

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 84 570 698 446)

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

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The financial report was authorised for issue by the directors 30 August 2018. The Club has the power to amend and re-issue the financial report

DIRECTORS' REPORT

Your Directors present their report for the financial year ended 30 June 2018.

1. The names of the Directors in office during or since the end of the financial year were:-

Name	Occupation/ Qualifications	Position	Years service as a Director	Special Responsibilities
Kevin Colman	Retired	President	13	Finance Committee
Carl Rumph	Distribution Coordinator	Vice-President	11	Finance Committee
William Vidal	Retired	Vice-President	11	Finance Committee
Raymond Choice	Retired		5	
Allan Perkins	Retired		8	
Ian Hollings	Retired		6	
Anne Cheetham	Retired		4	
Sharon Williams	Retired		2	
Greg Patteson	Bowls Co-Ordinator		2	

* Refer to page 3 for details of Directors' meeting attendances.

2. Activities

The principal activities of the Co-operative in the course of the financial year ended 30 June 2018 were the running of the Club in accordance with its objectives for the benefit of its members.

3. Objectives of the Co-operative

The Co-operative's short and long term objectives are to;

Provide the best facilities available to members and their guests, including the promotion of the game of bowls.

To achieve these objectives the Co-operative has adopted the following strategies;

Maintain or increase existing revenue levels and control costs to continue profitability which will allow the Co-operative's premises to be continually improved and maintain greens to a high standard.

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

4. Results

The net result of operations was a profit of \$45,854 (2017 profit \$406,138).

5. Review of Operations

There has been an overall decrease in revenue as well as an increase in expenses of approximately \$167,000 during the year. The prior year included a donation from a deceased member of \$207,226. Also in the current year there was no increase in the value of the Club's rental property compared to \$35,000 last year.

6 Events Subsequent to Balance Date

Since the end of the financial year the Directors are not aware of any matters or circumstances not otherwise dealt with in the report or accounts that has significantly or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial years.

7. Likely Developments and Expected Results

No new developments are anticipated in the operations of the Club. The expected results for future years are of growth in revenue whilst the Club will control costs wherever possible.

DIRECTORS' REPORT (Cont.)**8. Indemnifying Officer or Auditor**

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Co-operative indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs expenses in successfully defending legal proceedings.

During the financial year, the Co-operative has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

9. Directors Benefits

Since the end of the previous financial year no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due to be received by Directors shown in the accounts or received as the fixed salary of a full time employee of the Club) by reason of a contract made by the Club or by a related corporation with the Director or with a firm of which they are a member, or with a Company in which they have a substantial financial interest in.

10. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and is set out on page 5 of the financial report. The Co-operative may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Co-operative is important.

11. Dividends

The Club is prohibited from paying dividends under its constitution.

12. Environmental Regulations

The Club's operations are subject to various environmental regulations under both Commonwealth and State Legislation. The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.

13. Meeting Attendances

The number of Board meetings held during the financial year ended 30 June 2018 was 13, being 12 ordinary and 1 special meeting. The details of each Director's attendances at those meetings is given below:

<u>Director</u>	<u>Monthly</u>	<u>Held Whilst In Office</u>
Kevin Colman	11	13
Ian Hollings	12	13
Carl Rumph	12	13
William Vidal	13	13
Allan Perkins	11	13
Raymond Choice	11	13
Anne Cheetham	12	13
S Williams	11	13
G Patteson	13	13

DIRECTORS' REPORT (Cont.)

14. Property Report

The Directors have determined that all property of the Club shall be classified as follows in accordance with section 41J of the Registered Clubs Acts 1976 :-

Non-Core Property: - The rental property situated at 1 Kenneth Parade, Lemon Tree Passage
- The land situated at 18-24 Gould Drive, Lemon Tree Passage
- The land situated 25 Kenneth Parade, Lemon Tree Passage
- The land situated at 53 - 57 Meredith Avenue, Lemon Tree Passage

Core Property: - Licensed Club, Carpark and Bowling Greens encompassing 23 Kenneth Parade and Lot 170 Gould Drive, Lemon Tree Passage



Kevin Colman - Director



William Vidal - Director

Date: 30 August 2018



AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 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.

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Date: 30 August 2018
Warabrook, NSW

Newcastle

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LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Lemon Tree Passage Bowling Club Co-operative Limited

Report on the Financial Report

Opinion

We have audited the financial report of Lemon Tree Passage Bowling Club Co-operative Limited (the Co-Operative), which comprises the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the year then ended and notes to the financial statements including a summary of significant accounting policies and the Directors' declaration.

In our opinion the accompanying financial report of Lemon Tree Passage Bowling Club Co-operative Limited is in accordance with the Co-operatives National Law 2014 (NSW), including:

- (i) giving a true and fair view of the Co-operative's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Co-operatives National Regulations (NSW).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Co-Operative in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the Directors for the Financial Report

The Directors of the Co-Operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Co-Operatives National Law 2014 (NSW) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Co-Operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Co-Operative or to cease operations, or have no realistic alternative but to do so.

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LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED
INDEPENDENT AUDIT REPORT TO MEMBERS

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our audit report.

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Date: 30 August 2018
Warabrook, NSW

DIRECTORS' DECLARATION

The Directors of the Co-Operative declare that:

- 1 The financial statements and notes, as set out on pages 9 to 21 are in accordance with the Co-operatives National Law 2014 (NSW) including:
 - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Co-operatives National Regulations (NSW) and other mandatory reporting requirements; and
 - (b) giving a true and fair view of the Co-Operatives financial position as at 30 June 2018 and of its performance for the year ended on that date.
- 2 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 Board of Directors and signed for on behalf of the Directors by:


Kevin Colman - Director


William Vidal - Director

Date: 30 August 2018

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	189,254	480,877
Trade and Other Receivables	7	50,172	13,087
Inventories	8	39,215	38,874
Investments	9	217,424	213,198
Other Assets	10	75,031	48,356
TOTAL CURRENT ASSETS		571,096	794,392
NON-CURRENT ASSETS			
Property, Plant and Equipment	11	4,427,202	4,378,396
Investment Properties	12	375,000	375,000
Intangible Assets	13	36,000	36,000
TOTAL NON-CURRENT ASSETS		4,838,202	4,789,396
TOTAL ASSETS		5,409,298	5,583,788
CURRENT LIABILITIES			
Trade and Other Payables	14	333,385	423,554
Borrowings	15	560,178	707,630
Provisions	16	142,080	102,576
Other Liabilities	17	13,663	18,902
TOTAL CURRENT LIABILITIES		1,049,306	1,252,662
NON-CURRENT LIABILITIES			
Borrowings	15	81,528	104,064
Provisions	16	20,999	14,214
Other Liabilities	17	7,968	9,205
TOTAL NON-CURRENT LIABILITIES		110,495	127,483
TOTAL LIABILITIES		1,159,801	1,380,145
NET ASSETS		4,249,497	4,203,643
MEMBERS' FUNDS			
Reserves	18	9,783	9,783
Accumulated Profits		4,239,714	4,193,860
TOTAL MEMBERS' FUNDS		4,249,497	4,203,643

To be read in conjunction with the attached notes to the Financial Statements

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 84 570 698 446)

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Bar Sales		1,261,031	1,268,391
Cost of Goods Sold		511,280	553,859
Bar Gross Profit		<u>749,751</u>	<u>714,532</u>
Coffee Sales		50,517	45,095
Cost of Goods Sold		27,340	27,189
Coffee Gross Profit		<u>23,177</u>	<u>17,906</u>
Poker Machine Net Revenue		2,646,450	2,686,136
Keno & TAB Commission		82,929	75,858
Bowling Operations Income		34,705	36,892
Bowling Merchandise Sales		3,056	2,568
Interest Received		5,796	7,083
Rent Received		46,199	36,446
Fair Value Adjustment Investment Property	12	-	35,000
Other Income		307,971	480,505
Total Income	4	<u>3,900,034</u>	<u>4,092,926</u>
Expenses			
Bar Direct Expenses		421,425	395,877
Poker Machine Direct Expenses		948,648	896,583
Keno & TAB Direct Expenses		117,291	102,099
Bowling Operations Direct Expenses		143,398	144,488
Finance Costs		41,626	52,078
Members Amenities		591,102	587,759
Clubhouse Expenses		729,902	656,955
Administration Expenses		860,788	850,949
Total Expenses		<u>3,854,180</u>	<u>3,686,788</u>
Net Profit/(Loss) Before Income Tax	5	<u>45,854</u>	<u>406,138</u>
Income Tax Expense	1	-	-
Net Profit/(Loss) After Income Tax		<u>45,854</u>	<u>406,138</u>
Other Comprehensive Income		-	-
Total Comprehensive Income / (Loss)		<u><u>45,854</u></u>	<u><u>406,138</u></u>

To be read in conjunction with the attached notes to the Financial Statements

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2018

Note	2018 \$	2017 \$
Cash Flows from Operating Activities		
Receipts from Members and Guests	4,790,893	5,028,639
Payments to Suppliers and Employees	(4,148,454)	(4,218,603)
Interest Received	5,796	5,729
Interest Paid	(41,626)	(52,078)
<i>Net Cash Flows provided by (used in)</i> <i>Operating Activities</i>	606,609	763,687
Cash Flows from Investing Activities		
Proceeds from the sale of Plant and Equipment	31,216	33,490
Payments for Plant and Equipment	(755,234)	(284,406)
Transfer to Investments	(4,226)	(213,198)
<i>Net Cash Flows provided by (used in)</i> <i>Investing Activities</i>	(728,244)	(464,114)
Cash Flows from Financing Activities		
Proceeds from Borrowings	163,702	59,348
Repayments of Borrowings	(333,690)	(301,509)
<i>Net Cash Flows provided by (used in)</i> <i>Financing Activities</i>	(169,988)	(242,161)
Net Increase/(Decrease) in Cash Held	(291,623)	57,402
Cash Equivalents at the Beginning of the Financial Year	480,877	423,475
Cash Equivalents at the End of the Financial Year	6 189,254	480,877

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Profits \$	Reserves \$	Total \$
Balance as at 1 July 2016		3,787,722	9,783	3,797,505
Net profit/(loss) for the year		406,138	-	406,138
Balance as at 30 June 2017		4,193,860	9,783	4,203,643
Net profit/(loss) for the year		45,854	-	45,854
Balance as at 30 June 2018	18	4,239,714	9,783	4,249,497

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

1 Statement of Significant Accounting Policies

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards - Reduced Disclosure Requirements, other mandatory professional requirements and other authoritative pronouncements and the Co-operatives National Law 2014 (NSW). Lemon Tree Passage Bowling Club Co-operative is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on the basis of historical costs, except for investment properties which have been measured at fair value. The financial report is presented in Australian Dollars.

The following is a summary of the significant accounting policies adopted by the Co-operative in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Statement of Compliance

The financial report complies with Australian Accounting Standards - Reduced Disclosure Standards as issued by the Australian Accounting Standards Board (AASB), being AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

Inventories

Inventories are measured at the lower of cost and current replacement value.

Borrowing Costs

Borrowing Costs are recognised as an expense when incurred.

Trade Debtors and Other Receivables

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost, less any impairment losses. Trade receivables are due within 30 days from the date of recognition. The recoverability of trade debtors is reviewed regularly, with any uncollectible debts written off.

Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of Cashflows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment in value.

Property, Plant and Equipment and Poker Machines are depreciated so as to write-off the assets over their estimated economic life to the Club. Rates used are as follows:-

Buildings and Improvements	2.5 to 20 %
Plant and Equipment	5 to 40 %
Poker Machines	20 to 33.33%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generated unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generated units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Co-operative would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the administration expense line item.

Intangible Assets

Intangible assets acquired separately are capitalised at cost, the useful lives of these intangible assets are assessed to be either finite or indefinite. Those with finite lives are amortised over that period on a straight line basis. Intangible assets are tested annually for impairment and where an indicator for impairment exists.

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

Investment Properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. Gains or losses arising from changes in the fair values of the investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Co-operative and the revenue can be reliably measured.

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Co-operative.

Interest income is recognised as it accrues.

The gross proceeds on the disposal of assets are brought to account at the date an unconditional contract is signed.

Other revenue is recognised as it accrues.

Employee Benefits

Short Term

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long Term

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of Australian bond rates matching the estimated future cash outflows have been used.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Accounts Payable

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Co-operative. Trade accounts payable are normally settled within 30 days.

Income Tax

The Co-operative was granted exemption from income tax under Section 50-45 of the Income Tax Assessment Act (1997), such that the exemption will apply so long as the Club's activities and objectives do not change.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. The amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the statement of financial position. Cash flows are included in the Statement of Cashflows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

Hire Purchase

Assets acquired under hire purchase agreements are brought to account at cost together with a corresponding hire purchase liability. Term charges are written off over the period of the agreements.

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

Deficiency in Working Capital

The Club has a deficiency in working capital with current assets of \$571,096 compared to current liabilities of \$1,049,306 representing a deficiency in working capital of \$478,210 (2017: \$458,270). Current liabilities includes;

- a) the entire NAB loan being \$455,600 as the Club does not have an unconditional right to defer settlement for a period of at least 12 months, however the Directors do not expect to be required to repay the full drawn amount on the facility within the next 12 months.
- b) employee leave entitlements of \$132,782, however the Directors do not expect to be required to settle the full amount owing to employees within the next 12 months.

The Directors have formed the opinion that the going concern basis is appropriate, given the following:

- a) The Club has recorded a net profit of \$45,854 and positive operating cashflows of \$606,609 in the current year.
- b) The Directors consider that trading conditions will continue to remain strong, while continued controlling of costs is also anticipated and it is expected the Club will generate sufficient cashflow to cover immediate obligations.
- c) The Club expects to continue to receive support from its financiers and suppliers.

2 Other Information

The Club, being incorporated in New South Wales, Australia under the Co-operatives National Law 2014 (NSW) has its registered office and principal place of business at Gould Drive, Lemon Tree Passage. The Co-operative does not have share capital.

3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and assumptions

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Useful lives of non-current assets

The useful life of Property, Plant and Equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence.

The useful life of Poker Machine Entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements.

The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the Statement of Profit or Loss and Other Comprehensive Income should they change.

Impairment of non-current assets

Impairment testing of non-current assets is performed where indicators of impairment exist. In assessing impairment, estimates are made of the recoverable amount of each asset or cash generating unit based on discounted expected future cash flows discounted or estimated replacement cost. Estimation uncertainty exists in relation to assumptions regarding future operating results and cash flows, determination of an appropriate discount rate and estimated current replacement cost of the asset.

Fair Value of Investment Properties

The fair value of investment properties is estimated at each reporting date, based on independent assessments of the market value of the properties and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

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

	2018	2017
	\$	\$
4 Operating Revenue		
Bar Sales	1,261,031	1,268,391
Poker Machine Net Revenue	2,646,450	2,686,136
Interest	5,796	7,083
Club Keno Commission	65,316	61,111
Tab Commission	17,613	14,747
Bowls Income	34,705	36,892
Bowling Merchandise Sales	3,056	2,568
Coffee Income	50,517	45,095
Rent Received	46,199	36,446
Other	307,971	447,015
Total	4,438,654	4,605,484

5 Operating Profit/(Loss)

Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:-

Credits

Interest Received/Receivable	5,796	7,083
Profit on Sale of Fixed Assets	28,215	33,490
Change in Fair Value of Investment Property	-	35,000

Charges

Depreciation - Poker Machines	232,420	205,210
- Plant	80,860	209,865
Amortisation - Buildings	160,777	13,938
Loss on Sale of Assets	7,194	30,152
Employee Benefits		
- Wages	849,061	848,937
- Leave Provisions	43,449	17,083
- Superannuation	86,756	72,405
	979,266	938,425

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

	2018	2017
	\$	\$
6 Cash and Cash Equivalents		
Cash and Cash Equivalents	189,254	480,877
	<u>189,254</u>	<u>480,877</u>
7 Trade and Other Receivables		
Current		
Debtors Trade	46,785	11,059
Accrued Income	3,387	2,028
	<u>50,172</u>	<u>13,087</u>
8 Inventories		
Stock on Hand - Bar	35,068	35,278
Stock on Hand - Bowling Merchandise	4,147	3,596
	<u>39,215</u>	<u>38,874</u>
9 Investments		
Term Deposits > 3 Months	217,424	213,198
	<u>217,424</u>	<u>213,198</u>
10 Other Assets		
Current		
Prepayments	75,031	48,356
	<u>75,031</u>	<u>48,356</u>

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

11 Property, Plant and Equipment

	Building, Land and Improvements	Plant & Equipment	Poker Machines	Total
	\$	\$	\$	\$
Year ended 30 June 2018				
At 1 July 2017,				
Net of Accumulated Depreciation/Amortisation	3,430,503	363,733	584,160	4,378,396
Additions	17,457	276,575	239,026	533,058
Disposals	-	(7,007)	(3,188)	(10,195)
Depreciation/Amortisation	(160,777)	(80,860)	(232,420)	(474,057)
At 30 June 2018				
Net of Accumulated Depreciation/Amortisation	<u>3,287,183</u>	<u>552,441</u>	<u>587,578</u>	<u>4,427,202</u>
At 1 July 2017				
Cost or Fair Value	5,967,593	2,289,435	3,374,518	11,631,546
Accumulated Depreciation/Amortisation	(2,537,090)	(1,925,702)	(2,790,358)	(7,253,150)
Net Carrying Amount	<u>3,430,503</u>	<u>363,733</u>	<u>584,160</u>	<u>4,378,396</u>
At 30 June 2018				
Cost or Fair Value	5,341,689	2,173,525	2,320,470	9,835,684
Accumulated Depreciation/Amortisation	(2,054,506)	(1,621,084)	(1,732,892)	(5,408,482)
Net Carrying Amount	<u>3,287,183</u>	<u>552,441</u>	<u>587,578</u>	<u>4,427,202</u>
		2018		2017
		\$		\$

12 Investment Properties

Opening Balance at 1 July	375,000	340,000
Net change from fair value adjustment	-	35,000
Closing Balance 30 June	<u>375,000</u>	<u>375,000</u>

Investment properties are stated at fair value, which has been determined based on a market appraisal performed by Coastal Real Estate and Property Management as at 30 June 2018.

Coastal Real Estate and Property Management frequently assess the market values for properties similar to those held by the Co-Operative in the same area, having regard to past sales prices of other properties and current market conditions.

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

		2018	2017
		\$	\$
13	Intangible Assets		
	Poker Machine Entitlements	36,000	36,000
		36,000	36,000
14	Trade and Other Payables		
	Current		
	Trade Creditors	207,774	326,851
	Other Creditors & Accruals	69,579	57,397
	GST Liabilities	56,032	39,306
		333,385	423,554
15	Borrowings		
	Current		
	Insurance Loan	27,193	14,837
	Hire Purchase Liabilities	55,845	36,727
	Lease Liabilities	6,536	24,151
	Credit Card - NAB	8,000	8,055
	Loan - NAB (Secured)	445,600	623,860
	CRT Liability	17,004	-
		560,178	707,630
	Non-Current		
	Lease Liabilities	-	6,536
	Hire Purchase Liabilities	81,528	97,528
		81,528	104,064
Hire purchase and lease liabilities are secured by the assets to which they relate.			
The Club has a business loan of \$445,600 with the NAB which is secured by:			
- a Registered Mortgage over the properties in Gould Drive and Meredith Avenue, Lemon Tree Passage NSW.			
- a Fixed and Floating charge over the Club facilities.			
16	Provisions		
	Current		
	Provision for Annual Leave	105,711	72,928
	Provision for Long Service Leave	27,071	23,191
	Provision for Poker Machine Jackpots	9,298	6,457
		142,080	102,576
	Non Current		
	Provision for Long Service Leave	20,999	14,214
		20,999	14,214

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

	2018	2017
	\$	\$
17 Other Liabilities		
Current		
Subscriptions in Advance	13,663	18,902
	<u>13,663</u>	<u>18,902</u>
Non-Current		
Subscriptions in Advance	9,400	9,205
Gaming Tax Rebate	(1,432)	-
	<u>7,968</u>	<u>9,205</u>
18 Reserves		
Asset Revaluation Reserve	9,783	9,783
	<u>9,783</u>	<u>9,783</u>

19 Related Parties

The names of persons who were Directors of the Co-operative at any time during the year are as they appear in the attached Directors Report.

Key Management Personnel

The totals of remuneration paid to Key Management personnel of the Club during the years was as follows:

Short-term employment benefits	155,072	129,036
Long-term employment benefits	3,453	1,363
Post-employment benefits	10,179	9,855
	<u>168,704</u>	<u>140,254</u>

20 Commitments for Expenditure

a) Hire Purchase Commitments

Commitments in relation to Hire Purchase Agreements are payable as follows:-

Not later than one year	62,164	43,185
Later than one year and not later than five	79,287	104,363
Later than five years	-	-
Total Minimum Payment	<u>141,451</u>	<u>147,548</u>
Less: Amounts representing Finance Charges	(4,078)	(13,293)
Present Value of Minimum Payment	<u>137,373</u>	<u>134,255</u>

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

20	Commitments for Expenditure	2018	2017
		\$	\$
	b) Rental Agreements		
	Total commitments in respect of rental agreements are as follows:-		
	Payable not later than one year	26,160	26,160
	Later than one year but not later than five years	2,180	28,340
		<u>28,340</u>	<u>54,500</u>
	c) Lease Commitments		
	Commitments in relation to Lease Agreements are payable as follows:-		
	Not later than one year	6,536	27,005
	Later than one year and not later than five	-	6,751
	Later than five years	-	-
	Total Minimum Payment	<u>6,536</u>	<u>33,756</u>
	Less: Amounts representing Finance Charges	-	(3,069)
	Present Value of Minimum Payment	<u>6,536</u>	<u>30,687</u>
	d) Capital Commitments		
	The Club has no capital commitments for the current year.		
21	Contingent Liabilities		
	Estimates of the potential effect of contingent liabilities that may become payable are as follows:		
	Members bonus points	11,785	12,395
	TAB Deposit	5,520	5,520
		<u>17,305</u>	<u>17,915</u>