



Carlingford Bowling, Sports & Recreation Club Ltd

Established 1950
A.B.N. 67 000 110 976

67th Annual Report and Financial Statements as at 30 June, 2017.

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CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

DIRECTORS' REPORT

Your directors present their report on the financial statements of Carlingford Bowling, Sports & Recreation Club Limited ('the company') for the year ended 30 June 2017.

INFORMATION ON DIRECTORS

The names of directors who held office at any time during, or since the end of the year, are set out below together with the information on each director's experience, qualifications and special responsibilities:

Names of directors	Occupation/ Qualifications	Position/Special Responsibilities	Years as Director
Nick Martelli	Accountant/Company Director	Chairman	11
Graham Bale	Retired	Vice Chairman	5
Angela McCrea Resigned 24/11/16	Domestic/Bachelor of Business	Treasurer	10
David Symth Appointed 24/11/16 Deceased 23/1/17	Retired	Treasurer	1
Greg Laws Appointed 27/02/17	CPA	Treasurer	1
Mathew Cashmore	Accounts Manager	Director	3
Nigel White	Town Planner	Director	2
Frank Borg	Council Worker	Director	3
John Hart Appointed 24/11/16 Resigned 24/04/17	State Sale Manager	Director	1
Bill Sutcliff Appointed 29/5/2017	Retired / Bank Manager	Director	1
Richard Goggin Appointed 29/5/2017	School Teacher	Director	1

MEETINGS OF DIRECTORS

During the financial year 12 meetings of directors were held and attended as follows:

Name	Directors Meetings	
	No eligible to attend	Attended
Nick Martelli	12	11
Graham Balke	12	11
Angela McCrea	5	5
David Symth	1	1
Greg Laws	5	4
Mathew Cashmore	12	11
Nigel White	12	11
Frank Borg	12	11
John Hart	5	4
Bill Sutcliff	2	2
Richard Goggin	2	2

COMPANY SECRETARY

Shaun Johns was Company Secretary of the Company for the whole of the financial year and continues in office at the date of this report. Shaun joined the Club on 6 April 2010 and has been the Secretary Manager since that date. Shaun has 21 years of experience in the club industry, is a member of Clubs NSW, Clubs Directors Institute and Club Managers Association of NSW.

CORPORATE INFORMATION

The club is a 'not for profit' entity, registered as a company limited by guarantee. It does not issue shares to its members. Under its constitution it does not have the capacity to issue dividends to its members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the Constitution.

The club has varying classes of membership as set out below:

If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the company. As at 30 June 2017 the number of members was 3,975 (2016: 3,443).

DETAILS ON MEMBERS

Each class of membership in the company:

Class	Number		Liability of members on a wind up	
	2017	2016	2017	2016
Ordinary Members (Non Bowling)	3,450	3,084	\$34,500	\$30,840
Ordinary Members (Bowling)	208	123	\$2,080	\$1,230
Social Life Members	307	230	\$3,070	\$2,300
Honorary Life Members	10	6	\$100	\$60
Total	3,975	3,443	\$39,750	\$34,430

SHORT AND LONG TERM OBJECTIVES OF THE ENTITY

The club's objectives are to focus on:

1. the development and delivery of premium club facilities and services to its members and guests
2. to foster the game of bowls
3. the promotion of the social welfare of its members and community sports and recreational organisations

STRATEGY FOR ACHIEVING THOSE OBJECTIVES

The strategy for achieving the objectives has been to:

1. update the premises to reflect the quality of appearance of the club
2. constantly monitor and improve the services of the gaming, bar and bistro areas
3. attract quality entertainment to the venue at reasonable prices
4. support the Men's and Ladies bowling activities
5. support local sporting and community organisations

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were those of a licensed club. No significant changes in the nature of these activities occurred during the year.

HOW THOSE ACTIVITIES ASSISTED IN ACHIEVING THE CLUB'S OBJECTIVES

The cash flows of the club will continue to be employed in enhancing the abovementioned facilities, meeting the needs of the debt reduction program and the provision of donations to the local sporting and community support organisations, public schools, including donations to Lions Club of Carlingford-Durdas, Alzheimer's Australia, NSW Yates Avenue OOSH Programme, Carlingford Cougars Junior Rugby League, North Rocks Junior Rugby Union to name a few.

HOW THE CLUB MEASURES ITS PERFORMANCE

The club measures its performance based on:

- a. the number of members and guests that the club has attracted in the year

OPERATING RESULTS

The net profit of the company for the year after providing for income tax benefit was \$62,601 (2016: \$334,322).

	2017	2016
	\$	\$
Operating profit before depreciation and amortisation, loss on disposal, costs of demolishing building and finance charges	390,177	525,645
Add:		
Gain on disposal of fixed assets	62,520	228,737
Less:		
Depreciation and amortisation expense	(372,000)	(387,580)
Borrowing costs	(18,096)	(32,480)
	<u>62,601</u>	<u>334,322</u>

Significant factors affecting the performance were:

- investment in the electronic ticketing software TITO to improve the poker machine service and reduce wages
- reduced performances were in the area of poker machines

intends to continue with the:

- investment in the club's gaming room
- investment in the upgrades of the older poker machines
- investment in the club's premises, greens and grounds

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this report on the following page.

RESOLUTION

This report is made in accordance with a resolution of the Board of directors and is signed for and on behalf of the directors by:

Nick Martelli

.....
Nick Martelli
Chairman

Greg Laws

.....
Greg Laws
Treasurer

Signed and dated in Sydney this 22nd day of November 2017

W. L. BROWNE & ASSOCIATES PTY LTD

ABN 13 151 379 109

JOHN CHEADLE F.C.A.
BRADLEY TURNER C.A.

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AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Carlingford Bowling, Sports & Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

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



John C Cheadle
Registered Company Auditor

Dated: 22 November 2017

W. L. BROWNE & ASSOCIATES PTY LTD

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED

Report on the Financial Report

I have audited the accompanying financial report of Carlingford Bowling, Sports & Recreation Club Limited which comprises the Statement Financial Position as at 30 June 2017, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In my opinion the financial report of Carlingford Bowling, Sports & Recreation Club Limited is in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



John C. Cheadle
Registered Company Auditor
Dated: 22 November 2017

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements comprising the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity and accompanying notes to the financial statements:
 - (a) comply with Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position of the company as at 30 June 2017 and of the performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors dated 22nd day of November 2017.

Nick Mantelli

.....
Nick Mantelli
Chairman

Greg Laws

.....
Greg Laws
Treasurer

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Trading revenue - net poker machine		2,148,503	2,544,301
Trading revenue - other		1,689,303	1,261,436
Other revenue		237,618	306,379
Total revenue	2	<u>4,075,424</u>	<u>4,112,116</u>
Employee cost and entitlements		(884,705)	(798,664)
Depreciation and amortisation		(372,000)	(387,580)
Poker Machine taxes		(277,349)	(326,305)
Borrowing costs		(18,096)	(32,480)
Other expenses		(2,460,673)	(2,232,765)
Total expenses	2	<u>(4,012,823)</u>	<u>(3,777,794)</u>
Surplus before income tax expense		62,601	334,322
Income tax expense		-	-
Surplus after income tax expense		62,601	334,322
Other Comprehensive Income		-	-
Total comprehensive income for the year		<u>62,601</u>	<u>334,322</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Revaluation Reserve \$	Accumulated Funds \$	Total \$
Balance as at 30 June 2015		-	2,193,831	2,193,831
Total Comprehensive Income for the year		-	334,322	334,322
Balance as at 30 June 2016		-	2,528,153	2,528,153
Net assets acquired (Denistone merger)		4,467	299,267	303,734
Total Comprehensive Income for the year		-	62,601	62,601
Revaluation increment on Freehold Land & Buildings (Denistone)	6	2,100,000	-	2,100,000
Balance as at 30 June 2017		<u>2,104,467</u>	<u>2,890,021</u>	<u>4,994,488</u>

The above statements should be read in conjunction with
the accompanying notes to the financial statements

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash	3	259,133	300,177
Receivables	4	56,015	81,180
Inventories	5	31,427	31,328
TOTAL CURRENT ASSETS		<u>346,575</u>	<u>412,685</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,649,789	2,126,721
Intangibles	7	1,192,066	1,141,829
TOTAL NON-CURRENT ASSETS		<u>5,841,855</u>	<u>3,268,550</u>
TOTAL ASSETS		<u>6,188,430</u>	<u>3,681,235</u>
CURRENT LIABILITIES			
Payables	8	527,212	430,498
Interest bearing liabilities	9	423,224	587,323
Provisions	10	86,373	88,012
TOTAL CURRENT LIABILITIES		<u>1,036,809</u>	<u>1,105,833</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	9	157,133	47,249
TOTAL NON-CURRENT LIABILITIES		<u>157,133</u>	<u>47,249</u>
TOTAL LIABILITIES		<u>1,193,942</u>	<u>1,153,082</u>
NET ASSETS		<u>4,994,488</u>	<u>2,528,153</u>
FUNDS			
Accumulated Funds		<u>4,994,488</u>	<u>2,528,153</u>
TOTAL FUNDS		<u>4,994,488</u>	<u>2,528,153</u>

The Statement of Financial Position should be read in conjunction with
the accompanying notes to the financial statements

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash from operating activities:			
Receipt from customers		3,953,931	4,260,803
Payments to suppliers and employees		(3,443,612)	(3,669,353)
Interest paid		(18,096)	(32,480)
Net cash provided by operating activities	17(a)	<u>492,223</u>	<u>558,970</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment and merger costs		(612,757)	(340,002)
Proceeds on sale of Poker Machines		62,520	228,737
Net cash (used in) investing activities		<u>(550,237)</u>	<u>(111,265)</u>
Cash flows from financing activities:			
Proceeds from borrowings		195,784	73,656
Repayment of borrowings		(250,000)	(334,779)
Net cash (used in) financing activities		<u>(54,216)</u>	<u>(261,123)</u>
Net increase/(decrease) in cash held		(112,230)	186,582
Cash at the beginning of the financial year		300,177	113,595
Add: Cash introduced Denistone Sports Club		71,186	-
Cash at the end of the financial year	17(b)	<u>259,133</u>	<u>300,177</u>

The Statement of Cash Flows should be read in conjunction with
the accompanying notes to the financial statements

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for the year ended 30 June 2017 were authorised in accordance with a resolution of the directors on 22 November, 2017 as required by the *Corporations Act 2001*.

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Carlingford Bowling, Sports & Recreation Club Limited is a not-for-profit company limited by guarantee.

(a) The Basis of Accounting

The financial statements have been prepared on a historical cost basis/

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

(b) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal trading activities and realisation of assets and settlement of liabilities in the normal course of business. The ability of the company to continue as a going concern including paying debts when due, settling liabilities and realising assets in the normal course of business at amounts stated in the financial statements, is dependent upon its ability to continue to trade profitably, generate future cash surpluses from operation, and maintain borrowings at least at the current level. ~~The Directors believe that there are reasonable grounds to believe that these conditions will be maintained and the company will be able to pay its debts as and when they become due and payable and continue as a Going Concern.~~

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the company not be able to continue as a going concern.

(c) Depreciation of Property, Plant & Equipment

Property is brought to account at cost less, where applicable, any accumulated depreciation or amortisation. Plant and equipment are brought to account at cost, less any accumulated depreciation or amortisation.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed against depreciable replacement cost.

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, Plant and Equipment (continued)

The depreciable amount of all fixed assets including leasehold buildings and capitalised lease assets is depreciated over their useful lives to the economic entity, commencing from the time the asset is held ready for use. Leasehold improvements are amortised over shorter of either the unexpired period of the lease or the estimated useful lives of the improvements and the expected lease occupancy.

The rates applied to the classes of assets are:

Class	Method	Rate
Leasehold Buildings	Straight Line	2.5%-20%
Plant & Equipment	Straight Line	5%-33%
Computer Equipment	Straight Line	10%-33%
Office Equipment	Straight Line	20%-25%
Furniture & Fittings	Straight Line	10%-33%
Plant & Equipment Poker Machines	Straight Line	10%-25%
Poker Machines	Straight Line	10%-25%

(d) Impairment of Assets

At each reporting date the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount.

The recoverable amount is assessed against depreciable replacement cost for property, plant and equipment.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in first out principle of allocation.

(f) Employee Entitlements

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Club to employee superannuation funds and are charged as expenses when incurred.

(g) Revenue

Sales revenue and revenue from gaming activities is recognised as income on a receipts basis.

(h) Subscriptions from Members

Subscriptions are accounted for as income in the period to which they relate. Subscriptions received in advance for future periods are brought to account as a current liability. Subscriptions outstanding are not brought to account where recoverability is not assured.

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income Tax

No income tax has been provided for in the accounts as the directors believe the club to be exempt from income tax under Section 50.45 of the Income Tax Assessment Act and that this exemption will continue in the future.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Interest-Bearing Liabilities

~~All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the loans and borrowings using the effective interest method. All borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.~~

(l) Borrowing Costs

Borrowing costs incurred for the construction of a qualifying asset are recognised during the period of time that it is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed when incurred.

(m) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Accounting Estimates and Judgements

i) Critical Judgements

Management has made the following judgements when apply the Club's accounting policies:

Impairment of the buildings in excess of normal amortisation over the useful life is not considered necessary as the club has met the tenure requirements for improvements as set out in Note 12.

In accordance with the AIFRS guidance for impairment of assets, the expected continuation of the lease on the land does not trigger an impairment event to warrant the accelerated amortisation of the building. Should the terms of the lease be breached or other events suggest the tenure may not be renewed then the building will be required to be amortised over the remaining terms of the lease.

ii) Intangible Assets

At 30 June 2017 the club had 96 gaming (poker) machine entitlements (refer Note 7).

The poker machine entitlement market is not an active market in accordance with the accounting standard. Hence, the entitlements are recorded at historical or deemed cost.

The licenses are assessed as having an indefinite life and are not amortised. The assessment of any impairment is based on the cash flow generated from their value in use.

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
2. OPERATING PROFIT		
Revenue from Ordinary Activities		
Net Poker Machine Revenue	2,148,503	2,544,301
Promotions	104,054	80,380
Food and Beverage	1,266,499	940,807
Keno	66,879	46,089
TAB	5,218	20,761
Men's Bowling	111,882	70,397
Women's Bowling	20,273	27,846
Functions	114,498	75,156
Total Trading Revenue	<u>3,837,806</u>	<u>3,805,737</u>
Interest Received	2,308	-
Rent Received	49,691	41,763
Net gain on sale of non-current assets	62,520	228,737
Other Revenue	123,099	35,879
Total Other Revenue	<u>237,618</u>	<u>306,379</u>
Total Revenue	<u>4,075,424</u>	<u>4,112,116</u>
Expenses from Ordinary Activities		
Employee Cost & Entitlements	884,705	798,664
Depreciation and Amortisation Expenses	372,000	387,580
Poker Machine Taxes	277,349	326,305
Cost of Goods Sold - Food and Beverage	525,230	386,847
Cost of Goods Sold - Functions	91,745	39,940
Other Operational Expenses	1,843,698	1,805,978
Total Expenses excluding borrowing costs	<u>3,994,727</u>	<u>3,745,314</u>
Borrowing Costs	18,096	32,480
Total Expenses	<u>4,012,823</u>	<u>3,777,794</u>
Net operating profit from ordinary activities	<u>62,601</u>	<u>334,322</u>

CARLINGFORD BOWLING, SPORTS & RECREATION CLUB LIMITED
ABN 67 000 110 976

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
3. CASH		
Cash at Bank	158,831	222,409
Cash on Hand	100,302	77,768
	<u>259,133</u>	<u>300,177</u>
Cash includes all cash and deposits that can be withdrawn within 24 hours		
4. RECEIVABLES		
Sundry Debtors	27,582	22,559
Prepayments	28,433	58,621
	<u>56,015</u>	<u>81,180</u>
5. INVENTORIES		
Goods for sale	31,427	31,328
	<u>31,427</u>	<u>31,328</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Buildings, Greens & Grounds Leasehold Improvements at valuation	6,906,027	4,415,547
Less: Accumulated Amortisation	(3,127,117)	(2,884,888)
	<u>3,778,910</u>	<u>1,530,659</u>
Poker Machines Amortised	67,966	67,966
Less: Accumulated Amortisation	(67,594)	(66,594)
	<u>372</u>	<u>1,372</u>
Computer Equipment at cost	139,722	139,722
Less: Accumulated Depreciation	(128,237)	(118,181)
	<u>11,485</u>	<u>21,541</u>
Furniture & Fittings at cost	340,790	349,107
Less: Accumulated Depreciation	(234,584)	(230,063)
	<u>106,206</u>	<u>119,044</u>
Office Equipment at cost	57,734	57,734
Less: Accumulated Depreciation	(53,166)	(49,959)
	<u>4,568</u>	<u>7,775</u>
Plant & Equipment at cost	1,498,513	961,162
Less: Accumulated Depreciation	(1,408,985)	(841,875)
	<u>89,528</u>	<u>119,287</u>
Poker Machines & Associated Plant at cost	2,844,212	2,294,042
Less: Accumulated Depreciation	(2,185,492)	(1,966,999)
	<u>658,720</u>	<u>327,043</u>
Total Property, Plant & Equipment	<u>4,649,789</u>	<u>2,126,721</u>

Buildings, Greens & Grounds Leasehold Improvements

Denistone Sports Club Ltd amalgamated with this entity on 1 July 2016. National Australia Bank Ltd on 6 May 2017 valued the Denistone property at \$2.1m - valuer LandMark White (Sydney) Pty Ltd. The property is reflected in the Club's assets at this value.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
7. INTANGIBLE ASSETS		
Poker Machine Entitlements at cost	1,141,829	1,141,829
Legal Fees on Acquisition	40,883	-
Software Capitalised	9,354	-
	<u>1,192,066</u>	<u>1,141,829</u>

At 30 June 2017, the Club had 81 gaming (poker) machine entitlements ('entitlements') at Carlingford. In addition the Club holds 15 entitlements at Denistone Sports Club.

It is generally considered that a market value for gaming machine entitlements can be estimated by observing recent market transfers. However, fair value as measured by reference to an active market as defined in accordance with the Australian Accounting Standards is not generally accepted in the industry.

The Club's entitlements are therefore held at cost (including deemed cost).

The Directors have determined that a reasonable estimate of the market value of the Club's current entitlements is \$2,400,000

8. PAYABLES

Accounts payable	304,069	198,629
Accrued expenses	63,168	68,241
Unearned income	17,173	71,123
GST payable	73,444	16,829
Poker machine tax payable	69,358	75,876
	<u>527,212</u>	<u>430,498</u>

9. INTEREST BEARING LIABILITIES

Current

Loan from Bank - secured	300,000	550,000
Hire Purchase liabilities - secured	123,224	37,323
	<u>423,224</u>	<u>587,323</u>

Non-Current

Hire purchase liabilities - secured	157,133	47,249
	<u>157,133</u>	<u>47,249</u>

Total Interest Bearing Liabilities	<u>580,357</u>	<u>634,572</u>
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The bank loan is secured against the Club's assets.

On 28 August 2017 the Club refinanced the loan facility with the NAB. The loan is now a NAB Business Markets Loan payable with monthly instalments with an expiry date 30 August 2020. The facility limit is \$625,000 broken up as to \$300,000 payable monthly instalments and \$325,000 unused facility.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
10. PROVISIONS		
Annual Leave	55,212	53,803
Long Service Leave	31,161	34,209
	<u>86,373</u>	<u>88,012</u>

11. MEMBERS' GUARANTEE

The Club is Limited by Guarantee. If the Club is wound up, the Memorandum states each member is required to contribute a maximum amount of \$10.00 each towards meeting the outstanding obligations of the Club.

12. LAND LEASE

The Club is in the process of entering a formal agreement with the Parramatta City Council.

13. EXPENDITURE COMMITMENTS

Hire purchase commitments

Not later than one year	125,748	30,202
Later than one year but not later than two years	153,492	20,342
Later than two years but not later than five years	9,184	40,229
Later than five years	-	-
	<u>288,424</u>	<u>90,773</u>
Less Future Finance Charges	(8,067)	(6,201)
	<u>280,357</u>	<u>84,572</u>
Current Liability	9 123,224	37,323
Non-Current Liability	9 157,133	47,249
	<u>280,357</u>	<u>84,572</u>

14. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Key Management Persons (KMP) have been taken to comprise the Directors and the 2 members of the executive management responsible for the day to day financial and operational management of the Club.

The aggregate Compensation of Key Management Persons during the year comprising amounts paid or payable or provided for was as follows:

Key Management Personnel Remuneration	<u>187,240</u>	<u>188,826</u>
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

15. POST BALANCE DATE EVENTS

In July 2017 the Club entered into a Memorandum of Understanding to amalgamate with Brush Park Bowling Club. The amalgamation is subject to the approval of a Deed of Amalgamation by O.L.G.R. Upon amalgamation completion the assets and liabilities of Brush Park Bowling Club will be transferred to this entity. There is no consideration payable by this entity under the amalgamation.

16. CONTINGENT LIABILITY

There are no known contingent liabilities.

17. CASH FLOWS

(a) Reconciliation of net cash provided by operating activities to operating loss after tax:

	2017	2016
	\$	\$
Operating profit after income tax	62,601	334,322
Non-operating activity items:		
Depreciation	372,000	387,580
Net gain on sale of non-current assets	(62,520)	(228,737)
Changes in assets and liabilities		
(Increase)/decrease in receivables	25,165	(8,963)
(Increase)/decrease in inventories	(99)	42,982
Increase/(decrease) in payables	96,714	24,203
Increase/(decrease) in provisions	(1,639)	7,583
Net cash provided by operating activities	<u>492,222</u>	<u>558,970</u>

b) Reconciliation of cash

For the purposes of the statement of cash flows, cash included:

- (i) cash on hand and in at call deposits with banks or financial institutions, net of outstanding bank overdrafts.
- (ii) investments in money market instruments with less than 6 months to maturity.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the Balance Sheet as follows:

Cash	100,302	77,768
Cash at Bank	158,831	222,409
	<u>259,133</u>	<u>300,177</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

18. COMPANY DETAILS

The registered office of the entity and principal place of business is:

Carlingford Bowling, Sports & Recreation Club
Cnr. Pennant Hills and Evans Roads
Carlingford NSW 2118

19. CLUB PROPERTY REPORT

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2015:

- (a) The following properties are core property of the Club:
- (i) licensed premises at Carlingford Bowling, Sports & Recreation Club
Cnr. Pennant Hills and Evans Roads
Carlingford NSW 2118
 - (ii) licenced premises at Denistone Sports Club
59 Chatham Road
West Ryde NSW 2114

- (b) The following properties are non-core property of the Club:

there are no non-core properties of the Club.

Notes to Members

1. Section 41J(2) of the Registered Clubs Act required the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates to.
2. 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 of 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 of the Club.
3. Non-core property is any other property (other than that 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.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer with the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which a majority of the votes cast supported the approval; and
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.