535
Payments to suppliers and employees		(4,444,916)	(4,439,927)
Interest received		20,847	27,165
Net cash provided by operating activities	22(b)	<u>754,541</u>	<u>848,773</u>
Cash flows from investing activities			
Payment for property, plant and equipment and investment property		(652,590)	(1,026,121)
Proceeds from sale of plant and equipment		67,764	16,000
Net cash used in investing activities		<u>(584,826)</u>	<u>(1,010,121)</u>
Cash flows from financing activities			
Proceeds from borrowings		209,995	400,000
Repayment of borrowings		(356,351)	(400,000)
Net cash (used in)/provided by financing activities		<u>(146,356)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>23,359</u>	<u>(161,348)</u>
Cash and cash equivalents at the beginning of the financial year		788,204	949,552
Cash and cash equivalents at the end of the financial year	22(a)	<u>811,563</u>	<u>788,204</u>

Notes to the financial statements are included on pages 12 to 24.

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

1 Summary of accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Co-operative (Accounts & Audit) Regulation 2000, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the financial statements and notes of the co-operative comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 27 May 2013.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

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.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

1 Summary of accounting policies (cont'd)

(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the co-operative in respect of services provided by employees up to reporting date.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

(e) Impairment of assets

At each reporting date, the co-operative reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the co-operative estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Income tax

The co-operative has been granted an exemption from income tax in accordance with section 50-45 of the Income Tax Assessment Act (1997). There has been no provision made out of profits for the year.

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

1 Summary of accounting policies (cont'd)

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. It has been valued by independent stocktakers.

(h) Payables

Trade payables and other accounts payable are recognised when the co-operative becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Property, plant and equipment

Where assets have been revalued any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to profit to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Property, Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period. Freehold Land & Buildings are stated at fair value on assessments carried out by the directors based on appropriate independent enquiries made by them.

The following estimated useful lives are used in the calculation of depreciation:

· Buildings	5 - 100 years
· Plant and	5 - 40 years

(j) Investment Property

Investment property is carried at cost less, where applicable, any accumulated depreciation or impairment losses.

(k) Provisions

Provisions are recognised when the co-operative has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(l) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the co-operative has transferred to the buyer the significant risks and rewards of ownership of the goods.

Rendering of Services

Revenue from the provision of services is recognised when the co-operative has performed the service.

Interest Revenue

Interest revenue is recognised on a time proportionate basis which takes into account the effective yield on the financial asset.

(m) Financial Risk Management

The co-operative has exposure to the following risks from their use of financial instruments:

- a) credit risk;
- b) liquidity risk; and
- c) market risk.

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

1 Summary of accounting policies (cont'd)

The co-operative has no exposure to currency risk as all transactions are denominated in Australian dollars.

This note presents information about the co-operative's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the co-operative, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the co-operative's activities. The co-operative through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain member, creditor and market confidence and to sustain future development of the business.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the co-operative's approach to capital management during the year. A number of new fixed asset additions were purchased during the year by cash, with a value of \$652,095.

(n) New Accounting Standards for application in future periods

A number of Australian Accounting Standards and Interpretations and IFRSs and IFRIC Interpretations are in issue but are not effective for the current year end. The reported results and position of the group will not change on adoption of these pronouncements as they do not result in any changes to the group's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The co-op does not intend to adopt any of these pronouncements before their effective dates.

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

	2014	2013
(a) Revenue	\$	\$
Revenue consisted of the following items:		
Revenue from the sale of goods	1,058,754	1,068,529
Revenue from the rendering of services	3,485,401	3,640,485
	4,544,155	4,709,014
Rental revenue:		
Hire fees	60,011	43,813
	60,011	43,813
Interest revenue:		
Other entities	19,176	26,138
	19,176	26,138
Other (<i>aggregate of immaterial items</i>)	75,185	18,950
	4,698,527	4,797,915
(b) Profit before income tax		
Profit before income tax has been arrived at after crediting/ (charging) the following gains and losses:		
Gain/(loss) on disposal of property, plant and equipment	62,205	(13,076)
	62,205	(13,076)
Gains attributable to:		
Continuing operations	62,258	-
	62,258	-
Losses attributable to:		
Continuing operations	(53)	(13,076)
	(53)	(13,076)
Profit before income tax has been arrived at after charging the following expenses. The line items below combine amounts attributable to both continuing operations and discontinued operations:		
Cost of sales	(409,904)	(420,347)
Depreciation of non-current assets	533,239	546,147
Amortisation of non-current assets	40,578	38,714
	573,817	584,861
Operating & financial lease rental expenses:		
Minimum lease payments	36,575	35,572
Finance costs	15,727	-
	52,302	35,572

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

2 Profit from operations		
(b) Profit before income tax (cont)	2014	2013
	\$	\$
Transfer to Provisions for:		
Employee entitlements	55,375	14,953
	<u>55,375</u>	<u>14,953</u>
3 Key management personnel remuneration		
The specified directors of Raymond Terrace Bowling Club Co-op Ltd during the year were:		
· C O'Brien	· J Elkin	
· M Kelly	· M Harriss	
· I Chapman	· A North	
· M Auinger	· B Gleeson	
The specified executives of Raymond Terrace Bowling Club Co-op Ltd during the year were:		
· S Conroy	· J Stokes	
(a) Key management personnel remuneration		
Executive Remuneration	181,086	172,082
Directors Remuneration	18,500	23,000
	<u>199,586</u>	<u>195,082</u>
4 Remuneration of auditors		
Audit of the financial report	23,000	23,000
	<u>23,000</u>	<u>23,000</u>
5 Cash and cash equivalents		
Cash on hand	119,318	119,539
Cash at Bank - Commonwealth	223,932	216,263
Cash at Bank - Greater	36,533	39,454
Cash at Bank - TAB	5,000	5,000
Term deposits	426,780	407,948
	<u>811,563</u>	<u>788,204</u>
6 Current trade and other receivables		
Trade receivables (i)	4,913	18,368
	<u>4,913</u>	<u>18,368</u>
(i) The debtors exposure is relatively small and all debts are usually received within 60 days. No interest is charged on outstanding debts. No allowance is considered necessary for irrecoverable amounts.		
7 Current inventories		
Inventory on hand at cost	36,549	39,286
	<u>36,549</u>	<u>39,286</u>
8 Other current assets		
Prepayments	98,445	43,107
	<u>98,445</u>	<u>43,107</u>

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

9 Property, plant and equipment

	Poker Machine Licences at cost	Poker Machines at cost	Freehold Land & Buildings at fair value	Plant, Equipment & Machinery at cost	Greens, Surrounds & Property Improvements at cost	Total
Gross carrying amount						
Balance at 1 April 2012	350,029	1,988,803	7,554,721	1,406,490	1,907,837	13,207,880
Additions	55,745	358,432	24,153	114,894	4,892	558,116
Disposals	-	(268,426)	-	(29,460)	-	(297,886)
Balance at 1 April 2013	405,774	2,078,809	7,578,874	1,491,924	1,912,729	13,468,110
Additions	-	297,939	15,364	315,746	23,046	652,095
Disposals	-	(248,916)	-	(63,307)	-	(312,223)
Balance at 31 March 2014	405,774	2,127,832	7,594,238	1,744,363	1,935,775	13,807,982

	Poker Machine Licences at cost	Poker Machines at cost	Freehold Land & Buildings at fair value	Plant, Equipment & Machinery at cost	Greens, Surrounds & Property Improvements at cost	Total
Accumulated depreciation/ amortisation and impairment						
Balance at 1 April 2012	136,748	1,550,786	-	1,029,677	720,114	3,437,325
Disposals	-	(260,366)	-	(8,444)	-	(268,810)
Depreciation expense	38,714	335,652	-	115,933	94,562	584,861
Balance at 1 April 2013	175,462	1,626,072	-	1,137,166	814,676	3,753,376
Disposals	-	(243,410)	-	(63,254)	-	(306,664)
Depreciation expense	40,578	308,388	-	129,223	95,628	573,817
Balance at 31 March 2014	216,040	1,691,050	-	1,203,135	910,304	4,020,529
Net book value						
As at 31 March 2013	230,312	452,737	7,578,874	354,758	1,098,053	9,714,734
As at 31 March 2014	189,734	436,782	7,594,238	541,228	1,025,471	9,787,453

The valuation of the land & buildings at 31 March 2014 has been confirmed by the directors as reasonable after having made due enquiry to determine that the carrying value is the fair value of this property.

Section 41J(2) of the Registered Club's Act requires the annual report to specify the core and non-core property of the club as at the end of the financial year to which the report relates.

Core Property is any real property owned or occupied by the club that comprises:

- (a) the defined premises of the club; or
- (b) any facility provided by the club for use by its members and their guests; or
- (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the club to be core property.

Non-core property is any other property that is not referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the club not to be core property.

The following properties are the core properties of the club:

- 2 Jacaranda Ave, Raymond Terrace
- 1 Swan St, Raymond Terrace

The following properties are the non-core properties of the club:

- 112 Port Stephens St, Raymond Terrace
- 2 Swan St, Raymond Terrace

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

	2014	2013
	\$	\$
10 Investment Property		
Residential Property	468,500	468,005
	468,500	468,005
11 Current trade and other payables		
Trade payables (i)	208,151	216,975
Subscriptions in advance	24,291	20,126
Government tax subsidy in advance	2,863	2,863
	235,305	239,964
(i) The average credit period on bar purchases is 7-10 days. The average credit period on all other purchases is 0 - 30 days. No interest is charged on late payments. The co-operative has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.		
12 Borrowings		
Financing Arrangements		
Unrestricted access was available at the balance date to the following lines of credit:		
Total Facilities - Loans & Financial Lease	1,791,644	1,600,000
Used at Balance Date	803,644	950,000
Unused at Balance Date	988,000	650,000
Current borrowings		
Secured		
Bank Loan (a)	364,000	260,000
Finance Lease (b)	39,968	-
	403,968	260,000
13 Non-current borrowings		
Secured		
Bank Loan (a)	248,000	690,000
Finance Lease (b)	151,676	-
	399,676	690,000
(a) The Commonwealth Bank loan is secured by a first registered mortgage over club property and a first registered equitable mortgage over the club assets situated at Jacaranda Ave, Raymond Terrace, which have a book value in excess of the indebtedness.		
(b) Secured over the assets leased.		
14 Current provisions		
Employee benefits	273,266	225,995
	273,266	225,995
15 Non-current provisions		
Employee benefits	31,648	23,544
	31,648	23,544
16 Reserves		
Asset revaluation reserve	520,390	520,390
	520,390	520,390
17 Retained earnings		
Balance at beginning of financial year	9,111,811	8,849,359
Net profit attributable to members	231,359	262,452
Balance at end of financial year	9,343,170	9,111,811

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

18 Contingent liabilities

There exists a contingent liability as at 31 March 2014. This contingency relates to possible future funeral benefits paid on behalf of members. This has not been recognised as an actual liability as it cannot be reliably measured.

19 Leases

Leasing Commitments

The club has rental agreements for the photocopier, LCD televisions and tills operating within the club and a financial lease on solar electricity panels. These agreements finalise between April 2014 & April 2020.

Non-cancellable operating lease payments

	2014 \$	2013 \$
Not longer than 1 year	27,929	34,655
Longer than 1 year and not longer than 5 years	73,554	65,393
Longer than 5 years	-	-
	101,483	100,048

Non-cancellable finance lease payments

Not longer than 1 year	39,968	-
Longer than 1 year and not longer than 5 years	172,228	-
Longer than 5 years	52,147	-
Minimum Lease Payments	264,343	-
Less: Future Charges	72,698	-
Present Value	191,645	-

20 Segment information

The club's operations are wholly within New South Wales and this activity is within one industry, namely the provision of amenities to members and their guests.

21 Related party disclosures

(a) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 3(a) to the financial statements.

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

22 Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	119,318	119,539
Cash at bank	265,465	260,717
Term deposits	426,780	407,948
	<u>811,563</u>	<u>788,204</u>

(b) Reconciliation of profit for the period to net cash flows from operating activities

Profit for the period	231,359	262,452
(Gain)/loss on sale or disposal of non-current assets	(62,205)	13,076
Depreciation and amortisation of non-current assets	573,817	584,861
Provision for employee entitlements	55,375	14,953
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	13,455	(16,067)
Current inventories	2,737	106
Other current assets	(55,338)	(19,277)
Increase/(decrease) in liabilities:		
Current payables	(4,659)	8,669
Net cash from operating activities	<u>754,541</u>	<u>848,773</u>

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

23 Financial instruments

(a) Financial risk management objectives

The co-operative's accounting function provides services to the business, co-ordinates access to domestic financial markets when necessary, and manages the financial risks relating to the operations of the co-operative.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Interest rate risk management

The co-operative is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

The following table details the co-operative's exposure to interest rate risk as at 31 March 2014:

2014	Weighted average effective interest rate %	Fixed Interest Rate	Variable interest rate	Non interest bearing	Total
Financial assets:					
Cash at Bank - Term deposits	3.58	-	426,780	-	426,780
Cash at Bank	0.50	-	265,465	-	265,465
			692,245	-	692,245
Financial liabilities:					
Commonwealth Bank Loan	6.48	-	612,000	-	612,000
Finance lease liabilities	10.45	191,644	-	-	191,644
Trade payables	n/a	-	-	235,305	235,305
		191,644	612,000	235,305	1,038,949

2013	Weighted average effective interest rate %	Fixed Interest Rate	Variable interest rate	Non interest bearing	Total
Financial assets:					
Cash at Bank - Term deposits	4.45	-	407,948	-	407,948
Cash at Bank	1.25	-	260,716	-	260,716
			668,664	-	668,664
Financial liabilities:					
Commonwealth Bank Loan	7.59	-	950,000	-	950,000
Trade payables	n/a	-	-	239,964	239,964
			950,000	239,964	1,189,964

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

23 Financial instruments (Cont'd)

Interest rate risk

At reporting date the interest rate profile of the co-operative's interest-earning financial assets and liabilities was:

	Carrying amount	
	2014	2013
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	692,245	668,664
	<u>692,245</u>	<u>668,664</u>
Fixed rate instruments		
Financial liabilities	191,644	-
Variable rate instruments		
Financial liabilities	612,000	950,000
	<u>803,644</u>	<u>950,000</u>

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

	Equity 100bp Increase/ (Decrease) \$	Profit or loss 100bp Increase/ (Decrease) \$
31 March 2014		
Assets - Variable rate instruments	6,805	6,805
Liabilities - Variable rate instruments	(7,810)	(7,810)
Cash flow sensitivity (net)	<u>(1,005)</u>	<u>(1,005)</u>
31 March 2013		
Assets - Variable rate instruments	7,498	7,498
Liabilities - Variable rate instruments	(9,500)	(9,500)
Cash flow sensitivity (net)	<u>(2,002)</u>	<u>(2,002)</u>

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2014

23 Financial instruments (Cont'd)

(d) Credit risk management

Credit risk is the risk of financial loss to the co-operative if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the co-operative's receivables from customers. As the overwhelming majority of the co-operative's sales are tendered in cash, the directors consider credit risk to be minimal with respect to trade receivables. The co-operative's cash assets are invested with two financial institutions to mitigate any credit risk associated with these investments.

(e) Liquidity risk management

Liquidity risk is the risk that the co-operative will not be able to meet its financial obligations as they fall due. The co-operative's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the co-operative's reputation.

Typically the co-operative ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the co-operative maintains the following lines of credit:

Bank loan facility of \$1,500,000 that is secured.
Overdraft Facility of \$100,000

The following are the contractual maturities of financial liabilities:

31 March 2014

	Carrying	<1 year	1 - 5 yrs	>5 yrs
Non-derivative financial liabilities				
Secured Bank Loan	612,000	364,000	248,000	-
Finance Lease	191,644	20,735	122,346	48,563
Trade payables	235,305	235,305	-	-

31 March 2013

	Carrying	<1 year	1 - 5 yrs	>5 yrs
Non-derivative financial liabilities				
Secured Bank Loan	950,000	260,000	690,000	-
Trade payables	230,396	230,396	-	-

(f) Market risk

Market risk is the risk that changes in market prices will affect the co-operative's income.

The co-operative manages market risks by monitoring pricing changes and gross margins in the different operational areas of the co-operative.

24 Additional co-operative information

Raymond Terrace Bowling Club Co-op Limited is a public co-operative, incorporated and operating in Australia.

Registered office

2 Jacaranda Avenue
RAYMOND TERRACE, NSW
Ph: (02) 4987 2404

Principal place of business

2 Jacaranda Avenue
RAYMOND TERRACE,
Ph: (02) 4987 2404

Raymond Terrace Bowling Club Co-op Ltd

Disclaimer for the Year Ended 31 March 2014

The additional financial data presented in the following pages is in accordance with the books and records of Raymond Terrace Bowling Club Co-op Ltd which have been subjected to the auditing procedures applied in our statutory audit of the co-operative for the year ended 31 March 2014. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

DATED at MAITLAND, NSW this

day of May 2014.

PEARSON SMART AUDIT

M J MATTHEWS (Partner)
REGISTERED COMPANY AUDITOR

Raymond Terrace Bowling Club Co-op Ltd

Income & Expenditure Statement for the Year Ended 31 March 2014

	2014	2013
	\$	\$
Income		
Net Profit/(Loss) - Bar	271,974	263,225
- Gaming	2,209,279	2,223,222
- Catering	(10,909)	(20,893)
- Bowls Shop	873	2,354
- Coffee Shop	16,572	14,883
Net Subsidy to Bowls - Regular	(420,968)	(376,744)
	<u>2,066,821</u>	<u>2,106,047</u>
Commission Received	34,055	28,636
Entertainment Ticket Sales	11,928	9,855
Hire Fees Received	7,499	13,973
Interest Received	19,176	26,138
Insurance Recoveries	23,245	-
Raffles less Prizes	(5,728)	(7,160)
Rebate - Energy Efficient Lighting	27,209	-
Rental Income	24,987	3,840
Subscriptions	23,489	28,432
Sundry Income	10,090	5,694
Telephone Received	210	401
Wage Subsidies	2,500	3,000
	<u>2,245,481</u>	<u>2,218,856</u>
Less : Expenses	2,014,122	1,956,404
Net profit from ordinary activities	<u>\$ 231,359</u>	<u>\$ 262,452</u>

Refer attached audit disclaimer

Raymond Terrace Bowling Club Co-op Ltd

Bar Trading Statement for the Year Ended 31 March 2014

	2014	2013
	\$	\$
Income		
Sales	807,691	796,158
Opening Stock	25,196	22,958
Purchases	334,208	341,079
Freight	5,187	5,761
	364,591	369,798
Less Closing Stock	25,593	25,196
	338,998	344,602
Gross Profit 58.0% (Last Year 56.7%)	468,693	451,556
Less Expenses		
Bar Snacks	-	1,484
Depreciation	7,369	9,167
Glasses Replaced	2,436	1,958
Repairs & Maintenance	15,170	17,799
Stocktake Fees	5,400	5,400
Wages 20.5% (Last Year 19.0%)	165,444	151,623
Waste	900	900
	196,719	188,331
Net Profit 33.7% (Last Year 33.1%)	271,974	263,225

Refer attached audit disclaimer

Raymond Terrace Bowling Club Co-op Ltd

Gaming Trading Statement for the Year Ended 31 March 2014

	2014	2013
	\$	\$
Income		
Net Clearances from Machines	3,398,632	3,542,247
Government Tax Subsidy	17,180	17,180
Keno Commission	53,105	64,774
TAB Commission	16,483	16,284
Profit on Disposal of Machines	62,258	-
	<u>3,547,658</u>	<u>3,640,485</u>
Less Expenses		
Amortisation of Gaming Licences	40,578	38,714
Depreciation	308,388	335,652
DMS Monitoring Fees	40,114	37,421
Duty	576,021	601,005
Loss on Disposal of Machines	-	1,060
Promotions	39,076	40,639
Provision for Link Jackpots	(1,395)	1,348
Repairs and Maintenance	127,615	133,644
Stationery	3,900	5,934
Skychannel Subscriptions	24,885	24,326
TAB Terminal Fee	6,760	6,890
Television Lease	10,566	10,566
Wages	161,871	180,064
	<u>1,338,379</u>	<u>1,417,263</u>
Net Profit	<u>2,209,279</u>	<u>2,223,222</u>

Catering Trading Statement for the Year Ended 31 March 2014

	2014	2013
	\$	\$
Income		
Licence Fees Received	27,525	26,000
Less Expenses		
Depreciation	16,767	14,485
Catering Subsidy	1,474	1,135
Coffee Machine Supplies	475	1,333
Replacements & Maintenance	19,718	29,940
	<u>38,434</u>	<u>46,893</u>
Net Profit/(Loss)	<u>(10,909)</u>	<u>(20,893)</u>

Refer attached audit disclaimer

Raymond Terrace Bowling Club Co-op Ltd

Bowls Shop Trading Statement for the Year Ended 31 March 2014

			2014	2013
			\$	\$
Income				
Sales			60,966	77,584
Opening Stock			13,225	16,434
Purchases			45,619	61,742
Freight			13	-
			58,857	78,176
Less Closing Stock			10,179	13,225
			48,678	64,951
Gross Profit	20.2%	(Last Year 16.3%)	12,288	12,633
Less Expenses				
Wages			10,529	7,510
Vouchers			951	2,765
Overs/Unders & Sundry Expenses			(65)	4
			11,415	10,279
Net Profit	1.4%	(Last Year 3.0%)	873	2,354

Coffee Shop Trading Statement for the Year Ended 31 March 2014

			2014	2013
			\$	\$
Income				
Sales			51,031	28,926
Opening Stock			865	-
Purchases			22,119	11,649
Freight			21	10
			23,005	11,659
Less Closing Stock			777	865
			22,228	10,794
Gross Profit	56.4%	(Last Year 62.7%)	28,803	18,132
Less Expenses				
Cleaning Supplies			24	99
Vouchers			11,075	2,908
Replacements			1,132	242
			12,231	3,249
Net Profit	32.5%	(Last Year 51.5%)	16,572	14,883

Refer attached audit disclaimer

Raymond Terrace Bowling Club Co-op Ltd

Bowls Operations Statement for the Year Ended 31 March 2014

	2014	2013
	\$	\$
Income		
Greens & Competition Fees	38,947	37,373
Income Women's Bowling Club	15,697	16,396
Sponsorship Received	12,897	37,745
Subscriptions	12,000	12,000
Barefoot Bowls Parties	678	3,809
Sundry Income - Bowls	364	70
Sundry - Bowls Polisher	293	27
	80,876	107,420
Less Expenses		
Affiliation Fees	20,481	20,451
Bowls Carnivals	25,850	33,888
Catering	17,233	19,675
Club Shirts, Jackets & Uniforms	5,746	6,228
Depreciation	92,738	91,672
Gala's	28,874	28,103
Inhouse Tournaments	10,150	360
Junior Academy	-	3,382
Pennant Costs	39,809	36,931
Premier League Expenses	95	-
Repairs - Greens & Surrounds	21,799	23,647
- Machinery	2,714	1,406
Selectors & Rep Players Reimbursements	72,601	56,717
Sundry Expenses	3,577	4,353
Trophies	3,065	13,644
Wages	157,112	143,707
	501,844	484,164
Net Profit/(Loss)	(420,968)	(376,744)

Raymond Terrace Bowling Club Co-op Ltd

Schedule of Expenses for the Year Ended 31 March 2014

	2014	2013
	\$	\$
Advertising	39,691	43,935
Annual Meeting Costs	15,848	660
Audit & Other Fees	23,000	23,000
Bank Charges	2,891	3,835
Cleaning - Contractors & Materials	154,850	142,882
Consultancy, Marketing & Research Fees	5,427	8,839
Computer Software & Support	17,978	8,825
Depreciation	107,977	95,171
Donations	51,642	58,126
Directors Out of Pocket Expenses	18,500	23,000
Electricity & Gas	169,831	187,048
Entertainment & Members Benefits	140,714	143,300
Float Shortages	1,612	435
Fringe Benefits Tax	1,329	-
General Expenses	1,128	1,543
Insurance	86,366	77,506
Interest	68,962	61,331
Legal Fees	1,649	-
Loss on Disposal of Assets	53	12,016
Membership Cards	1,712	1,289
Members Funeral Benefits	3,600	2,400
Motor Vehicle Expenses	3,197	5,598
Payroll Tax	21,812	19,183
Photocopier & Tills Operating Lease	26,010	25,006
Printing, Stationery & Postage	23,297	21,962
Provision for Employee Entitlements	113,186	78,679
Provision for Staff Amenities	-	10,302
Rates	27,468	24,304
Rent	7,420	2,940
Rental Coffee Machine	-	437
Rental Property Expenses	14,048	2,957
Repairs & Maintenance	227,627	262,464
Salaries & Wages - Administration	314,432	300,877
Security Costs	109,887	114,069
Staff Amenities	4,927	4,716
Staff Training	30,452	16,327
Staff & Director's Uniforms	4,463	7,661
Subscriptions & Licences	30,101	20,719
Subscriptions - Fox sports	29,615	28,581
Superannuation	92,588	89,592
Telephone	15,709	16,303
Travelling & Conferences	3,123	8,586
Total Expenses	2,014,122	1,956,404

Refer attached audit disclaimer

