

Engadine
Bowling Club



ANNUAL REPORT

Year ending 30th June 2018

CHAIRMAN'S REPORT

On behalf of the board I present this report to our members.

It gives me pleasure to report that we have made a profit of \$384,944 this year, compared with our profit of \$439,026 last year. The result is encouraging when you consider the cost of updating our fire safety system has been exorbitant.

To the Board of Directors thank you all for your support and assistance during the year.

Also our patron Ken Oliver without your assistance we would not have achieved as much as we have.

During the year we have continued our support where possible to local Charitable, Sporting, and Educational groups.

Our bowling clubs have shown that they are once again a force in bowling circles with the Men No 1s and No 3 Pennant teams qualifying for the state titles and our No 3 ladies pennant team making the state play offs. Congratulations to both presidents Monica and Bruce. A special mention of Dave Ferguson who has had an outstanding year winning the Australian Indoor singles, runner up in the world indoor singles, and receiving the NSW bowler of the year award. Our golf club remains strong and we wish them well for the future.

It would be remiss of me not to mention Chris Roberts (our General Manager) and Nathan Buhagiar (our Operations Manager) who have worked tirelessly throughout the year to ensure that the Club is running well and our expenses have been contained to an acceptable level.

To Lynette, Emma, our administration staff, as usual you have done another great job, and thank you for all your assistance during the year. Also the sterling work done by our Functions Manager Caz should not go unnoticed.

We thank Jamie and Christine and their bar staff who have done an excellent job, and I know that they are ever mindful of the fact that we are in the hospitality industry and must provide the best possible service.

To our greens staff Matt and Lou your work on the greens once again have made us the envy of all the bowling clubs in the state, may they continue to run well.

Our budgets for the upcoming year once again shows positive trends for an even better year in 2019 but we as a Club are ever mindful that we will not be able to achieve any result without the continued support of our members and their guests, thank you.

ALAN WESTWOOD
CHAIRMAN

DIRECTORS' REPORT

Directors

The following have been in office for the financial year and attended the recorded board meetings.

| Director | Position | Total No. of Board Meetings attended | Total No of Board Meetings held whilst in office |
|----------------|-----------------|--------------------------------------|--|
| Alan Westwood | Chairman | 12 | 12 |
| David Farquhar | Deputy Chairman | 10 | 12 |
| Monika Dimock | Director | 9 | 12 |
| Ann Clive | Director | 7 | 12 |
| David Clive | Director | 11 | 12 |
| John Martin | Director | 11 | 12 |
| John Leahy | Director | 10 | 12 |
| Bruce Turpin | Director | 10 | 12 |
| Chris Lang | Director | 11 | 12 |

Information on Directors

| | |
|----------------|--|
| Alan Westwood | Retired, Current Chairman of the Club, Member of the Board for 20 years. |
| David Farquhar | Retired, Current Deputy Chairman of the Club, Member of the Board for 8 years. |
| Monika Dimock | Retired, Director, Member of the board for 6 year. |
| David Clive | Retired Director, Member of the board for 8 years. |
| John Martin | Retired, Director, Member of the board for 6 years. |
| Ann Clive | Retired, Director, Member of the board for 4 years. |
| John Leahy | Retired, Director, Member of the board for 2 years. |
| Chris Lang | Retired, Director, Member of the board for 3 years. |
| Bruce Turpin | Administration Manager, Director, Member of the board for 8 years. |

Principal Activities

The principal activities of the company during the financial year were:

Licensed Bowling Club

No significant changes in the nature of these activities occurred during the year

Objectives

Our objectives over the next twelve months will not change and are as follow:-

Short Term

- To increase membership of the club
- To maintain service to members
- To improve profitability of the club
- To improve cash flow of the club

Long Term

- To improve members' facilities by planned renovations
- To establish a strong financial base
- To find alternative sources of income

Performance Measurement

The company uses industry accepted financial and non- financial KPI's to monitor performance

Membership

The number of members registered in the Register of Members as at 30 June 2018 was as follows:

| | |
|-----------------|----------|
| Bowling Members | 330 |
| Social Members | 8909 |
| Life Members | 10 |
| Junior | <u>2</u> |
| | 9251 |

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes To contribute an amount limited to \$10.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. Based on the member number of 8869 the total members' liability would be \$88,690.00

Current and Other Assets

Before the Statements of Financial Position and Financial Performance were made out the Directors took reasonable steps to ascertain whether any assets were unlikely to realise, in the ordinary course of business, their value as shown in the accounting records of the company. Where the book value of any of these assets was in excess of such reasonable value it was either written down to an amount which might be expected to realise or adequate provision made for excess.

At the date of this report the Directors are not aware of any circumstances which would render the values attributed to current assets in the accounting misleading.

Adoption of Australian Equivalents to International Financial Reports Standards

As a result of the introduction of Australian Equivalents to International Financial Reporting Standards the company's financial report has been prepared in accordance with these standards. Adjustments arising from the transition are included in the notes to accounts

Auditors Independence Declaration

As required under Section 307C of the Corporations Act 2001, the Auditor's independence Declaration has been received and is included in the notes to the accounts.

Directors' Benefits

Since the end of the previous financial year, no director of the company has received or has become entitled to receive a benefit by reason of a contract made by the company or a related corporation with him or a firm of which he is a member or with a company in which he has a substantial financial interest.

Signed in accordance with a resolution of the directors
this Twenty Fifth day of July 2018



Director

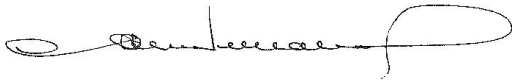


Director

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of Section 307C of the Corporations Act 2001, as lead auditor of Engadine Bowling & Recreation Club Limited for the year ended 30 June, 2018, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the Auditor Independence Requirements of the Corporations Act 2001 in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'A B WILLIAMS', with a large, stylized flourish at the end.

A B WILLIAMS
Registered Company Auditor
18th July, 2018

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2018

| CURRENT ASSETS | NOTE | <u>2018</u> | <u>2017</u> |
|-------------------------------------|------|------------------|------------------|
| Inventories | 1 | 62,577 | 64,118 |
| Cash at Bank | 2 | 172,624 | 166,943 |
| Cash on Hand | | 95,000 | 95,000 |
| Investments | 3 | 475,499 | 381,887 |
| Others | 4 | <u>18,858</u> | <u>6,289</u> |
| TOTAL CURRENT ASSETS | | 824,558 | 714,237 |
| NON-CURRENT ASSETS | | | |
| Property | 5 | 9,700,000 | 9,356,703 |
| Clubhouse Equipment | 6 | 1,224,616 | 941,120 |
| Gaming Machines | 6 | 525,969 | 445,687 |
| Bowling Green Equipment | 7 | 148,677 | 33,611 |
| Motor Vehicle | 8 | <u>57,320</u> | <u>--</u> |
| TOTAL NON-CURRENT ASSETS | | 11,656,582 | 10,777,121 |
| TOTAL ASSETS | | 12,481,140 | 11,491,358 |
| CURRENT LIABILITIES | | | |
| Trade Creditors and Accrued Charges | 9 | 348,814 | 355,704 |
| Provisions | 10 | 98,508 | 95,073 |
| Secured Creditors | 11 | <u>153,245</u> | <u>294,444</u> |
| TOTAL CURRENT LIABILITIES | | 600,567 | 745,221 |
| NON-CURRENT LIABILITIES | | | |
| Secured Creditors | 12 | 2,151,828 | 2,284,665 |
| TOTAL NON-CURRENT LIABILITIES | | <u>2,151,828</u> | <u>2,284,665</u> |
| TOTAL LIABILITIES | | 2,752,395 | 3,029,886 |
| NET ASSETS | | 9,728,745 | 8,461,472 |
| MEMBERS EQUITY | | | |
| Retained Profits | 13 | 8,411,544 | 8,026,600 |
| Reserves | 14 | <u>1,317,201</u> | <u>434,872</u> |
| TOTAL EQUITY | | 9,728,745 | 8,461,472 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are a general purpose financial report that have been prepared in accordance with applicable accounting standards and other mandatory professional reporting requirements and the Corporations Act 2001.

The accounts have been prepared under the historical cost convention and therefore do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies adopted are consistent with those applied in the previous year except as otherwise indicated.

NON-CURRENT ASSETS:

The club's land and buildings have been included in the accounts at a valuation made in July 2016 by Nicholas Brady Valuations in accordance with Australian Accounting Standards B116. Items of Plant and Equipment are depreciated so as to write off their cost over the useful life.

The introduction of an Asset Register has been undertaken in this financial year and the accounting records have been amended to reflect current values.

PROVISIONS FOR HOLIDAY PAY, SICK PAY AND LONG SERVICE LEAVE:

Charges have been made against profits to provide for accrued leave in accordance with employees entitlements under relevant statutes and awards.

INCOME TAX:

No Income Tax has been provided for in the accounts as the income of the club is exempt under Division 50 of the Income Tax Assessment Act.

| | | <u>2018</u> | <u>2017</u> |
|--------|--|-------------|-------------|
| NOTE 1 | INVENTORIES | | |
| | Bar Stocks as certified by the Club's computerised records at cost or realisable value | 62,577 | 64,118 |
| NOTE 2 | CASH AT BANK | | |
| | Commonwealth Bank of Australia, Engadine | 172,624 | 166,943 |
| NOTE 3 | INVESTMENTS | | |
| | Commonwealth Bank of Australia, Engadine | 475,499 | 381,887 |
| NOTE 4 | OTHER CURRENT ASSETS | | |
| | Prepaid Expenditure & Other Debtors | 18,858 | 6,289 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2018 (Continued)

| | | <u>2018</u> | <u>2017</u> |
|---------|--|----------------|------------------|
| NOTE 5 | PROPERTY | | |
| | Land & Buildings: | | |
| | 61-63 Cambrai Avenue at Valuation | 9,700,000 | 9,356,703 |
| NOTE 6 | CLUBHOUSE EQUIPMENT | | |
| | Furniture and Fixtures at Cost | 1,749,452 | 3,005,255 |
| | Less Accumulated Depreciation | <u>524,836</u> | <u>2,064,134</u> |
| | | 1,224,616 | 941,121 |
| | GAMING MACHINES | | |
| | Machines at Cost | 1,120,167 | 1,697,944 |
| | Less Accumulated Depreciation | <u>594,198</u> | <u>1,252,258</u> |
| | | 525,969 | 445,686 |
| NOTE 7 | BOWLING GREENS EQUIPMENT | | |
| | Machinery and Equipment at Cost | 212,396 | 221,443 |
| | Less Accumulated Depreciation | <u>63,719</u> | <u>187,832</u> |
| | | 148,677 | 33,611 |
| NOTE 8 | MOTOR VEHICLE | | |
| | Motor Vehicles at Cost | 112,674 | 55,354 |
| | Less Accumulated Depreciation | <u>55,354</u> | <u>55,354</u> |
| | | 57,320 | -- |
| NOTE 9 | TRADE CREDITORS AND ACCRUED CHARGES | | |
| | Trade Creditors | 101,403 | 146,448 |
| | Accrued Charges | 83,443 | 55,972 |
| | Members Subscriptions in Advance | 96,827 | 83,312 |
| | GST Accrued June Quarter | <u>67,141</u> | <u>69,972</u> |
| | | 348,814 | 355,704 |
| NOTE 10 | PROVISIONS | | |
| | Accrued Holiday and Sick Pay and Long Service Leave | 98,508 | 95,073 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2018 (Continued)

| | <u>2018</u> | <u>2017</u> |
|---------|---|----------------|
| NOTE 11 | SECURED CREDITORS | |
| | Commonwealth Bank of Australia | |
| | Loan Repayments to be effected over a period of one year | |
| | -- | 87,000 |
| | Hire Purchase repayments to be effected over a period of one year | |
| | <u>153,245</u> | <u>207,444</u> |
| | 153,245 | 294,444 |
| NOTE 12 | NON-CURRENT LIABILITIES | |
| | Commonwealth Bank of Australia | |
| | Loan at Market Rate | |
| | 1,500,000 | -- |
| | Better Business Bill Facility | |
| | 636,909 | 2,138,409 |
| | Hire Purchase Facilities | |
| | <u>14,919</u> | <u>146,256</u> |
| | 2,151,828 | 2,284,665 |
| | Bank Loan at Market Rate is subject to Quarterly Review. | |
| | Better Business Loan is repayable at the expiration of the three years from 29 September 2017. | |
| | Loans secured by Real Property and Equitable Mortgages and subject to revision by the Bank during the tenure of the loan. | |
| NOTE 13 | RETAINED PROFITS | |
| | Accumulated Profits at Beginning of Year | |
| | 8,026,600 | 7,588,995 |
| | Add: Profit/(Loss) for Current Year | |
| | <u>384,944</u> | <u>437,605</u> |
| | 8,411,544 | 8,026,600 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2018 (Continued)

| | | <u>2018</u> | <u>2017</u> |
|---------|---|----------------|-------------|
| NOTE 14 | RESERVES | | |
| | Assets Revaluation Reserve at Beginning of Year | 434,872 | 434,872 |
| | Add Increment in Current Valuation | <u>882,329</u> | <u>--</u> |
| | | 1,317,201 | 434,872 |
| NOTE 15 | WAGES | | |
| | Administration | 71,002 | 75,089 |
| | Bar | 384,580 | 389,269 |
| | Bingo | 5,103 | 4,814 |
| | Bowls Assistant | 36,694 | - |
| | Bowls Manager | 67,190 | 68,672 |
| | Cellar | 32,981 | 33,554 |
| | Competitions | 8,126 | 6,829 |
| | Courtesy Bus | 39,802 | 32,956 |
| | Front Desk | 128,499 | 128,327 |
| | Functions | 30,643 | 29,532 |
| | Gaming Promotions | 75,684 | 47,648 |
| | Greens | 139,607 | 152,610 |
| | Managerial | 284,024 | 250,055 |
| | Marketing | - | 778 |
| | Representative Bowls | 20,835 | - |
| | Staff Training | 10,993 | 23,206 |
| | Work Health Safety | <u>-</u> | <u>339</u> |
| | | 1,335,763 | 1,243,678 |
| NOTE 16 | AUDITOR'S REMUNERATION | | |
| | For auditing the accounts of the club | 12,000 | 12,000 |
| NOTE 17 | CONTRACTUAL LIABILITIES: | | |
| | Leasing and Hire Purchase Agreements exist in connection with Poker Machines and other acquisitions extending into future accounting periods. | | |

DETAILED POKER MACHINE TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2018

| | <u>2018</u> | <u>2017</u> |
|---|-------------|-------------|
| Poker Machine Clearances | 2,195,495 | 2,185,746 |
| Less Expenditure: | | |
| Community Development Expenditure | 28,658 | 19,601 |
| Data Monitoring Services and Link Contributions | 32,386 | 31,493 |
| Leasing and Rental Charges | 9,310 | 22,695 |
| Maintenance | 46,401 | 39,175 |
| Poker Machine Duty | 336,632 | 331,272 |
| Poker Machine Promotions | 14,386 | 15,735 |
| System Support Services | 24,204 | 24,060 |
| | <hr/> | <hr/> |
| NET PROFIT | 1,703,518 | 1,701,715 |

DETAILED BAR TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2018

| | | |
|---------------------|-----------|-----------|
| Sales | 2,257,790 | 2,168,765 |
| Less Cost of Sales: | | |
| Opening Inventory | 64,118 | 52,294 |
| Purchases | 963,207 | 938,355 |
| | <hr/> | <hr/> |
| | 1,027,325 | 990,649 |
| Closing Inventory | 62,577 | 64,118 |
| | <hr/> | <hr/> |
| | 964,748 | 926,531 |
| GROSS PROFIT | 1,293,042 | 1,242,234 |
| Less Expenditure: | | |
| Counter Snacks | 1,880 | 8,744 |
| Free Drinks | 4,431 | 5,185 |
| Maintenance | 29,077 | 22,335 |
| Promotions | 34,539 | 33,598 |
| | <hr/> | <hr/> |
| Total Expenditure | 69,927 | 69,862 |
| NET PROFIT | 1,223,115 | 1,172,372 |

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2018

| | <u>2018</u> | <u>2017</u> |
|---|-------------|-------------|
| Poker Machine Surplus | 1,703,518 | 1,701,715 |
| Bar Trading Surplus | 1,223,115 | 1,172,372 |
| Other Income: | | |
| Green Fees | 95,264 | 77,596 |
| Competitions | (10,647) | (16,930) |
| Courtesy Bus Contributions | 14,328 | 13,561 |
| Bistro Rental | 97,818 | 88,228 |
| Subscriptions | 63,848 | 62,127 |
| Keno Commission | 49,958 | 47,112 |
| TAB Commission | 32,760 | 25,187 |
| Function Room Income | 36,110 | 37,885 |
| State Government GST Expenditure Offset | 17,180 | 17,180 |
| Sundry Income | 185,883 | 170,686 |
| | <hr/> | <hr/> |
| | 3,509,135 | 3,396,719 |
| Less Administration and Overhead Expenditure: | | |
| Accountancy Fees | 16 12,000 | 12,000 |
| Advertising | 3,380 | 5,227 |
| Affiliation Fees | 26,033 | 24,894 |
| Bank Charges | 18,840 | 13,275 |
| Bingo Expenses | 2,935 | 8,418 |
| Bowling Expenses | 89,553 | 122,913 |
| Compliance & Licence Fees | 7,852 | 10,451 |
| Computer Expenses | 29,129 | 32,472 |
| Contract Cleaner | 99,688 | 87,656 |
| Council Rates | 5,600 | 6,292 |
| Courtesy Bus | 11,160 | 9,297 |
| Depreciation | 252,000 | 252,000 |
| Electricity | 94,777 | 81,418 |
| Hire Purchase Charges | 14,788 | 14,788 |
| Insurance | 67,578 | 63,052 |
| Interest on Loan Facilities | 85,850 | 98,426 |
| Keno Expenses | 3,670 | 4,525 |
| Leasing Equipment | 7,149 | 6,547 |
| Legal Expenses and Consultants Fees | 20,530 | 6,943 |
| Maintenance - Greens | 38,800 | 34,198 |
| - Clubhouse & Equipment | 120,275 | 86,423 |
| - Kitchen & Bistro | 17,311 | 26,544 |
| Marketing | 39,807 | 42,701 |
| Members Benefits | 154,071 | 112,075 |
| Membership Cards | -- | 4,225 |
| | <hr/> | <hr/> |
| | 1,222,776 | 1,166,760 |

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

| | <u>2018</u> | <u>2017</u> |
|---|--------------|-------------|
| Carried forward | 1,222,776 | 1,166,760 |
| Payroll Tax | 37,878 | 31,843 |
| Postages, Printing and Stationery | 22,422 | 25,814 |
| Security Patrol | 61,100 | 53,086 |
| Sky Channel/Foxtel | 57,572 | 56,244 |
| Social Functions | 78,436 | 79,433 |
| Special Functions | -- | 5,004 |
| Staff Expenses and Training | 33,099 | 53,493 |
| Sundry Expenses | 15,669 | 16,704 |
| Superannuation | 129,737 | 119,064 |
| TAB Expenses | 11,215 | 12,082 |
| Telephone | 9,087 | 9,846 |
| Trade Waste | 22,146 | 23,380 |
| Wages | 15 1,335,763 | 1,243,678 |
| Water Rates | 17,824 | 15,806 |
| Provision for Holiday Pay | 62,670 | 37,224 |
| Provision for Long Service Leave | 6,797 | 9,653 |
| | <hr/> | <hr/> |
| TOTAL ADMINISTRATION AND OVERHEAD EXPENDITURE | 3,124,191 | 2,959,114 |
| NET OPERATING PROFIT | 384,944 | 437,605 |

DIRECTORS DECLARATION


The Directors of the Company declare that:

1. The Financial Statements and Notes:
 - (a) comply with Accounting Standards and the Corporations Act 2001, and
 - (b) give a true and fair view of the financial position as at 30 June, 2018 and performance for the year ended on that date of the Company.
2. In the Director's opinion there are reasonable grounds to believe that the company 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.
this Twenty Fifth day of July , 2018



Director



Director

INDEPENDENT AUDIT REPORT TO THE MEMBERS

I have audited the attached financial report of Engadine Bowling & Recreation Club Limited comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Statements and Directors' Declaration for the year ended 30 June, 2018. The company's directors are responsible for the financial report. I have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

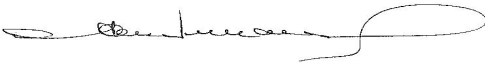
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of Engadine Bowling & Recreation Club Limited are in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June, 2018 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



A B WILLIAMS, A.C.P.A.
Registered Company Auditor

Sydney, 18th July, 2018