

**Windale Gateshead Bowling Club Co-operative Limited**  
ABN 94 060 243 775

# **Financial Report**

**31 May 2016**

# Windale Gateshead Bowling Club Co-operative Limited

## Financial Report – 31 May 2016

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## Directors' Report

Your directors present their report on Windale Gateshead Bowling Club Co-operative Limited for the year ended 31 May 2016.

### Directors

The following persons were directors of Windale Gateshead Bowling Club Co-operative Limited during the financial year and up to the date of this report:

F Botham  
H Bulmer  
B Kilduff  
G Williams  
L Pyke  
R Drysdale  
S Strudwick  
K Bailey  
S Bradley

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

### Principal activities

The Co-operative's principal continuing activities during the year consisted of operating as a registered club, promoting the game of lawn bowls and providing amenities to members and their guests.

The entity's short-term objectives are to:

- Exceed members and guests needs and expectations on the provision of facilities, products and services.
- Support a safe and friendly environment for staff and customers that encourages the principles of the Responsible Service of Alcohol and the Responsible Conduct of Gaming.

The entity's long-term objectives are to:

- Provide the community a continual level of high quality services and facilities in a safe and friendly environment.
- Generate profits that will be reinvested into improved services and facilities for members and community support.

To achieve these objectives, the entity has adopted the following strategies:

- The board of directors, management and staff together are committed to achieving the best practice principles which are measurable by the continual support of community partnerships whilst exceeding financial benchmarks.
- Meeting and surpassing our strategic goals is achieved through constant review and evaluation of business practices using the opinions of members and their guests, staff and professional alliances.

No significant changes in the nature of the Co-operative's activities occurred during the year.

### Results

	2016	2015
	\$	\$
Net Profit/(loss)	<u>(88,207)</u>	<u>(211,797)</u>

### Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 May 2016 that has significantly affected, or may significantly affect:

- (a) the Co-operative's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Co-operative's state of affairs in future financial years.

### Likely developments and expected results of operations

There were no likely developments in the Co-operative's operations that were not finalised at the date of this report.

### Environmental regulation

There are no significant environmental regulations that apply at the date of this report.

## Directors' Report (continued)

### Information on Directors

Director	Experience	Special Responsibilities
F Botham	Director for 12 years	Chairman
H Bulmer	Director for 14 years	Vice Chairman
B Kilduff	Director for 15 years	Social Director
G Williams	Director for 2 years	Bowls Director
L Pyke	Director for 9 years	Director
R Drysdale	Director for 2 years	Director
S Strudwick	Director for 2 years	Director
K Bailey	Director for 1 year	Director
S Bradley	Director for 1 year	Director

### Co-operative Secretary

Peter Hemingway held the position of Co-operative secretary at the end of the financial year. He was appointed Co-operative secretary on 29 December 2014.

### Meetings of Directors

The number of meetings of the Co-operative's directors held during the year ended 31 May 2016, and the number of meetings attended by each director were:

	Normal directors meetings	Special directors meetings	Total directors meetings
Number of meetings held	12	1	13
Number of meetings attended by:			
F Botham	12/12	1/1	13/13
H Bulmer	11/12	1/1	12/13
B Kilduff	10/12	1/1	11/13
G Williams	12/12	1/1	13/13
L Pyke	12/12	1/1	13/13
R Drysdale	12/12	1/1	13/13
S Strudwick	12/12	1/1	13/13
K Bailey	8/8	-	8/8
S Bradley	7/8	-	7/8
S Slaven	3/4	0/1	3/5
L Hyslop	3/4	1/1	4/5

### Retirement, election and continuation in office of directors

K Bailey and S Bradley were appointed on 10 October 2015.

S Slaven and L Hyslop resigned on 10 October 2015.

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 May 2016 has been received and included on page 21.

This report is made in accordance with a resolution of the directors.

F Botham  
Director

H Bulmer  
Director

Windale  
22 July 2016

## Club Property Declarations

Pursuant to Section 41J(2) of the Registered Clubs Act the Directors declare that, for the financial year ended 31 May 2016, the classifications of the property held are as follows.

### Core Property:

#### Property Address

Cnr. Swan Street and Lake Street, Windale NSW 2306

#### Current Usage

Clubhouse, Car park, Sporting Facilities

### Notes to Members

1. Section 41J(2) of the Registered Clubs Act requires 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.
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 within 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 the majority of the votes cast support the approval; and
  - c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
  - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
  - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.

**Income Statement**

For the year ended 31 May 2016

	Notes	2016 \$	2015 \$
<b>Revenue from continuing operations</b>	3	2,831,591	2,603,717
<b>Expenses from continuing operations</b>			
Cost of goods sold	4	464,010	386,226
Employee benefits expense		845,160	794,988
Depreciation and amortisation expenses	4	278,566	240,312
Other expenses from continuing operations		1,332,062	1,393,988
		<u>2,919,798</u>	<u>2,815,514</u>
<b>Profit/(Loss) before income tax</b>		(88,207)	(211,797)
Income tax expense		-	-
<b>Profit/(Loss) from continuing operations</b>		<u>(88,207)</u>	<u>(211,797)</u>
<b>Total changes in equity</b>		<u>(88,207)</u>	<u>(211,797)</u>

*The above income statement should be read in conjunction with the accompanying notes.*

## Balance Sheet

As at 31 May 2016

	Notes	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	5,17	467,799	622,100
Receivables	6,17	3,709	21,193
Inventories	7	17,459	17,927
Other	8	27,287	15,029
Total current assets		<u>516,254</u>	<u>676,249</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	3,087,785	3,267,574
Total non-current assets		<u>3,087,785</u>	<u>3,267,574</u>
<b>Total assets</b>		<u>3,604,039</u>	<u>3,943,823</u>
<b>Current liabilities</b>			
Payables	10,17	200,362	343,395
Interest bearing liabilities	11,17	127,515	117,624
Provisions	12	83,459	100,952
Other	13	13,079	11,763
Total current liabilities		<u>424,415</u>	<u>573,734</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	14,17	90,567	196,030
Provisions	15	3,439	234
Total non-current liabilities		<u>94,006</u>	<u>196,264</u>
<b>Total liabilities</b>		<u>518,421</u>	<u>769,998</u>
<b>Net assets</b>		<u>3,085,618</u>	<u>3,173,825</u>
<b>Equity</b>			
Reserves	16a	2,659	2,659
Retained profits	16b	3,082,959	3,171,166
<b>Total equity</b>		<u>3,085,618</u>	<u>3,173,825</u>

*The above balance sheet should be read in conjunction with the accompanying notes.*

Windale Gateshead Bowling Club Co-operative Limited

## Statement of Changes in Equity

For the year ended 31 May 2016

	Notes	2016 \$	2015 \$
<b>Total equity at the beginning of the financial year</b>		<b>3,173,825</b>	<b>3,385,622</b>
<b>Total recognised income and expense for the year</b>	16b	<b>(88,207)</b>	<b>(211,797)</b>
<b>Total equity at the end of the financial year</b>		<b><u>3,085,618</u></b>	<b><u>3,173,825</u></b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*



## Cash Flow Statement

For the year ended 31 May 2016

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		3,113,656	2,835,381
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(3,017,826)</u>	<u>(2,449,503)</u>
		95,538	385,878
Interest received		13,274	15,434
<b>Net cash inflow/(outflow) from operating activities</b>	20	<u>109,104</u>	<u>401,312</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		<u>(137,843)</u>	<u>(312,551)</u>
<b>Net cash inflow/(outflow) from investing activities</b>		<u>(137,843)</u>	<u>(312,551)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		<u>(125,592)</u>	<u>(39,208)</u>
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(125,592)</u>	<u>(39,208)</u>
<b>Net increase/(decrease) in cash held</b>		<b>(154,331)</b>	49,553
Cash at the beginning of the financial year		622,100	572,547
<b>Cash at the end of the financial year</b>	5	<u>467,769</u>	<u>622,100</u>
Commitments for expenditure	19		

*The above cash flow statement should be read in conjunction with the accompanying notes.*

## Notes to the Financial Statements

31 May 2016

### Note 1. Summary of significant accounting policies

The financial statements are for Windale Gateshead Bowling Club Co-operative Limited as an individual entity, incorporated and domiciled in Australia.

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), Co-operatives Act 2012 and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### (a) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

(i) *Poker Machines*

Revenue is recognised as the gross clearance from all machines net of payouts.

(ii) *Other*

A sale is recorded when the goods or services have been provided to the customer.

All revenue is stated net of the amount of goods and services tax (GST), unless otherwise stated.

#### (b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of weighted average costs.

#### (c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### Property

Freehold land and buildings are measured on the cost basis. The carrying amount of freehold land and buildings is reviewed to ensure it is not in excess of the recoverable amount based on valuations by external independent valuers, less subsequent depreciation for buildings, undertaken every 3 to 5 years.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same class of assets are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

##### Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

## Notes to the Financial Statements

31 May 2016 (continued)

### Note 1. Summary of significant accounting policies (continued)

(c) **Property, Plant and Equipment (continued)**

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The expected useful lives are as follows:

Buildings	20-40 years
Plant and equipment	1-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) **Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) **Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Co-operative commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

## Notes to the Financial Statements

31 May 2016 (continued)

### Note 1. Summary of significant accounting policies (continued)

#### (e) Financial Instruments (continued)

##### *(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

##### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### *(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in the income statement is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

##### *(v) Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

#### **Impairment**

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in income statement is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

## Notes to the Financial Statements

31 May 2016 (continued)

### Note 1. Summary of significant accounting policies (continued)

**(e) Financial Instruments (continued)**

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(f) Impairment of assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in *AASB 116: Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**(g) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**(h) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(i) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(j) Income tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**(k) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## Notes to the Financial Statements

31 May 2016 (continued)

### Note 1. Summary of significant accounting policies (continued)

**(l) Comparative figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a balance sheet as at the beginning of the earliest comparative period must be disclosed.

**(m) Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(n) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

**Key estimates**

*Impairment*

The freehold land and buildings were independently valued at 22 September 2014 by Preston Rowe Paterson. The valuation was based on the fair value less cost of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The freehold land and buildings were valued at \$3.9 million.

At 31 May 2016, the directors reviewed the key assumptions made by the valuers at 22 September 2014. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 31 May 2016.

**(o) Fair Value of Assets and Liabilities**

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

'Fair value' is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

## Notes to the Financial Statements

31 May 2016 (continued)

### Note 2. Segment information

The entity operates predominantly in one industry. The entity operates predominantly in one geographical area, being Windale, New South Wales.

### Note 3. Revenue

	2016	2015
	\$	\$
<b>Revenue from continuing operations</b>		
Sale of goods	999,971	842,906
Services	<u>1,785,531</u>	<u>1,695,694</u>
	<u>2,785,502</u>	<u>2,538,600</u>
<b>Revenue from outside continuing operations</b>		
Insurance claims	32,815	49,683
Interest	<u>13,274</u>	<u>15,434</u>
	<u>46,089</u>	<u>65,117</u>
<b>Total Revenue from operations</b>	<u>2,831,591</u>	<u>2,603,717</u>

### Note 4. Profit/(loss) from continuing operations

	2016	2015
	\$	\$
<b>Net gains and expenses</b>		
Profit/(loss) before income tax includes the following specific net gains and expenses:		
<b>Expenses</b>		
Cost of goods sold	<u>464,010</u>	<u>386,226</u>
Depreciation and amortisation expenses		
Buildings	79,435	79,232
Plant and equipment	<u>199,131</u>	<u>161,080</u>
Total depreciation and amortisation expenses	<u>278,566</u>	<u>240,312</u>
Net loss/(profit) on disposal of non-current assets	<u>6,493</u>	<u>35,527</u>
Other provisions		
Employee entitlements	<u>64,805</u>	<u>52,133</u>

### Note 5. Current assets – Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank and on hand	<u>467,799</u>	<u>622,100</u>

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above	467,799	622,100
Less: Bank overdrafts	(30)	-
Balances per cash flow statement	<u>467,769</u>	<u>622,100</u>

### Deposits at call

The deposits were bearing floating interest rates between 2.70% and 3.60% (2014: 0% and 3.35%).

**Notes to the Financial Statements**

31 May 2016 (continued)

**Note 6. Current assets – Receivables**

	2016 \$	2015 \$
Trade debtors	80	-
Accrued income	1,798	4,663
Other debtors	1,831	16,530
	<u>3,709</u>	<u>21,193</u>

**Other debtors**

These amounts generally arise from transactions outside the usual operating activities of the Co-operative. Interest is not normally charged. Collateral is not normally obtained.

**Note 7. Current assets – Inventories**

	2016 \$	2015 \$
Bar stock on hand – at cost	16,957	15,671
Bistro stock on hand – at cost	-	2,256
Vending machine stock on hand – at cost	502	-
	<u>17,459</u>	<u>17,927</u>

**Note 8. Current assets – Other**

	2016 \$	2015 \$
Prepayments	<u>27,287</u>	<u>15,029</u>

**Note 9. Non-current assets – Property, plant and equipment**

	2016 \$	2015 \$
<b>Land and buildings</b>		
Freehold land at cost	<u>279,850</u>	<u>279,850</u>
<b>Buildings</b>		
At cost	4,211,819	4,203,103
Less: Accumulated depreciation	<u>(2,483,071)</u>	<u>(2,403,637)</u>
	1,728,748	1,799,466
Total land and buildings	<u>2,008,598</u>	<u>2,079,316</u>
<b>Plant and equipment</b>		
At cost	3,104,280	3,042,412
Less: Accumulated depreciation	<u>(2,025,093)</u>	<u>(1,854,154)</u>
	1,079,187	1,188,258
Total plant and equipment	<u>3,087,785</u>	<u>3,267,574</u>



**Notes to the Financial Statements**

31 May 2016 (continued)

**Note 9. Non-current assets – Property, plant and equipment (continued)****Reconciliations**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are as set out below:

	Freehold land \$	Buildings and improvements \$	Plant and equipment \$	Total \$
Carrying amount at 1 June 2015	279,850	1,799,466	1,188,258	3,267,574
Additions	-	8,717	101,754	110,471
Disposals	-	-	(11,694)	(11,694)
Depreciation expense	-	(79,435)	(199,131)	(278,566)
Carrying amount at 31 May 2016	<u>279,850</u>	<u>1,728,748</u>	<u>1,079,187</u>	<u>3,087,785</u>

**Note 10. Current liabilities – Payables**

	2016 \$	2015 \$
Trade creditors	142,557	110,346
Accrued charges	31,941	86,765
Net GST liability	5,723	31,888
PAYG Withheld	20,131	51,833
Other creditors	10	62,563
	<u>200,362</u>	<u>343,395</u>

**Note 11. Current liabilities – Interest bearing liabilities**

	2016 \$	2015 \$
Bank overdrafts	30	-
Courtesy bus HP	9,861	-
Poker machine payment plan	117,624	117,624
	<u>127,515</u>	<u>117,624</u>

**Note 12. Current liabilities – Provisions**

	2016 \$	2015 \$
Employee entitlements	79,869	99,797
Member Bonus points	195	1,155
Poker machine cashless liability	3,395	-
	<u>83,459</u>	<u>100,952</u>

**Note 13. Current Liabilities – Other**

	2016 \$	2015 \$
Sponsorship in advance	-	1,500
Subscriptions in advance	13,079	10,263
	<u>13,079</u>	<u>11,763</u>

**Notes to the Financial Statements**

31 May 2016 (continued)

**Note 14. Non-current liabilities – Interest bearing liabilities**

	2016 \$	2015 \$
Courtesy bus HP	12,161	-
Poker machine payment plan	78,406	196,030
	<u>90,567</u>	<u>196,030</u>

**Note 15. Non-current liabilities – Provisions**

	2016 \$	2015 \$
Employee entitlements	3,439	234

**Note 16. Reserves and retained profits**

	2016 \$	2015 \$
<b>(a) Reserves</b>		
General reserve	2,659	2,659
<b>(b) Retained profits</b>		
Retained profits at the beginning of the financial year	3,171,166	3,382,963
Net profit/(loss)	(88,207)	(211,797)
Retained profits at the end of the financial year	<u>3,082,959</u>	<u>3,171,166</u>
	<u>3,085,618</u>	<u>3,173,825</u>

**Note 17. Financial instruments**

**(a) Interest rate risk exposures**

The entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the entity intends to hold fixed rate assets and liabilities to maturity.

		Fixed interest maturing in:				Non-Interest	Total
		Floating	1 year or	Over 1 to 5	More than	Bearing	
		interest rate	less	years	5 years		
		\$	\$	\$	\$	\$	\$
2016	Notes						
<b>Financial assets</b>							
	5	8	388,056	-	-	79,735	467,799
	6	-	-	-	-	3,709	3,709
		<u>8</u>	<u>388,056</u>	<u>-</u>	<u>-</u>	<u>83,444</u>	<u>471,508</u>
	Weighted average interest rate	0.10%	3.04%				
<b>Financial liabilities</b>							
	10	-	-	-	-	200,362	200,362
	11	-	-	-	-	30	30
	11,14	-	9,861	12,161	-	196,030	218,052
		<u>-</u>	<u>9,861</u>	<u>12,161</u>	<u>-</u>	<u>396,422</u>	<u>418,444</u>
	Weighted average interest rate		5.13%	5.13%			
	Net financial assets (liabilities)	<u>8</u>	<u>378,195</u>	<u>(12,161)</u>	<u>-</u>	<u>(312,978)</u>	<u>53,064</u>

**Notes to the Financial Statements**

31 May 2016 (continued)

**Note 17. Financial instruments (continued)**

2015	Notes	Fixed interest maturing in:				Non-Interest Bearing	Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years		
		\$	\$	\$	\$	\$	\$
<b>Financial assets</b>							
Cash and deposits	5	31,944	433,102	-	-	157,054	622,100
Receivables	6	-	-	-	-	21,193	21,193
		<u>31,944</u>	<u>433,102</u>	<u>-</u>	<u>-</u>	<u>178,247</u>	<u>643,293</u>
Weighted average interest rate		0.10%	3.35%				
<b>Financial liabilities</b>							
Trade and other creditors	10	-	-	-	-	343,395	343,395
Lease liabilities	11,14	-	-	-	-	313,654	313,654
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>657,049</u>	<u>657,049</u>
Weighted average interest rate							
Net financial assets (liabilities)		<u>31,944</u>	<u>433,102</u>	<u>-</u>	<u>-</u>	<u>(478,802)</u>	<u>(13,756)</u>

**(b) Net fair value of financial assets and liabilities***(i) On-balance sheet*

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

**Note 18. Remuneration of directors**

	2016	2015
	\$	\$
Income paid or payable, or otherwise made available to directors in connection with the management of affairs of the Co-operative.	<u>18,600</u>	<u>16,000</u>
The number of directors whose total income from the Co-operative was within the specified bands are as follows:		
\$ - \$	2016	2015
0 - 10,000	<u>9</u>	<u>10</u>

**Notes to the Financial Statements**

31 May 2016 (continued)

**Note 19. Commitments for expenditure**

	2016	2015
	\$	\$
<b>Lease commitments</b>		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within 1 year	27,254	22,557
Later than 1 year but not later than 5 years	77,472	53,177
	<u>104,726</u>	<u>75,734</u>
<b>Representing:</b>		
Non-cancellable operating leases	<u>104,726</u>	<u>75,734</u>
<b>Operating leases</b>		
Commitments for minimum lease payment in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	27,254	22,557
Later than 1 year but not later than 5 years	77,472	53,177
Commitments not recognised in the financial report:	<u>104,726</u>	<u>75,734</u>

**Note 20. Reconciliation of net profit/(loss) to net cash inflow from operating activities**

	2016	2015
	\$	\$
Net profit/(loss)	(88,207)	(211,797)
Depreciation and amortisation	278,566	240,312
Profit/(loss) on disposal of property, plant and equipment	6,493	35,527
Change in operating assets and liabilities		
(Increase)/Decrease in trade debtors	(80)	-
(Increase)/Decrease in other debtors	17,564	227,499
(Increase)/Decrease in inventories	468	(197)
(Increase)/Decrease in other operating assets	(12,258)	(980)
Increase/(Decrease) in creditors and accruals	(80,470)	128,920
Increase/(Decrease) in other operating liabilities	1,316	5,718
Increase/(Decrease) in provisions	(14,288)	(23,690)
Net cash inflow/(outflow) from operating activities	<u>109,104</u>	<u>401,312</u>

## Directors' Declaration

The directors declare that the financial statements and notes set out on pages 4 to 18:

- (a) comply with Accounting Standards, the Co-operative Act 1992, the Co-operatives Regulation 2005, and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Co-operative's financial position as at 31 May 2016 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Co-operative Act 1992; and
- (b) 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.

This declaration is made in accordance with a resolution of the directors.

F Botham  
Director

H Bulmer  
Director

Windale  
22 July 2016

## Independent Audit Report to the Members of Windale Gateshead Bowling Club Co-operative Limited

### Report on the Financial Report

We have audited the accompanying financial report Windale Gateshead Bowling Club Co-operative Limited (the Co-operative) as set out pages 4 to 19, which comprises the balance sheet as at 31 May 2016, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Club at the year's end.

### Directors' Responsibility for the Financial Report

The directors of the Co-operative are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including 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

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. Those 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 judgment, 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 of the financial report that gives a true and fair view 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.

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 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Windale Gateshead Bowling Club Co-operative Limited, would be in the same terms if provided to the directors as at the date of this auditor's report on page 21.

### Auditor's Opinion

In our opinion, the financial report of the Co-operative is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Co-operative's financial position as at 31 May 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations), the Co-operative Act 2012, the Co-operatives Regulation 2014 and the Corporations Regulations 2001.

BE McEwan

Newcastle  
22 July 2016

McEwan and Partners Pty Ltd  
Chartered Accountants

## Auditor's Independence Declaration

As auditor for the Windale Gateshead Bowling Club Co-operative Limited for the year ended 31 May 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Windale Gateshead Bowling Club Co-operative Limited for the year ended 31 May 2016.

BE McEwan

Newcastle  
22 July 2016

McEwan and Partners Pty Ltd  
Chartered Accountants

Windale Gateshead Bowling Club Co-operative Limited

**Disclaimer of Opinion on Additional Financial Data  
of Windale Gateshead Bowling Club Co-operative Limited**

The additional financial data set out on the pages 23 to 31 is in accordance with the books and records of Windale Gateshead Bowling Club Co-operative Limited (the Co-operative) and is made subject to the auditing procedures applied in the statutory audit of the Co-operative for the year ended 31 May 2016.

It will be appreciated that the 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 (other than the Co-operative) in respect of the additional financial data, including any errors or omissions therein however caused.

BE McEwan

Newcastle  
22 July 2016

McEwan and Partners Pty Ltd  
Chartered Accountants



## Operating Statement

31 May 2016

	2016	2015
	\$	\$
<b>Profit/(loss) from</b>		
Bar trading	179,718	212,330
Poker machine trading	1,010,569	1,020,427
Keno trading	14,319	22,800
TAB trading	(32,118)	(1,711)
Social trading	(119,398)	(129,673)
Bowls trading	(123,405)	(128,141)
Bistro trading	(58,883)	(22,104)
Administration	(959,009)	(1,185,725)
<b>Profit/(loss) from continuing operations</b>	<b>(88,207)</b>	<b>(211,797)</b>

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*

## Bar Trading Statement

31 May 2016

	2016 \$	2015 \$
<b>Income</b>		
Sales	<u>849,766</u>	<u>781,697</u>
<b>Cost of Goods Sold</b>		
Opening stock	15,671	17,730
Purchases	389,301	349,488
Cartage	-	1,818
Wastage	<u>2,454</u>	<u>-</u>
	407,426	369,036
Closing stock/movement	<u>23,360</u>	<u>15,671</u>
	<u>384,066</u>	<u>353,365</u>
<b>Gross Profit</b>	<u>465,700</u>	<u>428,332</u>
<b>Gross Profit %</b>	54.8%	54.8%
<b>Expenses</b>		
Cleaning	1,018	2,487
Laundry	44	1,033
Overs/Unders – Bar	842	-
Promotions	5,045	17,866
Replacements	3,694	3,068
Repairs and maintenance	11,358	5,620
Stocktaker fees	(550)	6,765
Wages	<u>264,531</u>	<u>179,163</u>
	<u>285,982</u>	<u>216,002</u>
<b>Profit/(loss) from bar trading</b>	<u>179,718</u>	<u>212,330</u>
<b>Profit/(loss) to sales %</b>	21.1%	27.2%
<b>Wages to sales %</b>	31.1%	22.9%

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*

## Poker Machines Trading Statement

31 May 2016

	2016 \$	2015 \$
<b>Income</b>		
Net poker machine clearances	1,468,203	1,415,987
Unclaimed payouts	(3,395)	-
	<u>1,464,808</u>	<u>1,415,987</u>
<b>Expenses</b>		
Bonus Points	24,506	-
Central monitoring	33,025	32,945
Depreciation	164,614	129,789
Overs/Unders – Poker Mach.	20	-
Poker machine duty	154,843	139,769
Poker machine promotions	19,007	18,886
Repairs and maintenance	58,224	29,071
Wages - Poker machines	-	45,100
	<u>454,239</u>	<u>395,560</u>
<b>Profit/(loss) from poker machine trading</b>	<u>1,010,569</u>	<u>1,020,427</u>
<b>Profit/(loss) to total income</b>	<b>69.0%</b>	<b>72.1%</b>

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*

## Keno Trading Statement

31 May 2016

	2016	2015
	\$	\$
<b>Income</b>		
Keno commission	56,209	52,420
	<u>56,209</u>	<u>52,420</u>
<b>Expenses</b>		
Overs/Unders – Keno	(28)	-
Repairs and maintenance	7,899	9,574
Keno Stationery	505	-
Wages - Keno	33,514	20,046
	<u>41,890</u>	<u>29,620</u>
<b>Profit/(loss) from keno trading</b>	<u>14,319</u>	<u>22,800</u>

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*

## TAB Trading Statement

31 May 2016

	2016	2015
	\$	\$
<b>Income</b>		
TAB commission	14,990	16,677
	<u>14,990</u>	<u>16,677</u>
<b>Expenses</b>		
Overs/Unders - TAB	112	-
TAB promotions	3,046	(944)
TAB expenses	7,650	9,132
Sky Channel	19,090	-
TAB Stationery	452	-
Wages - TAB	16,758	10,200
	<u>47,108</u>	<u>18,388</u>
<b>Profit/(loss) from TAB trading</b>	<u>(32,118)</u>	<u>(1,711)</u>

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*

**Social Trading Statement**

31 May 2016

	2016	2015
	\$	\$
<b>Income</b>		
Bingo	16,713	18,660
Shuttle bus	9,213	4,240
Coffee Machine income	2,058	2,276
Raffles	98,040	103,180
Vending machine	4,592	-
	<u>130,616</u>	<u>128,356</u>
<b>Expenses</b>		
Musical entertainment	49,061	43,246
Bingo	23,608	18,127
Kids Club	2,046	-
General social and entertainment of visitors	241	2,584
Shuttle bus	32,521	25,522
Coffee Machine expense	3,468	2,283
Raffles	115,250	125,783
Sporting Channel	21,172	40,484
Vending machine	2,647	-
	<u>250,014</u>	<u>258,029</u>
<b>Profit/(loss) from social trading</b>	<u>(119,398)</u>	<u>(129,673)</u>

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*

## Bowling Trading Statement

31 May 2016

	2016	2015
	\$	\$
<b>Income</b>		
Gala and green fees income	5,963	9,412
Raffles	8,787	-
Sponsorship – Bowls & BBQ's	33,086	9,091
Tournament fees	5,045	-
Uniform sales	36	132
	<u>52,917</u>	<u>18,635</u>
<b>Expenses</b>		
Catering	8,864	400
Club champ. Prizes & trophies	6,173	-
Gala expenses	9,440	6,548
Men's pennant expenses	11,736	10,939
NDBA and State representatives	9,902	9,135
Other bowls expenses	5,975	12,241
Presentation night	4,217	16,330
Women's bowling Club	-	(806)
Prizes	400	-
Raffles	9,181	-
Repairs and Maintenance	19,856	18,360
Tournament prizes	15,708	4,444
Bowls uniforms	1,745	-
Wages	73,125	69,185
	<u>176,322</u>	<u>146,776</u>
<b>Profit/(loss) from bowling trading</b>	<u>(123,405)</u>	<u>(128,141)</u>

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*

## Bistro Trading Statement

31 May 2016

	2016	2015
	\$	\$
<b>Income</b>		
Function room hire	1,709	2,213
Rent – Bistro	1,800	5,850
Sales	150,205	60,722
	<u>153,714</u>	<u>68,785</u>
<b>Cost of Goods Sold</b>		
Opening stock	2,256	-
Purchases	79,688	35,118
	<u>81,944</u>	<u>35,118</u>
Closing stock/movement	2,000	2,256
	<u>79,944</u>	<u>32,862</u>
<b>Gross Profit</b>	<u>73,770</u>	<u>35,923</u>
<b>Gross Profit %</b>	48.0%	45.2%
<b>Expenses</b>		
Catering	410	4,988
Cleaning	3,135	-
Function room	-	931
Gas	4,179	3,256
Overs/Unders - Bistro	130	-
Repairs and maintenance	14,378	132
Replacements	3,323	1,987
Wages	107,098	46,733
	<u>132,653</u>	<u>58,027</u>
<b>Profit/(loss) from bistro trading</b>	<u>(58,883)</u>	<u>(22,104)</u>
<b>Profit/(loss) to sales %</b>	(38.3%)	(32.1%)
<b>Wages to sales %</b>	69.7%	67.9%

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*



**Administration Statement**

31 May 2016

	2016 \$	2015 \$
<b>Income</b>		
Interest Received	13,274	15,434
Vending commissions	19,496	20,748
Sundry	734	4,162
Insurance claims	32,815	49,683
Members' subscriptions	24,000	13,137
Telephone receipts	1,072	328
	<u>91,391</u>	<u>103,492</u>
<b>Expenses</b>		
Advertising	26,391	69,700
Allowances	-	4,461
Annual leave	41,893	40,000
Auditor's remuneration	15,140	15,140
Bank charges	2,982	992
Cleaning materials	4,683	8,866
Cleaning contract	93,955	115,458
Cleaning – general	13,479	-
Computer support/software	10,481	18,969
Council rates	6,600	6,875
Depreciation	113,953	110,523
Directors' honorariums	18,600	16,000
Directors out-of-pocket exp.	4,205	1,902
Donations	11,207	16,384
Electricity	71,589	73,000
Rentals	27,695	25,676
Fines	329	680
Garbage & Refuse disposal	8,707	-
General expenses	7,101	6,854
Indoor plant hire	-	7,068
Insurance – general	64,350	58,553
Insurance – workers comp	22,521	14,310
Interest	907	2,377
Kids club	-	565
Kiosk promotions	13,154	5,632
Long service leave	12,186	6,000
Loss on disposal of fixed assets	6,493	35,527
Overs and unders safe	(74)	-
Pest Control	2,160	-
Payroll tax	6,525	3,207
Postage, printing and stationery	11,078	9,012
Professional fees	21,924	71,746
Promotions	23,024	9,417
Rates	24,000	23,458
Repairs and maintenance	38,057	70,617
Security	19,344	21,787
Sick leave	10,726	6,133
Staff amenities	-	20,770
Staff training	6,380	7,707
Subscriptions	8,171	10,601
Superannuation	70,757	69,695
Telephone	16,252	31,225
Uniforms	690	2,869
Wages	192,785	269,461
	<u>1,050,400</u>	<u>1,289,217</u>
<b>Profit/(loss) from administration</b>	<u>(959,009)</u>	<u>(1,185,725)</u>

*The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.*