

Raymond Terrace Bowling Club Co-op Ltd

ABN: 11 468 826 325

**Annual Financial Report for the
Financial Year Ended 31 March 2016**

Raymond Terrace Bowling Club Co-op Ltd

Annual Financial Report for the Financial Year Ended 31 March 2016

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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 2016. 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	18 years	President (resigned 8/7/15)
M Harriss	Retired	16 years	Chairman
J Elkin	Retired	16 years	Vice President (resigned 8/7/15)
B Gleeson	Manager	3 years	Vice Chairman
M Kely	Open cut examiner	17 years	Treasurer (resigned 8/7/15)
G Lewis	Retired	1 year	Treasurer (appointed 8/7/15)
A North	Retired	9 years	Director (resigned 28/9/15)
S Evans	Vehicle Builder	2 year	Director
M Aunger	Retired	1 year	Director (appointed 8/7/15)
B Soars	Retail Manager	1 year	Director (appointed 8/7/15)
B Reed	Manager	1 year	Director (appointed 2/12/15)

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 \$96,211 in the current financial year (2015: \$253,251).

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	4/4	A North	9/9
M Kelty	1/4	B Gleeson	17/19
J Elkin	4/4	S Evans	15/19
M Harriss	16/19	M Auger	15/15
G Lewis	13/15	B Soars	15/15
B Reed	7/7		

EMPLOYEES

As at 31 March 2016, the Co-operative employed 27 staff (2015: 27).

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.

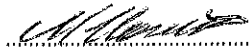
During the financial year the Co-operative paid a premium to insure certain officers of the Co-operative. The officers of the Co-operative are previously listed in this report. The liabilities insured include the cost and expenses that may be incurred in defending civil or criminal proceedings that may 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, 2 June 2016

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 2016 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

2 JUNE 2016



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 2016, 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 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Co-operatives (Accounts & Audit) Regulations 2000; and

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

Pearson Smart Audit

373 HIGH STREET
MAITLAND, NSW

2 JUNE 2016

PEARSON SMART AUDIT

M Matthews

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 2016.

Signed in accordance with a resolution of the directors.

On behalf of the Board



Director

Raymond Terrace, 2 June 2016



Director

Raymond Terrace, 2 June 2016

Raymond Terrace Bowling Club Co-op Ltd

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 March 2016

	Note	2016 \$	2015 \$
Sales revenue	2(a)	4,449,870	4,426,136
Cost of sales	2(b)	(456,091)	(396,369)
Gross profit		3,993,779	4,029,767
Other income	2(a)	145,414	114,554
Gain on disposal of property, plant & equipment	2(b)	10,795	37,000
Employee benefits expense		(1,250,416)	(1,247,804)
Depreciation and amortisation expense	2(b)	(507,460)	(507,766)
Other bar expense		(28,985)	(29,160)
Other gaming expense		(720,605)	(764,988)
Other catering expense		(35,910)	(33,632)
Other bowls expense		(256,123)	(273,192)
Administration expense		(1,254,278)	(1,071,528)
Profit before income tax expense		96,211	253,251
Income tax expense		-	-
Profit from continuing operations	17	96,211	253,251
Profit attributable to members		96,211	253,251
Other comprehensive income		-	-
Total comprehensive income		96,211	253,251

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 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	5	835,929	921,619
Trade and other receivables	6	6,409	13,322
Inventories	7	73,559	78,766
Other	8	104,822	45,037
Total current assets		1,020,719	1,058,744
Non-current assets			
Property, plant and equipment	9	9,759,513	9,748,400
Investment property	10	754,070	754,070
Total non-current assets		10,513,583	10,502,470
Total assets		11,534,302	11,561,214
Current liabilities			
Trade and other payables	11	235,472	344,074
Borrowings	12	322,173	405,167
Provisions	14	231,135	241,756
Total current liabilities		788,780	990,997
Non-current liabilities			
Provisions	15	45,227	34,664
Borrowings	13	487,273	418,742
Total non-current liabilities		532,500	453,406
Total liabilities		1,321,280	1,444,403
Net assets		10,213,022	10,116,811
Equity			
Reserves	16	520,390	520,390
Retained earnings	17	9,692,632	9,596,421
Total equity		10,213,022	10,116,811

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 2016

	Retained earnings \$	Reserves \$	Total attributable to equity holders of the entity \$
Balance at 1 April 2014	9,343,170	520,390	9,863,560
Profit for the year	253,251	-	253,251
Balance at 31 March 2015	9,596,421	520,390	10,116,811
Profit for the year	96,211	-	96,211
Balance at 31 March 2016	9,692,632	520,390	10,213,022

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 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		5,045,662	4,989,454
Payments to suppliers and employees		(4,624,568)	(4,196,735)
Interest received		15,457	14,354
Net cash provided by operating activities	22(b)	436,551	807,073
Cash flows from investing activities			
Payment for property, plant and equipment and investment property		(520,597)	(754,283)
Proceeds from sale of plant and equipment		12,820	37,000
Net cash used in investing activities		(507,777)	(717,283)
Cash flows from financing activities			
Proceeds from borrowings		347,450	300,000
Repayment of borrowings		(361,914)	(279,734)
Net cash (used in)/provided by financing activities		(14,464)	20,266
Net increase/(decrease) in cash and cash equivalents		(85,690)	110,056
Cash and cash equivalents at the beginning of the financial year		921,619	811,563
Cash and cash equivalents at the end of the financial year	22(a)	835,929	921,619

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 2016

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 2nd June 2016.

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

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 2016

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 2016

1 Summary of accounting policies (cont'd)

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. It has been counted & 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 equipment	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 2016

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 \$520,597.

(n) New Accounting Standards for application in future periods

A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current year end. The effect of these new Accounting Standards are not known at this stage and the Co-operative does not plan 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 2016

	2016	2015
(a) Revenue	\$	\$
Revenue consisted of the following items:		
Revenue from the sale of goods	1,180,138	1,055,459
Revenue from the rendering of services	3,269,732	3,370,677
	4,449,870	4,426,136
Rental revenue:		
Hire fees	72,242	77,823
	72,242	77,823
Interest revenue:		
Other entities	13,848	17,243
	13,848	17,243
Other (<i>aggregate of immaterial items</i>)	59,324	19,488
	4,595,284	4,540,690
(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	10,795	37,000
	10,795	37,000
Gains attributable to:		
Continuing operations	12,820	37,000
	12,820	37,000
Losses attributable to:		
Continuing operations	2,025	-
	2,025	-
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	(456,091)	(396,369)
Depreciation of non-current assets	507,460	507,766
Amortisation of non-current assets	-	-
	507,460	507,766
Operating & financial lease rental expenses:		
Minimum lease payments	40,916	33,704
Finance costs	16,933	19,383
	57,849	53,087

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2016

2 Profit from operations

(b) Profit before income tax (cont)

	2016	2015
	\$	\$
Transfer to Provisions for:		
Employee entitlements	(58)	(28,495)
	(58)	(28,495)

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 Auger
• M Kelty	• M Harriss	• B Soars
• A North	• B Gleeson	• B Reed
• S Evans	• G Lewis	

The specified executives of Raymond Terrace Bowling Club Co-op Ltd during the year were:

• S Conroy	• J Stokes
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(a) Key management personnel remuneration

Executive Remuneration	221,426	192,631
Directors Remuneration	27,280	21,500
	248,706	214,131

4 Remuneration of auditors

Audit of the financial report	26,600	25,130
	26,600	25,130

5 Cash and cash equivalents

Cash on hand	121,878	119,125
Cash at Bank - Commonwealth Bank	198,413	312,635
Cash at Bank - Greater Building Society	46,839	45,685
Cash at Bank - TAB Security Deposit	5,000	5,000
Term deposits	463,799	439,174
	835,929	921,619

6 Current trade and other receivables

Trade receivables (i)	6,409	13,322
	6,409	13,322

(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	73,559	78,766
	73,559	78,766

8 Other current assets

Prepayments	104,822	45,037
	104,822	45,037

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2016

9 Property, plant and equipment

	Poker Machines & Licences at cost	Freehold Land & Buildings at fair value	Plant, Equipment & Machinery at cost	Greens, Surrounds & Property Improvements	Total
Gross carrying amount					
Balance at 1 April 2014	2,533,606	7,594,238	1,744,363	1,935,775	13,807,982
Additions	257,719	88,893	113,760	8,341	468,713
Disposals	(177,325)	-	(45,725)	-	(223,050)
Balance at 1 April 2015	2,614,000	7,683,131	1,812,398	1,944,116	14,053,645
Additions	208,104	162,589	149,905	-	520,598
Disposals	(128,095)	-	(635)	(3,106)	(131,836)
Balance at 31 March 2016	2,694,009	7,845,720	1,961,668	1,941,010	14,442,407

	Poker Machines & Licences at cost	Freehold Land & Buildings at fair value	Plant, Equipment & Machinery at cost	Greens, Surrounds & Property Improvements	Total
--	--	--	---	--	-------

Accumulated depreciation/ amortisation and impairment

Balance at 1 April 2014	1,907,090	-	1,203,135	910,304	4,020,529
Disposals	(177,325)	-	(45,725)	-	(223,050)
Depreciation expense	287,370	-	121,271	99,125	507,766
Balance at 1 April 2015	2,017,135	-	1,278,681	1,009,429	4,305,245
Disposals	(126,292)	-	(579)	(2,940)	(129,811)
Depreciation expense	272,144	-	140,356	94,960	507,460
Balance at 31 March 2016	2,162,987	-	1,418,458	1,101,449	4,682,894

Net book value

As at 31 March 2015	596,865	7,683,131	533,717	934,687	9,748,400
As at 31 March 2016	531,022	7,845,720	543,210	839,561	9,759,513

The valuation of the land & buildings at 31 March 2016 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
- 35 Glenelg St, Raymond Terrace

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2016

	2016	2015
	\$	\$
10 Investment Property		
Residential Property	754,070	754,070
	754,070	754,070
11 Current trade and other payables		
Trade payables (i)	207,755	314,821
Subscriptions in advance	24,854	26,390
Government tax subsidy in advance	2,863	2,863
	235,472	344,074
(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	1,766,446	1,770,909
Used at Balance Date	809,446	823,909
Unused at Balance Date	957,000	947,000
Current borrowings		
Secured		
Bank Loan (a)	260,000	364,000
Finance Lease (b)	62,173	41,167
	322,173	405,167
13 Non-current borrowings		
Secured		
Bank Loan (a)	383,000	289,000
Finance Lease (b)	104,273	129,742
	487,273	418,742
(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	231,135	241,756
	231,135	241,756
15 Non-current provisions		
Employee benefits	45,227	34,664
	45,227	34,664
16 Reserves		
Asset revaluation reserve	520,390	520,390
	520,390	520,390
17 Retained earnings		
Balance at beginning of financial year	9,596,421	9,343,170
Net profit attributable to members	96,211	253,251
Balance at end of financial year	9,692,632	9,596,421

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2016

18 Contingent liabilities

There exists a contingent liability as at 31 March 2016. 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 June 2017 & April 2020.

Non-cancellable operating lease payments

	2016 \$	2015 \$
Not longer than 1 year	41,340	33,269
Longer than 1 year and not longer than 5 years	106,391	56,089
Longer than 5 years	-	-
	147,731	89,358

Non-cancellable finance lease payments

Not longer than 1 year	62,173	41,167
Longer than 1 year and not longer than 5 years	140,805	177,394
Longer than 5 years	-	5,813
Minimum Lease Payments	202,978	224,374
Less: Future Charges	36,532	53,465
Present Value	166,446	170,909

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 2016

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:

	2016	2015
	\$	\$
Cash on hand	121,878	119,125
Cash at bank	250,252	363,320
Term deposits	463,799	439,174
	<u>835,929</u>	<u>921,619</u>

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

Profit for the period	96,211	253,251
(Gain)/loss on sale or disposal of non-current assets	(10,795)	(37,000)
Depreciation and amortisation of non-current assets	507,460	507,766
Provision for employee entitlements	(58)	(28,495)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	6,913	(8,409)
Current inventories	5,207	(42,217)
Other current assets	(59,785)	53,408
Increase/(decrease) in liabilities:		
Current payables	(108,602)	108,769
Net cash from operating activities	<u>436,551</u>	<u>807,073</u>

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2016

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 2016:

2016	Weighted average effective interest rate %	Fixed Interest Rate	Variable interest rate	Non interest bearing	Total
Financial assets:					
Cash at Bank - Term deposits	2.88	-	463,799	-	463,799
Cash at Bank	0.25	-	250,252	-	250,252
		-	714,051	-	714,051
Financial liabilities:					
Commonwealth Bank Loan	5.73	-	643,000	-	643,000
Finance lease liabilities	10.45	166,446	-	-	166,446
Trade payables	n/a	-	-	235,472	235,472
		166,446	643,000	235,472	1,044,918

2015	Weighted average effective interest rate %	Fixed Interest Rate	Variable interest rate	Non interest bearing	Total
Financial assets:					
Cash at Bank - Term deposits	3.35	-	439,174	-	439,174
Cash at Bank	0.25	-	363,320	-	363,320
		-	802,494	-	802,494
Financial liabilities:					
Commonwealth Bank Loan	5.98	-	653,000	-	653,000
Finance lease liabilities	10.45	170,909	-	-	170,909
Trade payables	n/a	-	-	344,074	344,074
		170,909	653,000	344,074	1,167,983

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2016

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	
	2016	2015
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	714,051	802,494
	<u>714,051</u>	<u>802,494</u>
Fixed rate instruments		
Financial liabilities	166,446	170,909
Variable rate instruments		
Financial liabilities	643,000	653,000
	<u>809,446</u>	<u>823,909</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 2015.

	Equity 100bp Increase/ (Decrease) \$	Profit or loss 100bp Increase/ (Decrease) \$
31 March 2016		
Assets - Variable rate instruments	7,583	7,583
Liabilities - Variable rate instruments	(6,480)	(6,480)
Cash flow sensitivity (net)	<u>1,103</u>	<u>1,103</u>
31 March 2015		
Assets - Variable rate instruments	7,474	7,474
Liabilities - Variable rate instruments	(6,325)	(6,325)
Cash flow sensitivity (net)	<u>1,149</u>	<u>1,149</u>

Raymond Terrace Bowling Club Co-op Ltd

Notes to the Financial Statements For the Financial Year Ended 31 March 2016

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 director's 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 2016

	Carrying	<1 year	1 - 5 yrs	>5 yrs
Non-derivative financial liabilities				
Secured Bank Loan	643,000	260,000	383,000	-
Finance Lease	166,446	62,173	104,273	-
Trade payables	235,473	235,473	-	-

31 March 2015

	Carrying	<1 year	1 - 5 yrs	>5 yrs
Non-derivative financial liabilities				
Secured Bank Loan	653,000	364,000	289,000	-
Finance Lease	170,909	24,234	141,010	5,665
Trade payables	344,074	344,074	-	-

(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 2016

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 2016. 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 *2ND* day of June 2016.

Pearson Smart Audit

PEARSON SMART AUDIT

M J Matthews

M J MATTHEWS (Partner)

REGISTERED COMPANY AUDITOR

Raymond Terrace Bowling Club Co-op Ltd

Income & Expenditure Statement for the Year Ended 31 March 2016

	2016	2015
	\$	\$
Income		
Net Profit/(Loss) - Bar	334,078	275,792
- Gaming	2,103,445	2,183,720
- Catering	(11,164)	(11,474)
- Bowls Shop	1,974	7,376
- Coffee Shop	15,104	22,029
Net Subsidy to Bowls	(401,723)	(456,889)
	2,041,714	2,020,554
Commission Received	34,410	34,115
Courtesy Bus Income	3,268	-
Entertainment Ticket Sales	15,730	14,507
Hire Fees Received	2,831	15,744
Interest Received	13,848	17,243
Insurance Recoveries	35,862	-
Rebate - Energy Efficient Lighting	-	(4,508)
Rental Income	32,100	18,931
Subscriptions	31,634	26,124
Sundry Income	4,372	3,535
Telephone Received	92	209
Wage Subsidies	-	5,745
	2,215,861	2,152,199
Less : Expenses	2,119,650	1,898,948
Net profit from ordinary activities	\$ 96,211	\$ 253,251

Raymond Terrace Bowling Club Co-op Ltd

Bar Trading Statement for the Year Ended 31 March 2016

	2016	2015
	\$	\$
Income		
Sales	902,774	794,231
Opening Stock	39,149	25,593
Purchases	367,992	341,223
Freight	5,340	4,790
	412,481	371,606
Less Closing Stock	32,774	39,149
	379,707	332,457
Gross Profit	57.9% (Last Year 58.1%)	461,774
Less Expenses		
Depreciation	7,208	6,184
Glasses Replaced	1,781	1,781
Repairs & Maintenance	21,354	21,079
Stocktake Fees	4,950	5,400
Wages	152,796	150,638
Waste	900	900
	188,989	185,982
Net Profit	37.0% (Last Year 34.7%)	334,078
		275,792

Raymond Terrace Bowling Club Co-op Ltd

Gaming Trading Statement for the Year Ended 31 March 2016

	2016	2015
	\$	\$
Income		
Net Clearances from Machines	3,180,852	3,287,788
Government Tax Subsidy	17,180	17,180
Keno Commission	54,613	49,343
TAB Commission	17,087	16,366
Profit on Disposal of Machines	11,017	37,000
	3,280,749	3,407,677
Less Expenses		
Depreciation	272,144	287,370
DMS Monitoring Fees	43,839	41,076
Duty	531,009	553,187
Promotions	47,365	43,254
Provision for Link Jackpots	852	1,816
Repairs and Maintenance	59,962	88,244
Stationery	6,467	4,626
Skychannel Subscriptions	24,351	25,145
TAB Terminal Fee	6,760	6,760
Television Lease	-	880
Wages	184,555	171,599
	1,177,304	1,223,957
Net Profit	2,103,445	2,183,720

Catering Trading Statement for the Year Ended 31 March 2016

	2016	2015
	\$	\$
Income		
Rent Received	29,654	28,980
Less Expenses		
Depreciation	20,200	19,557
Catering Subsidy	429	781
Replacements & Maintenance	20,189	20,116
	40,818	40,454
Net Profit/(Loss)	(11,164)	(11,474)

Refer attached audit disclaimer

Raymond Terrace Bowling Club Co-op Ltd

Bowls Shop Trading Statement for the Year Ended 31 March 2016

			2016	2015
			\$	\$
Income				
Sales			55,982	53,435
Opening Stock			17,700	10,179
Purchases			54,201	48,091
			71,901	58,270
Less Closing Stock			23,007	17,700
			48,894	40,570
Gross Profit	12.7%	(Last Year 24.1%)	7,088	12,865
Less Expenses				
Wages			5,109	5,148
Vouchers			-	370
Overs/Unders & Sundry Expenses			5	(29)
			5,114	5,489
Net Profit	3.5%	(Last Year 13.8%)	1,974	7,376

Coffee Shop Trading Statement for the Year Ended 31 March 2016

			2016	2015
			\$	\$
Income				
Sales			68,886	58,106
Opening Stock			495	777
Purchases			27,693	23,060
			28,188	23,837
Less Closing Stock			698	495
			27,490	23,342
Gross Profit	60.1%	(Last Year 59.8%)	41,396	34,764
Less Expenses				
Cleaning Supplies			-	84
Wages			11,000	-
Vouchers			12,983	10,774
Replacements			2,309	1,877
			26,292	12,735
Net Profit	21.9%	(Last Year 37.9%)	15,104	22,029

Refer attached audit disclaimer

Raymond Terrace Bowling Club Co-op Ltd

Bowls Operations Statement for the Year Ended 31 March 2016

	2016	2015
	\$	\$
Income		
Greens & Competition Fees	31,567	34,272
Income Women's Bowling Club	9,819	14,254
Sponsorship Received	27,714	25,150
Subscriptions	12,000	12,000
Barefoot Bowls Parties	1,966	355
Sundry Income - Bowls	2,672	2,405
Sundry - Bowls Polisher	108	103
	85,846	88,539
Less Expenses		
Affiliation Fees	20,112	20,678
Bowls Carnivals	30,185	33,986
Catering	14,828	16,690
Club Shirts, Jackets & Uniforms	8,623	10,888
Depreciation	92,062	96,235
Gala's	33,922	40,056
Pennant Costs	39,219	41,070
Repairs - Greens & Surrounds	20,787	22,657
- Machinery	2,366	4,225
Representative Players Reimbursements	77,465	72,761
Sundry Expenses	2,165	3,250
Trophies	6,446	6,590
Wages	139,389	176,342
	487,569	545,428
Net Profit/(Loss)	(401,723)	(456,889)

Raymond Terrace Bowling Club Co-op Ltd

Schedule of Expenses for the Year Ended 31 March 2016

	2016	2015
	\$	\$
Advertising	41,282	34,834
Annual Meeting Costs	9,112	945
Audit & Other Fees	26,600	25,130
Bank Charges	2,679	2,518
Cleaning - Contractors & Materials	174,433	160,814
Consultancy, Marketing & Research Fees	-	5,866
Computer Software & Support	6,570	6,860
Courtesy Bus Expenses	4,361	-
Courtesy Bus Wages	12,634	-
Depreciation	115,095	98,355
Donations	58,084	66,125
Directors Out of Pocket Expenses	27,280	21,500
Electricity & Gas	123,659	145,484
Entertainment & Members Benefits	183,921	119,880
Float Shortages	15	1,216
Fringe Benefits Tax	3,357	3,354
General Expenses	1,555	280
Insurance	89,953	84,729
Interest	57,870	51,074
Legal Fees	3,071	4,189
Loss on Disposal of Assets	222	-
Loss by Theft	26,182	-
Membership Cards	1,569	2,023
Members Funeral Benefits	5,400	2,400
Motor Vehicle Expenses	2,744	3,878
Payroll Tax	23,662	25,006
Photocopier & Tills Operating Lease	40,917	32,825
Printing, Stationery & Postage	28,638	22,723
Provision for Employee Entitlements	118,080	72,051
Raffle Expenses	17,468	2,101
Rates	29,096	29,527
Rent	6,300	7,280
Rental Property Expenses	18,928	10,173
Repairs & Maintenance	175,334	190,338
Salaries & Wages - Administration	309,968	324,474
Security Costs	142,819	125,870
Staff Amenities	6,882	4,522
Staff Training	28,194	22,844
Staff & Director's Uniforms	10,796	4,269
Subscriptions & Licences	32,796	33,393
Subscriptions - Fox sports	32,830	31,879
Superannuation	97,139	97,373
Telephone	13,865	15,922
Travelling & Conferences	8,290	4,924
Total Expenses	2,119,650	1,898,948

Refer attached audit disclaimer

