



**Club  
Sapphire**  
MERIMBULA

# Annual Report

& Balance Sheet

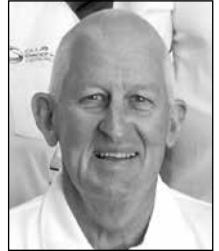
2015-2016

## CHAIRMAN'S REPORT

As Chairman of our great Club MIBC Ltd, it is my pleasure to report 2015/16 was both a very positive and historic year.

This year has been a very busy year for the Board and the Building Committee, particularly in overseeing Stage 1 of the redevelopment of the Club, with changes to internal and external areas of our facilities.

The work includes construction of two (2) covered synthetic greens, exciting times for the Bowling Sections of the Club, which will see them continue to prosper well into the future. The work also includes a revamp of a significant amount of our internal clubhouse facilities.



During the year the Board has at last finalised negotiations with Council and the developer for the service road from the rear of our land into the supermarket site in Main Street, which has now started. We should see it all finished by the end of 2017.

This will be a great benefit for our Club and the town, giving the town much needed car parking and putting the Club Ltd in a strong position to take future advantage of our land holdings, to reap the returns from this commercial land in the coming years.

Your Club has performed well in the past 12 months. The Club produced an EBITDA of more than \$1.5million, a good result given the difficult phase the economy and the Club industry has experienced.

I would like to thank our CEO, Damien Foley and Operations Manager Lerrel McDonald, and their staff for their continued great work for Club Sapphire.

On behalf of the Board and members I thank them all for their dedication to our great Club.

Our Men's Bowls section created history soon after the end of the year, in winning the Grade 2 and Grade 6 State Pennant Finals. Our Club is only the second club in NSW history to achieve this feat, the first in over twenty years, and is the only non metropolitan club to ever achieve this. On the local front, Merimbula also became the first club in the history of the Far South Coast to win a Men's State Title in fifty plus years of history.

Congratulations also to our ladies Grade 2 Pennant team, finishing runner up in the State after also making the final. Well done.

All this has taken an incredible amount of commitment and hard work from all our bowls sections including players, team managers, committees and especially our Bowls Development Officer Michael Wilks and also our Greenkeeper Peter (Spud) Sverdrupsen. We are fortunate to have built one of the best clubs in the sport and right now are the toast of the sport across NSW and Australia.

The Board would also like to congratulate those who were successful in individual or team events in both the Ladies and Men's Sections of our Club.

To the Indoor Bowls, Ladies and Men's bowling clubs, on behalf of the Board I thank the Management Committees for your excellent commitment to the running of these internal clubs of MIBC. This dedication, allows the Board to properly focus its time on the essential roles of strategic direction, corporate governance and other company related matters.

In closing I would like to thank all members for their support and to acknowledge the efforts of my fellow Board members who have worked tirelessly as a team for the good of the company throughout the year.

I take this opportunity to extend condolences to the families who have lost their loved ones during the year.

**R.J. Christie**

Chairman

**21st September, 2016**

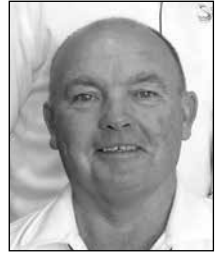
## TREASURER'S REPORT

It is with pleasure that I submit my report on the financial performance of your Club for 2015-2016.

The full audited financial statements are contained within the pages of this Annual Report.

Results for the period show an increase on 2014/15 trading. Whilst the gaming revenue showed an increase on last year the overall long term trend in gaming are still not positive.

I would like to highlight the following major points from this year's financial statements.



- Operating profit for 2015/16 was \$342,614 before tax (previous year loss \$53,445).
- Operating profit includes \$1,156,077 depreciation (previous year \$1,364,017).
- EBITDA for 2015/16 was \$1,498,691 (previous year \$1,310,572).
- Net Cash Flow from operating activities was \$1,537,730 (previous year \$1,431,035).
- Net Financial Assets as at 30 June 2016 were \$5,575,528 (previous year \$5,606,410).
- Net Assets, as per the Balance Sheet, at 30 June 2016 was \$15,695,736 (previous year \$15,400,271).

During the year the Club continued to be a major employer in the Bega Valley Shire and paid \$4,671,341 in employee related expenses. The Club also provided \$74,589 in donations to the local community.

In closing I would like to thank the management team and staff for their dedication and diligence and also for their support throughout the year.

**I. Martin**

Treasurer

**21st September, 2016**

## DIRECTORS' REPORT

1. Your Directors present their report on the Company for the financial year ended 30th June, 2016.
2. The names of the Directors in office at any time during or since the end of the year are:

Ian MARTIN	Ricky John HOLT (from 22/11/15)
Peter James MOORE	Brian John KENNEDY (until 22/11/15)
Gary John TELFORD (until 22/11/15)	Terence Anthony KILLEN
Ronald James CHRISTIE	William Henry ROGERS (until 22/11/15)
Gregory Thomas HALLORAN (from 22/11/15)	Christine KEENS (from 22/11/15)

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

3. **Principal Activities:** The principal activities of the Company during the financial year consisted of the operation and promotion of a licensed club for members of the Company. There were no significant changes to the nature of the activities during the year.
4. **Short Term and Long Term Objectives, Strategies and Reviews:** The primary object of the Company during the financial year was to encourage, foster and promote the game of bowls and other sports as made and determined by the Club from time to time. To support this objective, the Club's vision is to be recognised as the leading provider of leisure, entertainment and community services on the Sapphire Coast.

### **Strategies to achieve this vision:**

- Improve the services, facilities and environment so that we are the Club of choice.
- Promote a culture that embraces change, innovation, excellence and modern practices.
- Continue to provide events which are well run and are an enjoyable experience for all.
- Continue to foster strong relationships with all stakeholders to strengthen their support for the Club.
- Maintain a reputation for providing a modern, friendly, and safe experience.
- Foster a "customer first" culture amongst all our staff through the provision of outstanding customer service.
- Diversify our revenue base to reduce our reliance on gaming.

### **Principal Activities linked to objectives:**

The principal activities provided the funding to support the primary objective.

### **Measurement of Performance:**

The company monitors and measures its performance against several key performance indicators including:

- |                                    |                                 |
|------------------------------------|---------------------------------|
| • Gross revenues                   | • EBITDA                        |
| • Gross profit margins             | • Capital expenditure to EBITDA |
| • Wages as a percentage of revenue | • Current ratio                 |
| • Total costs                      | • Membership trends             |
| • Net operating profit             |                                 |

5. **Operating Results:** The net profit for the year amounted to \$342,614.11 before tax.

## **DIRECTORS' REPORT** (continued)

6. **Information on Directors:** The particulars of the qualifications (i), experience (ii), and special responsibilities (iii) of each Director are as follows:



### **Ronald James CHRISTIE**

- (i) Master Butcher for 25 years. Certificate in Horticulture at Burnley College, Melbourne. Managed Surfside Holiday Apartments for 13 years. Retired.
- (ii) Committee member of Merimbula Tourism for 12 years. President for 3 years. Accredited Bowls Coach and Umpire for 18 years. Bowling Club Match Committee for 15 years and 6 years as Bowls Secretary.
- (iii) Elected to the Board in October 2007. Currently Chairman of the Board and member of Finance Committee and Building and Land Development Committee.



### **Gregory Thomas HALLORAN**

- (i) Owner/Director Pambula Beach Trail Pty Ltd, Pambula Boarding Kennels, Outasight Storage for 40 years.
- (ii) Bowling Club Selection panel for 8 years and retired from this position after a successful 2016 season.
- (iii) Elected to the Board in November 2015. Currently member of Finance Committee and Club Grants Category 1 Committee.



### **Ricky John HOLT**

- (i) Owner/Director Jerbam Holdings Pty Ltd Plumbing Business since 1986. Director Rainbows and Roses Foundation – Helping Children with CF and Autism since 2013. Recipient of BVSC Community Service Award 2011 and Government of NSW Community Service Award 2014.
- (ii) Life member of Pambula Panthers AFL, South Coast Master's AFL and North Albury Hoppers Cricket Club.
- (iii) Elected to the Board in November 2015. Currently member of Building and Land Development Committee.



### **Christine KEENS**

- (i) Honours Degree in Law (LLB Hons) University of London; over 25 years experience in legal areas of the Australian Public Service including as Director of Legal Services in Government Organisations.
- (ii) Bowling member of Club Sapphire since 2009. Experience as member of Selection Committee; Secretary and Vice-President of MIWBC and as Vice-President of Bega Imlay District Women's Bowling Association.
- (iii) Elected to Board in November 2015. Current member of Strategic Planning and Risk Management Committee and Club Grants Category 1 Committee.



### **Brian John KENNEDY**

- (i) Retired. 21 years with a major bank. Proprietor of successful family business before working with Australian Hosiery Company.
- (ii) Club member since 1998. Served on all Bowling Committees. President Men's Bowling Club 3 years.
- (iii) Elected to the Board in September 2006. Member of Finance Committee, Building and Land Development Committee, Greens Director and Club Grants Category 2 Committee.

## **DIRECTORS' REPORT** (continued)



### **Terrence Anthony KILLEN**

- (i) Owned and operated Importing Clothing Company before retiring in 1992.
- (ii) President Vermont Cricket Club for five years, consisting of 6 senior and 6 junior sides. Served three years on Victoria's Father of the Year Council.
- (iii) Elected to the Board in January 2012. Chairman of the Tournament Committee and member of Strategic Planning Committee and Risk Management Committee.



### **Ian MARTIN**

- (i) Leased public aquatic centre in Sydney for 28 years. Liaised with council on future and present budgets and financial planning.
- (ii) Life member of Ku-ring-gai Swimming Club, former head swimming coach and management committee member for 20 years. Past President of Men's Bowls Club.
- (iii) Elected to the Board in November 2012. Current Treasurer, member of Finance Committee and Building and Land Development Committee.



### **Peter James MOORE**

- (i) Retired licensed builder, Building Clerk of Works, Works Manager for Commonwealth War Graves Commission overseas for 20 years.
- (ii) Member of MIMBC Social Committee and Publicity Officer (2009/10). Secretary/Treasurer of MIMBC Management Committee (2011/12). Community Service Director of Rotary Club of Pambula since 2013 to current.
- (iii) Elected to the Board in November 2012. Currently Deputy Chairman of the Board, Chairman of Strategic Planning and Risk Management Committee and Chairman of Building and Land Development Committee.



### **Gary John TELFORD**

- (i) Retired. Group menswear buyer Myer, Victoria and Tasmania stores. National buyer Venture stores. Taxi owner operator Melbourne.
- (ii) Merimbula Marine Rescue for 19 years, held most positions. Secretary/Treasurer Social golf club 15 years. Secretary Cricket Club 3 years. Bowls Secretary 2 years.
- (iii) Elected to the Board in November 2012. Sections Liaison Director and member of Strategic Planning Committee and Rules and Discipline Committee and Clubs Grant Category 2 Committee.



### **William Henry ROGERS**

- (i) Retired. Director and General Manager major Australian engineering group company. Graduate Melbourne University Business Summer School.
- (ii) Club member since 1999. Chairman MIMBC Social Committee, Vice-President MIMBC. Foundation member NSW Club Directors Institute.
- (iii) First joined Board 2001, retired as Chairman 2009. Appointed to Board 2015. Member of Building and Land Development Committee and Rules and Disciplinary Committee.

**DIRECTORS' REPORT** (continued)

**Meetings of Directors:** The number of meetings of Directors (including sub-committees) held during the financial year and the meetings attended by each Director were:

<i>Director</i>	<i>Board Meetings</i>		<i>Committee Meetings</i>
	<i>Number attended</i>	<i>Number eligible to attend</i>	<i>Number attended</i>
Christie, R.J.	14	14	48
Halloran, G.T.	7	8	8
Holt, R.J.	8	8	20
Keens, C.	8	8	5
Kennedy, B.J.	5	6	13
Killen, T.A.	9	14	7
Martin, I.	11	14	43
Moore, P.J.	13	14	41
Rogers, W.H.	6	6	3
Telford, G.J.	6	6	9

- (i) **Directors' Benefits:** No Director has received, or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company controlled entity or a related body corporate with the Director, a firm of which a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts.
- (ii) **Auditor's Independence Declaration:** The Auditor's independence declaration for the year ended 30th June, 2016 has been received.
- (iii) **Members' Details and Guarantee:** The Company is Limited by Guarantee. If the Company is wound up, its Articles of Association state that each member is required to contribute a maximum of \$2.00 towards meeting any outstanding obligations of the Company. As at 30th June, 2016, the number of members was 8,266.

Signed in accordance with a resolution of the Board of Directors.

**R.J. Christie**

Chairman

**21st September, 2016**

## DECLARATION OF DIRECTORS

The Directors of the Company declare that:

- The financial statements and notes for the year ended 30th June, 2016 are in accordance with the **Corporations Act 2001** and:
  - comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - give a true and fair view of the financial position of the Company as at 30th June, 2016 and its performance for the year ended on that date.
- In the directors' 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.

**R.J. Christie**

Chairman

**21st September, 2016**

## CHIEF EXECUTIVE OFFICER'S REPORT

2015/16 was a solid year highlighted by significant progress on a number of major developments at Club Sapphire.

The Club's trading performance produced EBITDA of \$1.5million (\$1.31 million in 2014/15) and an operating profit of \$342,614 before tax (\$53,445 operating loss in 2014/15). Net cash provided by operating activities was \$1.54million (\$1.43million in 2014/15).

The improvement on last year's results is pleasing however, it must be noted that part of the improved operating profit can be attributed to a reduction in depreciation expenses of \$207,940 and a refund of \$54,508 Stamp Duty paid in 2012.

During the year, legislation was amended by the NSW Government abolishing Stamp Duty on transfer of assets relating to club de-amalgamations. This change was made retrospective to 2012, making MIBC Ltd eligible for a refund for Stamp Duty paid in 2012 relating to the TBCC de-amalgamation.

The improved trading result can also be attributed to the introduction of the tiered members' loyalty program and continuation of discounted meals in the bistro. Both of these initiatives come at significant cost, particularly impacting catering bottom line, however the flow on benefits to gaming and bar trade was very pleasing.

Gaming revenue increased by 6.5% but it is worth noting that CPI adjusted, gaming revenue for 2015/16 was still 25% lower than at its peak some twelve years ago. The combined gaming revenue of the four local clubs (MIBC, TBCC, PMGC, MRSL), when CPI adjusted has also declined by 25% over that same period. As stated previously, a continuation of this trend will dictate major change in the local club scene in future years.

These trends reinforce the essential need for your Club to continue to pursue the diversification of it's revenue base and to reduce reliance on gaming if it is to remain viable in the longer term. The Board is of the view development of our vacant and/or under utilized land assets is our best strategy to achieve this. Significant progress was made on this initiative during the year.

Following last year's approval by the NSW Government for the rezoning of our land, BVSC approved the Club's Sub-Division Development Application and Construction Certificate, relating to part of the Club's vacant land adjacent to the new supermarket service road. This DA also sub-divides the road reserve from the Club's existing non-core land assets. Ownership of the road reserve and maintenance responsibility for the new road will transfer to BVSC at completion of the road construction.

Late in the year construction work commenced on the new service road which links Sapphire Coast Drive to the new supermarket site next door to the Club. This road will also provide essential access to our new sub-division and street frontage for these blocks. The Club entered into a contract with Guidline South Coast to provide services (water, sewer, stormwater, etc.) to the sub-division. The Board has commissioned highly regarded research agency McCrindle to undertake market research relating to developing this land in accordance with uses identified in the Club's Master Plan.

Leading club industry builders and developers Paynter Dixon were contracted to construct the new synthetic bowling greens and roof, and to undertake the upgrade of club facilities including the Rockpool Café and viewing deck etc. as approved by members at last year's AGM. At the time of writing, Paynter Dixon advised Rockpool Café was on target to be reopened by November, and the new greens opened around mid-December.





**CHIEF EXECUTIVE OFFICER'S REPORT** (continued)

In October the Club's gym service provider vacated the premises and relocated to a smaller facility elsewhere in Merimbula. Due to this, revenue from the Fitness Centre Services Agreement ceased at the end of October 2015 and did not recommence until a suitable operator was contracted in early 2016. Gross revenue from gym licence fees was reduced by \$48,096 due to this period of vacancy. The Club now have fantastic new operators in Mark Moses and Paul Perkins and the gym is regaining popularity and going from strength to strength.

Currently Bowling membership equates to approximately 4% of our membership, therefore 96% of our members are Social. Figures released by Bowls Australia are confirming the ongoing decline of Bowling membership around Australia. Bowling membership in Australia peaked in 1982 at approximately 450,000 and has gradually declined to around 180,000 today. We too have followed this trend. Our club had some 600 Bowling members in the 80s and today has less than 300. Many years ago more than 50% of our members were bowlers.

However, Bowls Australia also reports significant growth in non traditional and non-Bowling member bowls activities. According to Bowls Australia, less competitive and less structured bowling activities such as barefoot and smaller groups participating in a relaxed and fun atmosphere are growing whilst traditional bowling activities like pennant, tournament and regular social competition are declining.

Pleasingly, our traditional bowling activities are still going well and arguably are "swimming against the tide" however we must also embrace the opportunities in less traditional bowling activities as highlighted by Bowls Australia if we are to be successful in our endeavor to promote bowls to a broader market and for bowls to contribute to the economic viability of the Club. Our new bowling facilities will provide the Club with its best chance to promote bowling to a new audience as a fun, enjoyable and accessible activity that people of all ages and abilities can play. We have exciting opportunities ahead.

Thank you to the Board for your vision and continued support and encouragement of the management team throughout the year.

Thank you also to the Club's wonderful team of staff, headed by our Operations Manager Lerrel McDonald, for your dedication and loyalty. Club Sapphire is very fortunate to have a professional and caring team of individuals who are committed to great customer service. Thank you one and all for your continued contribution to the success of the Club.

Many thanks also to all Club members for your ongoing support of the Club. Your patronage is vital for the success of the Club and is very much appreciated.

**D.C. Foley**

Chief Executive Officer

**21st September, 2016**

**CHIEF EXECUTIVE OFFICER'S REPORT** (continued)**EBITDA COMPARATIVE FIGURES:**

	<b>MERIMBULA</b>	<b>TURA</b>	<b>COMPANY</b>
2004/05 Operating Profit (Loss)	\$1,323,148	(\$27,290)	\$1,295,858
Depreciation	\$928,849	\$300,038	\$1,228,887
<b>2004/05 EBITDA*</b>	<b>\$2,251,997</b>	<b>\$272,748</b>	<b>\$2,524,745</b>
2005/06 Operating Profit (Loss)	\$761,875	(\$296,775)	\$465,100
Depreciation	\$926,291	\$366,973	\$1,293,264
<b>2005/06 EBITDA</b>	<b>\$1,688,166</b>	<b>\$70,198</b>	<b>\$1,758,364</b>
2006/07 Operating Profit (Loss)	\$868,582	(\$237,624)	\$630,958
Depreciation	\$931,320	\$371,182	\$1,302,502
<b>2006/07 EBITDA</b>	<b>\$1,799,902</b>	<b>\$133,558</b>	<b>\$1,933,460</b>
2007/08 Operating Profit (Loss)	\$210,250	(\$231,490)	(\$21,240)
Depreciation	\$916,577	\$324,911	\$1,241,488
<b>2007/08 EBITDA</b>	<b>\$1,126,827</b>	<b>\$93,421</b>	<b>\$1,220,248</b>
2008/09 Operating Profit (Loss)	(\$314,370)	(\$65,389)	(\$379,759)
Depreciation	\$969,723	\$301,017	\$1,270,740
<b>2008/09 EBITDA</b>	<b>\$655,353</b>	<b>\$235,628</b>	<b>\$890,981</b>
2009/10 Operating Profit (Loss)	(\$258,195)	(\$102,876)	(\$361,071)
Depreciation	\$1,384,808	\$267,229	\$1,652,037
<b>2009/10 EBITDA</b>	<b>\$1,126,613</b>	<b>\$164,353</b>	<b>\$1,290,966</b>
2010/11 Operating Profit (Loss)	\$227,282	(\$29,391)	\$197,891
Depreciation	\$1,376,884	\$261,246	\$1,638,130
<b>2010/11 EBITDA</b>	<b>\$1,604,166</b>	<b>\$231,855</b>	<b>\$1,836,021</b>
2011/12 Operating Profit (Loss)	(\$235,932)	(\$2,245,382)	(\$2,481,314)
Depreciation	\$1,408,876	\$154,073	\$1,562,949
<b>2011/12 EBITDA</b>	<b>\$1,172,944</b>	<b>(\$2,091,309)</b>	<b>(\$918,365)</b>
2012/13 Operating Profit	\$242,640	–	\$242,640
Depreciation	\$1,327,771	–	\$1,327,771
<b>2012/13 EBITDA</b>	<b>\$1,570,411</b>	<b>–</b>	<b>\$1,570,411</b>
2013/14 Operating Profit	\$73,953	–	\$73,953
Depreciation	\$1,373,570	–	\$1,373,570
<b>2013/14 EBITDA</b>	<b>\$1,447,523</b>	<b>–</b>	<b>\$1,447,523</b>
2014/15 Operating Profit (Loss)	(\$53,445)	–	(\$53,445)
Depreciation	\$1,364,017	–	\$1,364,017
<b>2014/15 EBITDA</b>	<b>\$1,310,572</b>	<b>–</b>	<b>\$1,310,572</b>
2015/16 Operating Profit (Loss)	\$342,614	–	\$342,614
Depreciation	\$1,156,077	–	\$1,156,077
<b>2015/16 EBITDA</b>	<b>\$1,498,691</b>	<b>–</b>	<b>\$1,498,691</b>

\*(Earnings Before Interest Paid, Tax, Depreciation and Amortisation)

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MERIMBULA-IMLAY BOWLING CLUB LIMITED

## Report of the Financial Report:

We have audited the accompanying financial report of Merimbula-Imlay Bowling Club Limited, which comprises the statement of financial position as at 30th June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' Responsibility for the Financial Statement*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 gives a true and fair view and 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 about 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 Company'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 have not audited detailed classification of income and expenses by function because of the arbitrary dissection process.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. However, our statutory audit does not cover all details of dissection of financial data.

### *Independence:*

In conducting our audit, we have complied with the independence requirements of the **Corporations Act 2001**.

## Opinion:

In our opinion, the financial report of Merimbula-Imlay Bowling Club Limited is in accordance with the **Corporations Act 2001**, including:

- (i) giving a true and fair view of the Company's financial position as at 30th June, 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and **Corporations Regulations 2001**.

### **Richard C. Parbery F.C.P.A.**

Registered Company Auditor (1864)  
101 Main Street Merimbula NSW 2548

**21st September, 2016**

**INDEPENDENT AUDITOR'S REPORT** (continued)

## **AUDITOR'S INDEPENDENCE DECLARATION**

Under Section 307C of the **Corporations Act 2001** to the Directors of Merimbula-Imlay Bowling Club Ltd.

I declare that, to the best of my knowledge and belief, during the year ended 30th June, 2016 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.

**Richard C. Parbery F.C.P.A.**

Registered Company Auditor (1864)

101 Main Street Merimbula NSW 2548

**21st September, 2016**

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 30th June, 2016*

2014/15 \$		2015/16 \$
10,850,777	Revenue from Ordinary Activities (Note 1g)	11,505,192
(1,723,924)	Cost of Sales	(1,877,597)
(4,387,814)	Employee Expenses	(4,671,341)
(1,364,017)	Depreciation and Amortisation Expenses	(1,156,077)
(414,359)	Repairs and Maintenance	(414,002)
(115,192)	Advertising	(119,900)
(204,978)	Insurances	(198,505)
(80,616)	Council Rates and Land Taxes	(83,576)
(255,288)	Electricity and Gas	(221,370)
(28,119)	Printing, Postage and Stationery	(20,078)
(1,038,297)	Poker Machine Tax	(1,128,085)
(144,541)	Sections and Other Bowls Expenses	(118,545)
(1,147,077)	Other Operating Expenses	(1,153,502)
<b>(53,445)</b>	<b>Operating (Loss) Profit</b>	<b>342,614</b>
(39,692)	Tax Expense (Note 21 and 22)	(47,149)
<b>(93,137)</b>	<b>Operating (Loss) Profit attributable to Members of the Company</b>	<b>295,465</b>

# STATEMENT OF CHANGES IN EQUITY

*For the year ended 30th June, 2016*

2014/15 \$		2015/16 \$
15,493,408	Total Equity at the beginning of the Financial Year	15,400,271
(93,137)	Operating (Loss) Profit	295,465
<b>15,400,271</b>	<b>Total equity at the end of the Financial Year</b>	<b>15,695,736</b>

**STATEMENT OF FINANCIAL POSITION***As at 30th June, 2016*

<b>2014/15</b>			<b>2015/16</b>
<b>\$</b>	<b>CURRENT ASSETS:</b>		<b>\$</b>
6,220,221	Cash Assets	(Note 3)	5,944,215
130,439	Receivables	(Note 3a)	184,437
141,501	Inventories	(Note 4)	144,853
157,265	Other	(Note 5)	444,755
28,051	Loan Tura Beach Country Club Ltd	(Note 6b)	28,051
112,407	Deferred Tax Asset	(Note 21)	124,649
<b>6,789,884</b>	<b>Total Current Assets</b>		<b>6,870,960</b>
	<b>NON-CURRENT ASSETS:</b>		
72,466	Loan Tura Beach Country Club Ltd	(Note 6b)	44,415
10,581,470	Property, Plant and Equipment	(Note 6)	10,854,875
<b>10,653,936</b>	<b>Total Non-Current Assets</b>		<b>10,899,290</b>
<b>17,443,820</b>	<b>Total Assets</b>		<b>17,770,250</b>
	<b>CURRENT LIABILITIES:</b>		
890,126	Payables	(Note 7)	763,794
850,206	Provisions	(Note 8)	953,555
137,109	Other	(Note 9)	193,434
54,508	Provision for Tax	(Note 20)	44,555
<b>1,931,949</b>	<b>Total Current Liabilities</b>		<b>1,955,338</b>
	<b>NON-CURRENT LIABILITIES:</b>		
7,700	Security Deposits		-
103,900	Provisions	(Note 8)	119,176
<b>111,600</b>	<b>Total Non Current Liabilities</b>		<b>119,176</b>
<b>2,043,549</b>	<b>Total Liabilities</b>		<b>2,074,514</b>
<b>15,400,271</b>	<b>Net Assets</b>		<b>15,695,736</b>
	<b>MEMBERS' EQUITY:</b>		
15,400,271	Retained Profits		15,695,736
<b>15,400,271</b>	<b>Total Members' Equity</b>		<b>15,695,736</b>

**STATEMENT OF CASH FLOWS***For the year ended 30th June, 2016*

<b>2014/15</b>		<b>2015/16</b>
<b>\$</b>		<b>\$</b>
	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>	
10,550,685	Receipts from Customers	11,201,268
(9,411,430)	Payments to Suppliers and Employees	(9,905,436)
219,298	Interest Received	172,343
72,482	Members' Subscriptions Received	124,063
0	Income Tax Expenses	(54,508)
<b>1,431,035</b>	<b>Net Cash provided by Operating Activities</b> (Note 16b)	<b>1,537,730</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
773	Proceeds from Sale of Property, Plant and Equipment	–
(972,985)	Payment for Property, Plant and Equipment	(1,434,087)
0	Payment for Road Development Deposit	(400,000)
<b>(972,212)</b>	<b>Net Cash used in Investing Activities</b>	<b>(1,834,087)</b>
11,688	Proceeds from Borrowings	28,051
0	Repayment of Security Deposit	(7,700)
<b>11,688</b>	<b>Net Cash used in Borrowing Activities</b>	<b>20,351</b>
470,511	Net increase (Decrease) in Cash Held	(276,006)
5,749,710	Cash at beginning of Financial Year	6,220,221
<b>6,220,221</b>	<b>Cash at end of Financial Year</b> (Note 16a)	<b>5,944,215</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS***For the year ended 30th June, 2016***NOTE 1 – Summary of Significant of Accounting Policies:****Basis of Preparation:**

The Merimbula-Imlay Bowling Club Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from reduced Disclosure Requirements.

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) and the Corporations Act 2001. The company is 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 stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based 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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

The financial statements were authorised for issue on 21st September, 2016 by the directors of the company.

**Accounting Policies****(a) Property, Plant and Equipment:**

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

**Property:**

Freehold land and buildings are shown at cost less subsequent depreciation for buildings. It is the policy of the entity to have an independent valuation every three years by an external independent valuer, with annual appraisals being made by the directors.

**Plant and Equipment:**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. 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. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 11) for details of impairment.

**Depreciation:**

The depreciable amount of all fixed assets, including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company 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 depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5-4%
Plant and Equipment	10-35%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting period. 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 disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(b) Inventories:**

Inventories are measured at the lower of cost and net realisable value.

**(c) Income Tax:**

Since Merimbula-Imlay Bowling Club Limited de-amalgamated from Tura Beach Country Club in the 2012 year, it has been determined that the main purpose of the club has changed to a dual activity for the promotion of sport and additional supplementary activities i.e. social activity such as food, beverage, gaming and entertainment.

The Club is now a multiple purpose Club and as such is not eligible for sporting Club income tax exemption.

The income tax expenses (revenue) for the year comprises current income tax expenses (income) and deferred tax expenses (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.



**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expenses (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(d) Comparative Figures:**

When required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**(e) Employee Provisions:**

**Short Term employee provisions:** Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

**Other Long-term employee provisions:** Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**Provisions:** Provisions are recognised when the Company 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(f) **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 six months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) **Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes, returns, trade allowances, rebates and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Revenue is recognised for the major business activities as follows:

**Sale of Goods:** Revenue is taken to account when the control of the goods has passed to the buyer.

**Interest:** Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

**Rental Income:** Revenue is taken to account in the period to which the rent relates.

**Subscriptions:** Subscriptions for annual membership are recognised in revenue over the membership year.

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

<b>2015</b>		<b>2016</b>
<b>\$</b>	<b>REVENUE:</b>	<b>\$</b>
2,037,215	Bar Sales	2,164,030
5,566,282	Poker Machine Revenue	5,930,134
2,514,470	Catering Sales	2,680,507
152,521	TAB/Keno Revenue	152,672
124,822	Bowls Income	126,112
65,399	Social Subscriptions Income	68,894
<b>10,460,709</b>		<b>11,122,349</b>
	<b>OTHER INCOME:</b>	
182,475	Interest Revenue	172,826
103,365	Rent Received	55,720
22,000	Telstra Tower Rent	23,190
69,749	Banktech Commission	74,401
0	Stamp Duty Refund	54,240
18,664	Other Revenue	4,740
(6,185)	(Loss) on Sale of Asset	(2,274)
<b>390,068</b>		<b>382,843</b>
<b>10,850,777</b>		<b>11,505,192</b>

**(h) Stamp Duty Rebate:**

The Club received Stamp Duty refund from Office of State Revenue after NSW government amended the legislation in regards to the De-amalgamation of NSW clubs.

**(i) Critical Accounting Estimates and Judgements:**

The directors evaluate estimates and judgements incorporated into the financial report 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 Company.

**(i) 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 Company commits itself to either purchase or sell 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 expensed to profit or loss immediately.

**Classification and subsequent measurement:**

Financial instruments are subsequently measured at either 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:

- (i) the amount of which the financial asset or financial liability is measured at initial recognition;

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

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, transactions 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 in profit or loss.

**Financial Liabilities:**

Non-derivative financial liabilities are subsequently measured at amortised cost.

**(k) Goods and Services Tax:**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. 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 taxation authority is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority, are presented as operating cash flows.

**(l) Impairment of Assets:**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there are any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value to use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statements.

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

**(m) Trade Receivables:**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an on-going basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**(n) Trade and Other Payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(o) Members' Subscriptions in Advance:**

Subscriptions received in advance for the financial year have been carried forward as a current liability.

**(p) Retirement Benefit Obligations:**

**Defined contribution superannuation benefits:** All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employees average ordinary salary) to the employees superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable.

The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 2 – CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION  
FOR THE YEAR ENDED 30TH JUNE, 2016:****BAR TRADING**

<b>2014/15</b> \$		<b>2015/16</b> \$
2,037,214.74	Sales	2,164,029.68
<b>2,037,214.74</b>	<b>Total Bar Sales</b>	<b>2,164,029.68</b>
84,332.00	Opening Stock	91,396.88
796,011.05	Purchases	827,911.48
880,343.05		919,308.36
91,396.88	Less Stock on Hand	87,826.36
788,946.17	Cost of Goods Sold	831,482.00
<b>1,248,268.57</b>	<b>Gross Profit</b>	<b>1,332,547.68</b>
	<b>LESS EXPENSES:</b>	
50,296.40	Depreciation	41,525.33
16,553.07	Insurance	14,293.44
29,700.70	Payroll Tax	29,930.84
23,367.73	Repairs and Maintenance	25,496.19
2,746.70	Requisites	2,524.86
13,077.36	Staff Amenities	10,554.25
9,715.29	Staff Training	9,274.79
55,098.15	Superannuation	56,271.07
2,597.06	Uniforms	3,612.87
619,617.00	Wages	641,267.86
13,972.52	Waste Disposal	14,194.43
836,741.98	Total Expenses	848,945.93
<b>411,526.59</b>	<b>Net Profit</b>	<b>483,601.75</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 2 – CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION  
FOR THE YEAR ENDED 30TH JUNE, 2016:****CATERING TRADING**

2014/15 \$		2015/16 \$
2,514,470.32	Sales	2,680,507.25
<b>2,514,470.32</b>	<b>Total Sales</b>	<b>2,680,507.25</b>
33,528.52	Opening Stock	33,190.87
924,703.80	Purchases	1,042,627.97
958,232.32		1,075,818.84
33,190.87	Less Stock on Hand	40,020.14
925,041.45	Cost of Goods Sold	1,035,798.70
<b>1,589,428.87</b>	<b>Gross Profit</b>	<b>1,644,708.55</b>
	<b>LESS EXPENSES:</b>	
7,607.09	Cleaning	13,589.63
125,072.40	Depreciation – Plant and Equipment	95,664.41
24,977.09	Depreciation – Furniture and Fittings	20,071.47
45,873.58	Gas	52,759.65
31,705.05	Insurance	31,089.55
4,019.63	Laundry	3,373.92
13,187.01	Materials not for Resale	16,029.29
63,193.06	Payroll Tax	68,606.88
1,656.22	Printing and Stationery	1,132.26
58,865.16	Repairs and Maintenance	64,750.34
18,286.09	Staff Training	21,766.73
120,145.84	Superannuation	129,699.93
17,670.11	Uniforms	19,897.49
1,313,771.67	Wages	1,442,328.55
21,532.55	Waste Disposal	25,227.49
1,867,562.55	Total Expenses	2,005,987.59
<b>(278,133.68)</b>	<b>Net Loss</b>	<b>(361,279.04)</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

**NOTE 2 – CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION  
FOR THE YEAR ENDED 30TH JUNE, 2016:**

**GAMING MACHINE TRADING**

<b>2014/15</b> \$		<b>2015/16</b> \$
5,566,281.87	Revenue after Payouts	5,930,134.42
	<b>LESS EXPENSES:</b>	
361,075.84	Depreciation	381,420.00
1,730.84	Insurance	6,995.25
3,069.08	Jackpot Provision	12,118.68
15,480.00	Members-Advantage Club	26,802.00
17,338.11	Payroll Tax	17,180.40
152,530.45	Promotions	203,190.45
127,268.74	Repairs and Maintenance	115,628.99
5,652.41	Requisites	6,043.78
3,609.96	Staff Amenities	3,136.43
1,812.34	Staff Training	1,404.87
34,983.42	Superannuation	36,185.48
1,038,297.42	Supplementary Tax	1,128,084.69
358,503.32	Wages	369,412.71
2,121,351.93	Total Expenses	2,307,603.73
<b>3,444,929.94</b>	<b>Net Profit</b>	<b>3,622,530.69</b>

**KENO/TAB TRADING**

<b>2014/15</b> \$		<b>2015/16</b> \$
152,520.43	Revenue	152,671.71
	<b>LESS EXPENSES:</b>	
14,854.53	Depreciation	8,075.79
2,256.96	Insurance	2,051.44
4,501.29	Payroll Tax	4,520.02
19,883.89	Repairs and Maintenance	20,198.24
3,551.70	Requisites	3,874.69
7,007.68	Promotions	9,941.88
27,191.93	Sky Channel Subscriptions	23,912.21
693.71	Staff Training	1,483.08
10,384.22	Superannuation	9,601.82
93,847.85	Wages	94,936.06
184,173.76	Total Expenses	178,595.23
<b>(31,653.33)</b>	<b>Net Loss</b>	<b>(25,923.52)</b>



**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 2 – CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION  
FOR THE YEAR ENDED 30TH JUNE, 2016:****GYMNASIUM**

<b>2014/15</b>		<b>2015/16</b>
<b>\$</b>		<b>\$</b>
88,793.88	Gymnasium Fees	40,697.96
	<b>LESS EXPENSES:</b>	
7,583.09	Depreciation	18,589.07
0	Other Expenses	3,337.14
2,851.31	Repairs and Maintenance	7,083.72
<hr/>		<hr/>
10,434.40	Total Expenses	29,009.93
<hr/>		<hr/>
<b>78,359.48</b>	<b>Net Profit</b>	<b>11,688.03</b>

**BOWLING SECTIONS**

<b>2014/15</b>			<b>2015/16</b>
<b>\$</b>			<b>\$</b>
85,693.27	Competition, Green Fees (Note 23)	86,651.21	
	and Other Bowls		
26,606.19	Subscriptions (Note 23)	28,232.08	
2,586.61	Bowls Shop Net Profit	912.41	
<hr/>		<hr/>	
<b>114,886.07</b>	<b>Total Revenue</b>		<b>115,795.70</b>
	<b>LESS EXPENSES:</b>		
1,813.19	Advertising and Promotions	2,994.73	
15,077.66	Association Fees	18,164.82	
66,751.61	Depreciation – Plant Greens	65,444.87	
33,629.06	Greens and Surrounds Maintenance	13,400.11	
5,881.43	Insurance	5,578.70	
5,571.49	Motor Vehicles and Equipment	2,506.66	
9,431.97	Payroll Tax	9,731.31	
24,175.57	Sections and Other Bowls (Note 23)	13,788.94	
1,111.75	Staff Training	1,463.03	
18,352.09	Superannuation	19,168.05	
63,353.79	Tournament Expenses	66,021.96	
2,116.41	Uniforms and Staff Amenities	2,472.97	
197,783.06	Wages	214,896.40	
<hr/>		<hr/>	
445,049.08	Total Expenses		435,632.55
<hr/>		<hr/>	
<b>(330,163.01)</b>	<b>Net Loss</b>		<b>(319,836.85)</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 2 – CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION  
FOR THE YEAR ENDED 30TH JUNE, 2016:****INCOME SUMMARY**

<b>2014/15</b>		<b>2015/16</b>
<b>\$</b>		<b>\$</b>
411,526.59	Bar Net Profit	483,601.75
(278,133.68)	Catering Net Loss	(361,279.04)
3,444,929.94	Poker Machine Net Profit	3,622,530.69
(31,653.33)	Keno/TAB Net Loss	(25,923.52)
(330,163.01)	Bowling Net Loss	(319,836.85)
182,475.27	Interest Received	172,825.51
14,571.06	Rent Received	15,022.00
78,359.48	Gymnasium Net Profit	11,688.03
65,399.08	Subscriptions – Social and Junior Gym Members	68,893.89
110,412.95	Other Income	156,571.61
(6,184.93)	(Loss) on Disposal of Asset	(2,274.35)
<hr/> <b>3,661,539.42</b>	<b>Total Gross Income</b>	<hr/> <b>3,821,819.72</b>
	<b>LESS EXPENSES:</b>	
115,192.27	Advertising	119,900.24
4,500.00	Accounting Fees – Taxation Preparation	4,500.00
46,200.00	Audit Fees	46,200.00
18,391.49	Bank Fees	22,750.73
1,776.97	Car Park/Surrounds Repairs/Maintenance	4,132.25
226,125.94	Cleaning Contract/In House	221,635.46
12,320.33	Courtesy Bus Expenses	5,927.80
546,509.22	Depreciation – Building	375,117.17
4,032.28	Depreciation – Courtesy Bus	3,611.85
54,234.13	Depreciation – Furniture and Fittings	42,100.33
108,630.43	Depreciation – Plant Clubhouse	104,457.15
5,095.20	Directors' Expenses	3,421.51
60.00	Dishonoured Cheques	0.00
66,310.51	Donations	74,589.00
209,414.17	Electricity	168,610.75
316,741.28	Entertainment	305,130.67
12,103.00	Fringe Benefits	11,447.92
36,000.00	Honoraria	36,000.00
143,041.30	House Repairs and Maintenance	139,014.54
36,179.24	Office Equipment Repairs/Maintenance	36,170.09
142,219.88	Insurance	134,104.16
13,181.21	Land Tax	14,074.89
12,784.52	Legal Fees	26,148.87
66,310.76	Amalgamation Legal and Other Expenses	0.00
17,243.58	Licence Fees – Other	20,833.84
116,704.08	Members' Direct Expenses	136,515.87
9,364.52	Motor Vehicle Expenses	8,044.40
44,563.50	Payroll Tax	47,852.98

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 2 – CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION  
FOR THE YEAR ENDED 30TH JUNE, 2016:**

2014/15 \$	<b>LESS EXPENSES: (continued)</b>	2015/16 \$
26,462.26	Postage and Stationery	18,945.77
45,593.39	Professional Services	9,845.19
67,434.79	Rates – Council	69,500.89
204.57	Recruitment Costs	2,471.75
15,039.74	Residential	13,732.55
2,995.85	Security Services	4,211.81
1,012.49	Shortages	656.34
22,363.31	Staff and Directors' Training	52,916.91
24,289.58	Subscriptions	26,026.61
404.34	Sundry	523.36
101,557.72	Superannuation	104,099.50
35,450.40	Telephone	30,281.39
19,675.22	Uniform and Staff Amenities	23,496.07
236,696.28	Wages – Reception	244,042.39
163,003.39	Wages – Creche, Bus, Maintenance	159,264.43
567,571.59	Wages – Administration	606,898.18
3,714,984.73	Total Expenses	3,479,205.61
<b>(53,445.31)</b>	<b>Net (Loss) Profit</b>	<b>342,614.11</b>

**NOTE 3 – CASH:**

195,000.00	Change – Cash Float	210,000.00
66,657.22	Westpac Banking Corp. – Secured	188,833.74
11,109.54	Westpac Banking Corp. – Keno	17,548.22
12,177.53	Westpac Banking Corp. – TAB	10,637.20
1,000.00	Westpac Banking Corp. – Gaming Links	1,000.00
5,934,276.80	Short Term Investments	5,516,195.39
<b>6,220,221.09</b>		<b>5,944,214.55</b>

**NOTE 3a – RECEIVABLES:**

35,921.34	Trade Debtors	18,916.93
94,517.25	Debtors – Other	165,520.49
<b>130,438.59</b>		<b>184,437.42</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

2014/15 \$		2015/16 \$
<b>NOTE 4 – INVENTORIES:</b>		
91,396.88	Stock on Hand at Cost – Bar	87,826.36
33,190.87	Stock on Hand at Cost – Catering	40,020.14
16,913.10	Stock on Hand at Cost – Bowls Shop	17,006.52
<hr/> <b>141,500.85</b>		<hr/> <b>144,853.02</b>
<b>NOTE 5 – OTHER:</b>		
157,265.53	Prepayments	44,754.78
0	Road Development Deposit	400,000.00
<hr/> <b>157,265.53</b>		<hr/> <b>444,754.78</b>
<b>NOTE 6 – PROPERTY, PLANT AND EQUIPMENT – FIXED ASSETS:</b>		
241,147.60	Greens – Plant and Equipment	242,393.05
(165,282.28)	<b>Less:</b> Provision for Depreciation	(186,449.99)
<hr/> <b>75,865.32</b>		<hr/> <b>55,943.06</b>
36,787.78	Kitchen – Plant and Equipment	36,787.78
249,421.79	Rockpool Café – Plant and Equipment	254,078.61
(237,362.61)	<b>Less:</b> Provision for Depreciation	(260,387.87)
<hr/> <b>48,846.96</b>		<hr/> <b>30,478.52</b>
3,790.91	Kitchen – Furniture and Fittings	3,790.91
163,917.47	Rockpool Café – Furniture and Fittings	163,917.47
(96,717.09)	<b>Less:</b> Provision for Depreciation	(100,955.26)
<hr/> <b>70,991.29</b>		<hr/> <b>66,753.12</b>
680,692.18	New Bistro – Plant and Equipment	705,078.09
(528,995.20)	<b>Less:</b> Provision for Depreciation	(601,634.35)
<hr/> <b>151,696.98</b>		<hr/> <b>103,443.74</b>
91,839.03	New Bistro – Furniture and Fittings	91,839.03
(90,921.42)	<b>Less:</b> Provision for Depreciation	(91,175.76)
<hr/> <b>917.61</b>		<hr/> <b>663.27</b>
138,430.14	Bistro Enhancement	138,430.14
(39,062.46)	<b>Less:</b> Provision for Depreciation	(54,641.42)
<hr/> <b>99,367.68</b>		<hr/> <b>83,788.72</b>
3,028,495.75	Poker Machines	3,134,962.87
(1,951,962.43)	<b>Less:</b> Provision for Depreciation	(1,923,004.14)
<hr/> <b>1,076,533.32</b>		<hr/> <b>1,211,958.73</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 6 – PROPERTY, PLANT AND EQUIPMENT – FIXED ASSETS:**

<b>2014/15</b> \$		<b>2015/16</b> \$
378,749.52 (54,112.51)	Loyalty System <b>Less:</b> Provision for Depreciation	378,749.52 (108,241.20)
<b>324,637.01</b>		<b>270,508.32</b>
135,328.90 (36,012.26)	Alfresco Gaming <b>Less:</b> Provision for Depreciation	135,328.90 (41,404.33)
<b>99,316.64</b>		<b>93,924.57</b>
1,634.55 (1,634.55)	Keno – Plant and Equipment <b>Less:</b> Provision for Depreciation	1,634.55 (1,634.55)
<b>0.00</b>		<b>0.00</b>
157,675.04 (143,879.46)	TAB/Sky – Plant and Equipment <b>Less:</b> Provision for Depreciation	157,675.04 (151,955.25)
<b>13,795.58</b>		<b>5,719.79</b>
297,709.47	Car Park Extension – At Cost	297,709.47
<b>297,709.47</b>		<b>297,709.47</b>
1,425,629.55 (165,962.45)	95/97 Main Street, Merimbula <b>Less:</b> Provision for Depreciation	1,425,629.55 (174,623.03)
<b>1,259,667.10</b>		<b>1,251,006.52</b>
9,158,349.03 (7,862,718.33)	Club House – at Cost <b>Less:</b> Provision for Depreciation	9,404,934.53 (7,990,222.17)
<b>1,295,630.70</b>		<b>1,414,712.36</b>
128,302.50	Poker Machine Licences Shortland	128,302.50
<b>128,302.50</b>		<b>128,302.50</b>
5,626,652.94 168,953.86 (1,404,151.43)	Club Extension Land Development <b>Less:</b> Provision for Depreciation	5,626,652.94 266,630.77 (1,643,104.18)
<b>4,391,455.37</b>		<b>4,250,179.53</b>
1,503,032.28 (936,418.40)	Club – Plant and Equipment <b>Less:</b> Provision for Depreciation	1,684,672.32 (1,044,487.40)
<b>566,613.88</b>		<b>640,184.92</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 6 – PROPERTY, PLANT AND EQUIPMENT – FIXED ASSETS:**

2014/15 \$		2015/16 \$
395,799.11 (288,961.26)	Bar – Plant and Equipment <b>Less:</b> Provision for Depreciation	398,264.11 (330,486.59)
<b>106,837.85</b>		<b>67,777.52</b>
606,311.80 (429,398.69)	Club Furniture and Fittings <b>Less:</b> Provision for Depreciation	606,311.80 (471,499.02)
<b>176,913.11</b>		<b>134,812.78</b>
184,776.61 (51,474.98)	Gymnasium <b>Less:</b> Provision for Depreciation	340,121.55 (70,064.05)
<b>133,301.63</b>		<b>270,057.50</b>
1,927,717.56 (1,664,647.50)	Bowling Greens – at Cost <b>Less:</b> Provision for Depreciation	1,927,717.56 (1,708,924.66)
<b>263,070.06</b>		<b>218,792.90</b>
0.00 (0.00)	Bowling Greens Covered <b>Less:</b> Provision for Depreciation	252,371.50 (0.00)
<b>0.00</b>		<b>252,371.50</b>
0.00 (0.00)	New Internal Renovation <b>Less:</b> Provision for Depreciation	5,786.00 (0.00)
<b>0.00</b>		<b>5,786.00</b>
<b>10,581,470.06</b>	<b>Total Property, Plant and Equipment</b>	<b>10,854,875.34</b>

**NOTE 6a:**

An independent revaluation of land and buildings was undertaken on 30th June 2015 by a Registered Valuer. The revaluation was undertaken as part of a policy to revalue land and buildings every three years and was based on fair value as part of an ongoing concern basis. The valuation revealed a current market value of \$16,445,000.

**NOTE 6b – TURA BEACH COUNTRY CLUB LOAN INTEREST FREE:**

Pursuant to the terms of the Deed:

The debt to MIBC of \$112,205.42 (remaining balance as at 30th June 2016 is \$72,466.05) will be payable to MIBC by TBCC over seven years from the De-amalgamation Date provided that:

1. No payment will have to be made within the first three years from the De-amalgamation Date; and
2. The minimum payment for each year after the third anniversary of the De-amalgamation Date until the seventh anniversary of the De-amalgamation Date will be 25% of the total due to MIBC payable by monthly instalments.

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 6c – MOVEMENT IN CARRYING AMOUNTS:**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

<b>2015/16:</b>	<i>Balance at the beginning of the Year</i>	<i>Additions</i>	<i>Disposals</i>	<i>Depreciation</i>	<i>Carrying Amount at the end of the Year</i>
<i>Economic entity:</i>					
Freehold land	1,342,826	–	–	872	1,341,954
Greens and Car Park	560,780	252,372	–	44,277	768,875
Buildings	5,913,952	288,526	–	403,247	5,799,231
Licenses	128,303	–	–	–	128,303
Plant and Equipment	2,613,649	804,414	2,274	707,682	2,708,107
Non Core Vacant Land	21,960	86,446	–	–	108,406
<b>Total</b>	<b>10,581,470</b>	<b>1,431,758</b>	<b>2,274</b>	<b>1,156,078</b>	<b>10,854,876</b>

<b>2014/15:</b>	<i>Balance at the beginning of the Year</i>	<i>Additions</i>	<i>Disposals</i>	<i>Depreciation</i>	<i>Carrying Amount at the end of the Year</i>
<i>Economic entity:</i>					
Freehold land	1,343,698	–	–	872	1,342,826
Greens and Car Park	605,202	–	–	44,422	560,780
Buildings	6,456,233	32,007	–	574,288	5,913,952
Licenses	128,303	–	–	–	128,303
Plant and Equipment	2,814,731	563,670	20,317	744,435	2,613,649
Non Core Vacant Land	21,960	–	–	–	21,960
<b>Total</b>	<b>11,370,127</b>	<b>595,677</b>	<b>20,317</b>	<b>1,364,017</b>	<b>10,581,470</b>

**NOTE 7 – PAYABLES:**

744,249.85	Trade Creditors	553,124.29
145,876.61	Accrued Charges	210,669.43

**890,126.46****763,793.72****NOTE 8 – PROVISIONS:**

878,252.91	Opening Balance at 1 July, 2015	954,106.26
443,453.65	Additional Provisions raised during year	465,619.32
(367,600.30)	Amounts Used	(346,994.24)

**954,106.26 Closing Balance at 30th June, 2016****1,072,731.34**

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

2014/15 \$	<b>Analysis of Employee Provisions:</b>	2015/16 \$
	Current:	
682,161.65	– Annual and Sick Leave Entitlements	770,071.26
168,044.18	– Long Service Leave Entitlements	183,484.21
<b>850,205.83</b>	<b>Total Current Entitlements</b>	<b>953,555.47</b>
	Non-current:	
103,900.43	– Long Service Leave Entitlements	119,175.87
<b>103,900.43</b>	<b>Total Non-Current Entitlements</b>	<b>119,175.87</b>
<b>954,106.26</b>	<b>Total Entitlements</b>	<b>1,072,731.34</b>

**Employee Provisions:** Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**NOTE 9 – OTHER:**

87,693.03	Subscriptions in Advance	114,629.81
45,804.43	Income in Advance	63,074.20
3,611.60	Provisions for Poker Machine Jackpots	15,730.28
<b>137,109.06</b>		<b>193,434.29</b>

**NOTE 10 – SERVICE AGREEMENT COMMITMENTS:**

Non Cancellable Service Agreements contracted for but not capitalised in the financial statements:

– not later than 12 months Nil

**NOTE 11 – AUDITOR’S REMUNERATION:**

Amounts due and receivable for audit services total \$46,200 plus non audit services of \$4,500.

**NOTE 12 – MEMBERS’ GUARANTEE:**

The Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the Company.

At 30th June, 2016, the number of members were 8,266 (30th June, 2015 – 8,047).



**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 13 – RELATED PARTY TRANSACTIONS:**

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

**(a) Directors**

The names of persons who were Directors of the Company at any time during the year are as follows:

Ian MARTIN	Terence Anthony KILLEN
Peter James MOORE	William Henry ROGERS
Gary John TELFORD	Christine KEENS
Ronald James CHRISTIE	Ricky John HOLT
Gerald George HAMMOND	Gregory Thomas HALLORAN
Brian John KENNEDY	

**(b) Directors' Remuneration**

The Directors did not receive any remuneration from the Company during the year other than Honorariums and reasonable costs which have been approved at the Annual Meeting.

**(c) Transactions with Directors and Director related Entities**

There were no transactions with Directors, other than those at normal commercial terms and conditions.

**NOTE 14 – FINANCIAL RISK MANAGEMENT:****(a) Financial Risk Management**

The entity's financial instruments consist mainly of deposits with the bank accounts receivable and payables. The entity relies on this working capital as its source of funds. The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

2014/15			2015/16
\$	Financial Assets		\$
90,944.29	Cash at Bank	Note 3	218,019.16
5,934,276.80	Short Term Investments	Note 3	5,516,195.39
195,000.00	Cash on Hand	Note 3	210,000.00
130,438.59	Receivables	Note 3a	184,437.42
<b>6,350,659.68</b>			<b>6,128,651.97</b>
	Financial Liabilities		
744,249.85	Trade Creditors	Note 7	553,124.29
<b>744,249.85</b>			<b>553,124.29</b>
<b>5,606,409.83</b>	Net Financial Assets		<b>5,575,527.68</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

**NOTE 15 – FAIR VALUE MEASUREMENTS:**

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

**Recurring fair value measurements:**

Property, Plant and Equipment

<b>2015</b>		<b>2016</b>
\$		\$
7,839,518	Freehold Land and Improvements	8,018,467
2,613,649	Plant and Equipment	2,708,106

For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in the previous year, which used comparable market data for similar properties.

**NOTE 16 – NOTES TO STATEMENT OF CASH FLOWS:**

**(a) Reconciliation of Cash:** For the purpose of this statement of cash flows, cash includes:

- (i) cash on hand and at-call deposits with banks or financial institutions, net of bank overdrafts; and
- ii) investments in money market instruments with less than 259 days to maturity .

Cash at the end of the year is shown in the balance sheet as:

<b>2014/15</b>		<b>2015/16</b>
\$		\$
195,000	Cash on Hand	210,000
90,944	At-call Deposits with Financial Institutions	218,020
5,934,277	Short Term Investments	5,516,195
<b>6,220,221</b>	<b>Net Assets per Financial Statement</b>	<b>5,944,215</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**(b) Reconciliation of Cash Flow from Operations with (Loss) Profit from Ordinary Activities:**

<b>2014/15</b>		<b>2015/16</b>
<b>\$</b>		<b>\$</b>
(93,137)	(Loss) Profit from Ordinary Activities after Income Tax	295,465
	<b>Non-cash Flows from Ordinary Activities:</b>	
1,364,017	Depreciation	1,156,077
6,185	Loss on Sale Non-Current Assets	2,274
	<b>Changes in Assets and Liabilities:</b>	
29,289	(Increase) Decrease in Receivables	(53,999)
24,048	Decrease (Increase) in Prepayments	112,511
(8,121)	Increase in Inventories	(3,352)
(14,816)	Decrease (Increase) Other Assets	(12,242)
86,839	(Decrease) in Trade Creditors	(188,795)
(44,811)	(Decrease) Increase in Accrued Charges	49,957
(43,786)	(Decrease) Increase in Income in Advance	44,207
(8,102)	(Decrease) Increase – Other Liabilities	0
133,430	(Decrease) Increase – Provisions	135,627
<b>1,431,035</b>	<b>Cash Flows from Operations</b>	<b>1,537,730</b>

**NOTE 17 – KEY MANAGEMENT PERSONNEL:**

The Company is run by the Board of Directors. All major business decisions are made by the Board. The day-to-day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board no key management personnel disclosures are deemed appropriate.

**NOTE 18 – CAPITAL MANAGEMENT:**

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. Management ensures all the overall risk management strategy is in line with this objective. Management operates under policies approved by the Board of Directors. Informal risk management policies are discussed by the Board on a regular basis. These include credit risk and future cash flow requirements. The Company's capital consists of financial liabilities, supported by financial assets. Management effectively manages the Company's capital by assessing the Company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

**NOTE 19 – STATEMENT OF OPERATIONS BY SEGMENTS:**

The Company operates in the Licensed Registered Clubs Sector within New South Wales.

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)**NOTE 20 – INCOME TAX EXPENSE:**

<b>2015</b>		<b>2016</b>
<b>\$</b>		<b>\$</b>
(53,445)	Operating (Loss) Profit before Tax	342,614
(92,005)	Less: Members' Subscriptions	(97,125)
0.00	Stamp Duty Refund	(54,239)
(347,980)	Non apportionable	(273,670)
49,827	Add: Sections Income	35,759
1,308,424	Non allowable, non apportionable and part apportionable expenses	1,382,966
<b>864,821</b>		<b>1,336,305</b>
328,373	Portion Attributable to Non-members	495,100
390,987	Add: Non apportionable items	285,063
(521,550)	Less: Non and part apportionable items	(582,193)
(16,117)	Previous Year's Loss	0
<b>181,693</b>	<b>Taxable Income</b>	<b>197,970</b>
54,508	Tax on taxable income x (30%)	59,391
0.00	Less: Tax Instalment Paid	14,836
<b>54,508</b>	<b>Tax Payable</b>	<b>44,555</b>

**NOTE 21 – DEFERRED TAX ASSETS AND LIABILITIES FOR EACH TYPE OF TEMPORARY DIFFERENCE:**

<b>Deferred Tax Assets</b>		
682,161	Provision for Annual Leave and Sick Pay	770,071
271,945	Provisions for Long Service Leave	302,660
46,200	Audit Provision	46,200
36,283	Superannuation	52,779
<b>1,036,589</b>		<b>1,171,710</b>
642,996	Adjustment for Member Component	737,591
<b>393,593</b>		<b>434,119</b>
<b>Deferred Tax Liabilities</b>		
49,780	Debtor – Other	50,262
49,780		50,262
30,878	Adjustment for Member Component	31,640
<b>18,902</b>		<b>18,622</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

<b>2015</b>		<b>2016</b>
<b>\$</b>	<b>Deferred Tax Amounts recognised in Income Tax Expense:</b>	<b>\$</b>
	<b>Deferred Tax Assets</b>	
204,648	Provision for Annual Leave and Sick Pay	231,021
81,583	Provisions for Long Service Leave	90,798
13,860	Audit Provision	13,860
10,885	Superannuation	15,834
<hr/>		<hr/>
310,976		351,513
192,899	Adjustment for Member Component	221,277
<hr/>		<hr/>
<b>118,077</b>	<b>Total Deferred Tax Asset</b>	<b>130,236</b>
	<b>Deferred Tax Liabilities</b>	
14,934	Debtor – Other	15,079
<hr/>		<hr/>
14,934		15,079
9,264	Adjustment for Member Component	9,492
<hr/>		<hr/>
<b>5,670</b>	<b>Total Deferred Tax Liabilities</b>	<b>5,587</b>
<hr/>		<hr/>
<b>112,407</b>	<b>Net Deferred Tax Asset</b>	<b>124,649</b>
97,591	Opening Balance at 1st July, 2015	112,407
112,407	Closing Balance at 30th June, 2016	124,649
<hr/>		<hr/>
<b>14,816</b>	Movement in Deferred Tax for the financial year	<b>12,242</b>
<hr/>		<hr/>

**NOTE 22 – TAX EXPENSE:**

	The Components of tax (expense)/income comprise:	
(54,508)	Current Tax	(59,391)
14,816	Deferred Tax	12,242
<hr/>		<hr/>
<b>(39,692)</b>		<b>(47,149)</b>
<hr/>		<hr/>

**NOTE 23 – ASSOCIATED ENTITIES:**

There are two associated sports bodies (as recognised under Article 45 of the Constitution of the Company), managed and controlled by separate committees' set up under the conditions inherent in those articles. The income and expenditure of the committees has not been consolidated in the books of account of the company nor have they been part of the company's audit process. These bodies hold in various bank accounts the following amounts as at 30th June, 2016.

Merimbula-Imlay Women's Bowling Club	\$40,456.72
Merimbula-Imlay Men's Bowling Club	\$73,027.85
Merimbula-Imlay Indoor Carpet Bowls Club	\$1,791.02

**NOTE 24 – COMPANY DETAILS:**

The registered office of the company is: Merimbula-Imlay Bowling Club Limited,  
119 Main Street, Merimbula NSW 2548

The principal place of business is: Merimbula-Imlay Bowling Club Limited,  
119 Main Street, Merimbula NSW 2548

Limited by capital guarantee unlisted.

**NOTES TO AND FORMING PART OF THE ACCOUNTS** (continued)

## **CORE AND NON-CORE PROPERTIES**

Pursuant to Section 41J (2) of the Registered Clubs Act for the financial year ended 2016:

- (m) The following properties are core property of the Club:
- (i) The club house, bowling greens and car park currently forming part of Lot 912 Deposited Plan 855433 Parish of Pambula, County of Auckland, Shire of Bega, with the exception of the small car park situated to the east of the main car park and north of Lot 2 of Deposited Plan 543333.
- (n) The following are non-core properties:
- (i) The residential property situated at 95 Main Street, Merimbula, being Lot 1 on Deposited Plan 521571 Parish of Pambula, County of Auckland, Shire of Bega.
  - (ii) The vacant land situated at 97 Main Street, Merimbula, being Lot 2 on Deposited Plan 521571 Parish of Pambula, County of Auckland, Shire of Bega.
  - (iii) The vacant land situated between the Merimbula Creek and the Club's car park and extending behind a number of properties in Main Street, Merimbula, currently forming part of Lot 912 Deposited Plan 855433 Parish of Pambula, County of Auckland, Shire of Bega.
  - (iv) The small car park situated to the east of the main car park and to the north of Lot 2 of Deposited Plan 543333.

### **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 are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself.

## **CURRENT LIFE MEMBERS**

J. Lockyer – 1999, I. Stroud – 2003 and R. Caterson – 2012

## **CLUB PATRON**

R. Caterson

## **DONATIONS FOR 2015/16**

### ***Organisations supported throughout the year included:***

Alzheimers Australia NSW  
Autism Spectrum Australia  
Bandara Children's Services  
Bega District Volunteer Rescue Group  
Bega First Scouts  
Bega High School  
Bega Men's Shed Inc.  
Bega Senior Citizens  
Bermagui Senior Citizens Welfare Club  
Cathleen Liddell  
Eden Community Access Centre Inc.  
Eden Local Aboriginal Land Council  
Eden Marine High School  
Eden Primary School  
Imlay House Nursing Home Auxilliary  
K. Vatcher  
Kellie Young  
Life Education NSW  
Lions Club of Pambula-Merimbula Inc.  
Marine Rescue NSW – Bermagui Unit  
Marine Rescue NSW – Merimbula Unit  
Men of League Foundation Ltd.  
Men's Shed at Merimbula  
Merimbula & District Arts Group  
Merimbula Big Game & Lake Angling Club  
Merimbula Chamber of Commerce  
Merimbula Grasshoppers SCF Inc  
Merimbula Jazz Festival Inc.  
Merimbula Knights Cricket Club

Merimbula Pambula Junior Rugby League  
Merimbula Pro Gift  
Merimbula Public School  
Old Bega Hospital Reserve Trust  
Pambula A H & P Society Inc.  
Parkinson's NSW Inc.  
Pirate Studios  
Police Citizens Youth Clubs NSW Ltd.  
Reaching Out Foundation Ltd.  
Road Safety Education Ltd.  
Sapphire Coast Boardriders  
Sapphire Coast Netball Association  
Sapphire Coast Rock 'n' Rodders  
Sapphire Coast Runners  
Sapphire Mobile Preschool  
Social Justice Advocates of the  
Sapphire Coast  
South Coast Area Schools Lawn Bowls  
Spectrum Theatre Group Inc.  
St Vincent de Paul Society – Bega  
St Vincent de Paul Society – Merimbula  
Suicide Prevention Action Network  
Tathra Wharf to Waves  
Tracey Beasley-Smith  
Typhoons Softball Team  
Wallaga Lake Bermagui Men's Shed  
Wyndham Primary P&C  
Zone 21 RSL Bowls



