

# **ILUKA BOWLS CLUB LTD**

**2012**

## **ANNUAL REPORT and BALANCE SHEET**

**Chairperson:** N. R. Gray

**Vice Chairperson:** M. P. Hammond

**Vice Chairperson:** L. Thomme

**General Manager:** Clem Millard

**Directors:**

R. R. Flaherty

J. Reynolds

D. J. Mills

A. Day

**BANKERS:**

Banana Coast Credit Union

**SOLICITORS:**

Piggott Stinson Lawyers

**AUDITORS:**

Wappett & Partners Lismore

**LIFE MEMBERS:**

R Cason, W Hammond, D Cameron, S Wiblen, D Horn, J E Garner

W Cooper, N L Tidbury, D Burnes, E Cason, R Gray, A Cooper,

P. J. Wheeler.

**PATRONS:**

Ron Taylor, John Schaefer and Jeff MacKenzie

# ILUKA BOWLS CLUB LTD

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Iluka Bowls Club Ltd will be held in the Club Auditorium, Spencer Street, and Iluka on Sunday 2<sup>nd</sup> September, 2012 at 10.00am. Voting for Officials is in the Club Auditorium from 2pm to 8.00pm on Thursday 30<sup>th</sup> August and 2pm to 7pm Friday 31<sup>st</sup> August 2012.

### **BUSINESS:**

1. Apologies
2. Confirmation of Minutes
3. To receive and consider the Annual Report of the Board.
4. To receive and consider the Balance Sheet, Income and Expenditure Accounts and Auditors' Report. (Any questions that a member has regarding the financial report should be directed to Clem Millard, General Manager, Iluka Bowls Club Ltd P O Box 39 Iluka NSW 2466, in writing by the close of business at least seven (7) days before the Annual General Meeting so that answers can be provided.)
5. Declaration of Ballot.
6. Election of Patrons.
7. Notices of Motion.

**NOTICE** is hereby given that at the Annual General Meeting of **ILUKA BOWLS CLUB LIMITED** to be held on Sunday 28<sup>th</sup> August 2011 commencing at the hour of 10am at the premises of the Club, Spencer Street, Iluka, New South Wales the members will be asked to consider and if thought fit pass the following resolution below which is proposed as a Special Resolution:

### **FIRST SPECIAL RESOLUTION**

That the Constitution of Iluka Bowls Club Limited be amended as follows:

- (a) By inserting in Rule1(a) after the definition of the "*the Act*" and before the definition of "*the Board*" the following new definition:

**" Biennial General Meeting"** means the Annual General meeting in 2013 and every second Annual General Meeting thereafter being the Annual General Meetings in respect of which the Board shall be elected to office pursuant to these rules."

(b) By **deleting** Rules 34(a) and 34(b) and in there place inserting the following new Rules 34(a) and 34(b):

“34. (a) At the Annual General meeting of the Club in 2013 and thereafter the Board shall be elected biennially, that is to say each director shall hold office until the next Biennial General Meeting of the Club after that at which he or she was last elected to office.

(b) At the Biennial General Meeting after a director was last Elected to office, that director may be re-elected subject to being eligible pursuant to the rules.”

(c) By **deleting** the words “Annual General Meeting” wherever appearing and substituting the words “Biennial General Meeting” in the following rules;

(i) 35(a), 35(c) (excluding sub paragraph (v)).

(ii) 35(d), 35(e) and

(iii) 41(a) and 41(b)

(d) by **deleting** Rule 37 and in its place **inserting** the following new Rule 37:

“37. The members of the Board elected to office at the Annual General Meeting in 2012 shall, subject to these Rules, hold office until the Annual General Meeting in 2013 (being the first Biennial General Meeting) when they shall retire but shall, subject to these Rules, be Eligible for re-election.”

## **SECOND SPECIAL RESOLUTION**

That, with effect from the Annual General Meeting in 2013, the Constitution of Iluka Bowls Club Limited be **amended** as follows:

(e) by **deleting** Rule 35(g) and **renumbering** Rule 35(h) as Rule 35(g).

(f) by **inserting** the following new Rule 35A:

“At the first meeting of the Board following each Annual General Meeting the Board shall elect from amongst their number a Chairperson and two (2) Deputy Chairpersons for the purpose of Rule 33A and sub paragraph (b) of that Rule shall apply to that election.”

Dated

By direction of the Board

Clem Millard General Manager

## **NOTES TO MEMBERS**

### **Notes on the First Special Resolution**

The First Special Resolution, if passed, will introduce the Biennial Election of the Board, with effect from the Annual General Meeting in 2013.

Under the biennial system, the whole Board is elected for 2-year terms. This is considered desirable as it allows new Board members a greater period of time in which to become acquainted with their duties and obligations as directors, and to become acquainted with the business and affairs of the Club before having to face the members at an election. The biennial system also provides greater stability on the Board.

Also, the current State government has made it clear to the Club industry that it expects clubs to move away from the annual election of their boards and to adopt either the biennial election of boards or the triennial election of boards. To this end, the Registered Clubs Act was amended late last year, to make compulsory the triennial election of boards, but as a consequence of submissions made by ClubsNSW this particular amendment is not presently operational. But it is there for the government to use if it wishes to compel clubs to move away from the annual election of boards.

Notwithstanding the biennial system (if the special resolution is passed) under the Corporations Act members can requisition a general meeting at any time for the purposes of removing directors from office and appointing new directors in their place.

### **Notes on the Second Special Resolution**

The Second Special Resolution takes effect from the Annual General Meeting in 2013 and provides for the Chairperson and two Deputy Chairpersons of the Club to be elected, by their fellow directors at the first meeting of the Board after each Annual General Meeting.

This system allows the Board to pick the person who will be the Chairperson and Deputy Chairpersons of the Board and of the Club. It also means that if a Chairperson is not performing adequately, that person can be removed from office (but not as a director) by the Board. This system is believed to provide a break on a chair who might otherwise exceed authority or go beyond the principal of a chairperson being simply the first amongst equals. It also means that Directors are more likely to be united behind the person that they pick as their leader, rather than having that person imposed on them by the members.

A director who is a Non-Bowling member is ineligible to be the Chairperson or a Deputy Chairperson. This is the case under the existing Rules.

## **Procedural Matters**

To be passed a Special Resolution to amend the Constitution of the Club must receive votes from not less than three quarters of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

Only Board Members, Ordinary Bowling Members and Life Members are eligible to vote on a Special Resolution to amend the Constitution of the Club.

Members who are employees of the Club are not entitled to vote.

Proxy voting is prohibited by the Registered Clubs Act.

Amendments (other than minor typographical corrections which do not change the substance or effect of the special resolution) will not be permitted from the floor of the meeting.

The Board of the Club recommends both Special Resolutions to members.

Dated

By Direction of the Board

Clem Millard General Manager

8. Honorariums – Directors.
9. General Business.

Clem Millard  
General Manager

**DONATIONS/SPONSORSHIPS****and****IN KIND**

NSW Marine Rescue Iluka/Yamba	4,600.00	
Westpac Helicopter	500.00	
Grafton Greyhound Racing Club	350.00	
Iluka Race Day	650.00	
Clarence River Jockey Club	350.00	
Iluka Soccer Club	350.00	
Iluka Netball Club	500.00	
Iluka Cossacks Rugby Club	2,500.00	
Iluka Board Riders	800.00	Use of BBQ Area
Cancer Council – Biggest Morning Tea	430.00	
Pink Day for Cancer	100.00	
Workplace Emergency	55.00	
Legacy	50.00	
Darts Club	495.00	Use of Auditorium
RSL Day Club		Use of Auditorium
Iluka Public School		Use of Auditorium
Ratepayers Association		Use of Auditorium
Euchre Players		Use of Auditorium
Rotary		Use of Restaurant
Iluka Chamber of Commerce		Use of Auditorium
Bush Fire Brigade – Bingo Money	200.00	Use of Auditorium
Men's Bowls		Green Fees
Women's Bowls	570.00	Green Fees
	-----	
	9,500.00	

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**DECEASED MEMBERS 2012**

Our thoughts are extended to those members who have lost  
Loved One's during the year.

## **CHAIRMANS REPORT 2012**

I would like to take this opportunity to say thank you to so many people that have supported our club over the past year.

To all our Members and Visitors who spend time in our club thank you for your continued support and I would hope that you can spend as much time as possible in our club over the next 12 months as it will be needed to ensure our future survival.

To my fellow Directors a big thank you for your support as we have had to make some tough decisions this year. Not all decisions have been popular but I believe the decision we have made have been in the best interest of all members associated with our Club.

Thank you to our General Manager Clem for his support and friendship. His hard work and commitment to the club is evident by the way our financial position has turned around this year.

Special thanks to Nicola for all the help you have given me throughout the year and the friendly and very competent way you do your job. To Michelle and our Bar Staff for looking after our members and visitors in your usual friendly way. Thank you to Jim Wheeler our green keeper and Ross Chorley our assistant green keeper who keep our greens in top condition.

I would like to give a very special thank you to the Members that turn up often at short notice when there is extra work to be carried out for the club. Special mention to Bob Spring who looks after our BBQ's, Roast Meals, Seafood Trays and bowls day snacks and so on.

Not forgetting the hard working volunteers and committee members of the Ladies Bowls Club, Men's Bowls Club, Men's Travelling Bowlers, Nomads, Darts, Cards and Bingo. Thank you all.

Congratulations to the men and women bowlers who have been successful in Club Championships and to players that made it to District and Zone.

Thank you once again Jack and Lisa for your continued support of the club and for the friendly way you serve the great food you prepare for our Members and Visitors.

Thanks to my wife Dawn for her ongoing support over the past year.

Now last but not least my very sincere thoughts to our Members who have lost loved ones this year.

Ross Gray Chairperson.

## General Managers Report 2011

To all Member's,

Once again I would like to thank our members for supporting the club during the year. Your ongoing patronage, whether it be for bowls, raffles, meetings or just calling in for a drink will ensure our survival going forward. Also thanks to the many visitors who come back year after year and support us as well.

It has been pleasing to see things start to turn around and head in the right direction.

Our poker machine revenue was up \$36,000 on the previous year and our beverage sales up \$13,000 on the previous year which was positive signs. Our expenses were well controlled considering most things went up in price. We have tried to keep the price increases on most things to a minimum to support our members.

To reduce our loss from \$131,000 in 2010 to \$65,000 in 2012 is an excellent result considering a lot of other clubs have either folded up or gone into amalgamation with other clubs just to survive.

Kitchen update: Development Application has been approved. Estimates for erection of a new kitchen are around \$450,000 to \$500,000. I believe we should have the money in the Bank before building the new kitchen. This may take us another one or two years before we achieve this but I don't believe going into debt to fund a new kitchen would be a good financial decision especially as the economy has still not fully recovered from the recession.

I would like to thank Ross Gray and the Board of Directors for supporting my role as General Manager within the Club. They have always let me do my job and have provided support for me where necessary. Thank you all.

The Administration, Bar, Greens, Bowls and Maintenance Staff once again deserve special thanks for their efforts over the last year. It's not easy working and living in a small town like Iluka where you must put aside either friendships or differences and focus on your role within the club and try to make every member and visitor feel welcome and appreciated. To this end the staff have done an excellent job.

Special thanks to all those people who have worked hard on the committee's of Men's bowls, Ladies bowls, Travelling bowlers, Nomads and Darts. Also thank you to the volunteers who run Bingo, Cards and the Day Club. As they say, it's all about "bums on seats". Special mention to Spring Bob who has been there to help all the committees just mentioned especially with BBQ's, Roasts, Hot Snacks and Seafood Trays. Thanks also to the bowls umpires and coaches and other individuals who have helped out during the year. All your time and effort is much appreciated.

To Jack and Lisa Law thanks again for your continued support of the Club and the great food and service you provide in the Restaurant.



Thank you to our cleaning contractors Chrissy and Marg who keep our club spotless day in day out. An excellent job girls, well done.

A special thankyou to my wife Lyn for the many hours of work you contribute to the Club in support of my role as General Manager.

Finally, the Carbon Tax. This tax will undoubtedly cause our expenditure to increase significantly from July 2012. For instance, we can expect our electricity bill to increase by up to \$15,000 this financial year. Normal gas, refrigeration gas, delivery costs, waste collection etc will all increase due to the carbon tax. This tax will no doubt place further strain on our bottom line and may have to be absorbed by price increases in some areas.

I wish you all the best for the coming year and great bowling to all.

Clem Millard  
General Manager

# **Iluka Bowls Club Limited**

**Directors' Report and Financial Statements**

**for the Year Ended 30 June 2012**

**Iluka Bowls Club Limited**  
**Directors' Report for the Year Ended 30 June 2012**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2012.

The directors who held office during the year were as follows:

- N R Gray
- M P Hammond
- L Thomme (appointed 29 August 2011)
- A F Day
- R R Flaherty
- D J Mills
- J L Reynolds (appointed 29 August 2011)  
(resigned 21 June 2012)
- W D Burnes (resigned 29 August 2011)
- R W Greenwood (resigned 29 August 2011)

**OBJECTIVES**

The short and long term objectives of Iluka Bowls Club Limited are:

- i) to ensure that the club's financial position remains sound in both the short and long term so that members can enjoy their Club for many years to come;
- ii) to make sound decisions that promote the game of lawn bowls and provides a place for both members and visitors to enjoy socially; and
- iii) to make improvements to the existing clubhouse and greens and to improve the asset position of the club's balance sheet.

The strategy that the club employs to achieve those objectives is to;

- i) carefully monitor income and expenditure to improve operating profit;
- ii) introduce new ideas that will attract more people to the club to improve income streams;
- iii) promote lawn bowls at every opportunity - especially to the younger generation who will be our bowlers of the future; and
- iv) look at both commercial and residential developments that will improve the club's asset base and provide additional income on a long term basis for the club.

**Iluka Bowls Club Limited**  
**Directors' Report for the Year Ended 30 June 2012**

..... *continued*

**PRINCIPAL ACTIVITIES**

The principal activities of the company during the year were playing and promoting the game of lawn bowls and providing a meeting place for members and visitors to enjoy socially, whether it be for sport, entertainment, food or leisure activities.

Those activities assisted in achieving the entity's objectives by providing the best bowling greens in the area and by continually looking at ways to attract more bowlers of both genders. This has provided the club with an excellent source of income so the club can make improvements and remain viable into the future. The club has ensured that it continues to provide a quality venue for members and visitors to enjoy socially and has promoted its facilities to bowlers, sporting organisations and visitors in the township of Iluka. The club has also been able to undertake many capital improvements over the financial year including a new residence, air conditioning system and maintenance shed.

**MEASUREMENT OF PERFORMANCE**

The Iluka Bowls Club Limited measures its performance by profit and customer satisfaction. Performance is also measured against budget forecasts. Key performance indicators used by the club in monitoring performance include review of gross profit, profit to turnover and profit to income percentages.

**REAL PROPERTY**

The core property of the Club as at the end of the financial year was:

- Club House, Greens, Laneway and BBQ area (Lot 1 DP 1171552)
- Denne Street (Lot 1 DP 823657)

The non-core property held by the Club at the end of the financial year was:

- Sports Field (Lot 93 DP 822834)
- Land at end of Sports Field/ Long Street (Lot 91 DP 821934)
- Residence (Lot 4 DP 758535)
- Managers' Residence (Lot 5 DP 758535)

**Iuka Bowls Club Limited**  
**Directors' Report for the Year Ended 30 June 2012**

..... *continued*

**DIRECTORS**

The qualifications, experience and special responsibilities of the company's directors are as follows:

	<b>Qualifications</b>	<b>Experience</b>	<b>Special Responsibilities</b>
N R Gray	Retired Plant Operator	Board member 13 years	Chairperson
M P Hammond	Retired Office Manager	Board member 10 years	Senior Vice Chairperson
L Thomme	Retired Business Owner	Board member 3 years	Junior Vice Chairperson
A F Day	Retired Electrical Linesperson	Board Member 3 years	
R R Flaherty	Retired Credit Manager	Board member 11 years	
D J Mills	Retired Truck Driver	Board member 6 years	

**MEETINGS OF DIRECTORS**

During the financial year 15 meetings of directors were held. Attendance's were:

	<b>Number attended</b>	<b>Number eligible to attend</b>
N R Gray	13	15
M P Hammond	13	15
L Thomme	12	12
A F Day	15	15
R R Flaherty	14	15
D J Mills	13	15
J L Reynolds	9	11
W D Burnes	2	3
R W Greenwood	2	3

**MEMBERS LIABILITY**

If the company is wound up, the constitution states that each member of the club is liable to contribute a maximum of \$5 each toward meeting any outstanding obligations of the Club. At 30 June 2012 the maximum total amount that members of the company would be liable to contribute if the company is wound up is \$7,645.

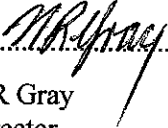
**Iluka Bowls Club Limited**  
**Directors' Report for the Year Ended 30 June 2012**

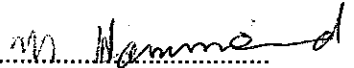
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**AUDITOR'S INDEPENDENCE DECLARATION**

The directors received an independence declaration from the auditor of Iluka Bowls Club Limited. A copy of the independence declaration is attached on page 5.

This report is made in accordance with a resolution of the Board of Directors on 24 July 2012 and signed on its behalf by:

  
.....  
N R Gray  
Director

  
.....  
M P Hammond  
Director

**Iluka Bowls Club Limited**

**Auditor's Independence Declaration under section 307C of the Corporations Act 2001**

24 July 2012

The Board of Directors  
Iluka Bowls Club Limited  
75-77 Spenser Street  
ILUKA NSW 2466


This declaration is made in connection with our audit of the financial report of the Iluka Bowls Club Limited for the year ended 30 June 2012 and in accordance with the provisions of the Corporations Act 2001.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- i. no contraventions of the auditor's 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.

Yours faithfully,

**WAPPETT & PARTNERS**

  
**Trevor W Graham**  
Partner



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PARTNERS

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G.J. Smith B.Bus., LLB., C.A.  
T.W. Graham B.Bus., C.A., FFin.  
A.M. Jones B.Bus., C.P.A.  
S.I. Trustum B.Bus., C.A.  
A. Bazzana B.Bus., C.A.

## Iluka Bowls Club Limited

### Statement of Comprehensive Income for the Year Ended 30 June 2012

	2012 \$	2011 \$
Revenue from ordinary activities (note 2)	1,831,464	1,769,932
Expenses from ordinary activities, excluding finance costs and depreciation (note 3)	(1,683,739)	(1,665,303)
<b>Profit/(loss) from ordinary activities before depreciation, finance costs and income tax expense</b>	<u>147,725</u>	<u>104,629</u>
Depreciation expense (note 3)	(226,248)	(238,243)
<b>Loss before income tax</b>	<u>(78,523)</u>	<u>(133,614)</u>
Income tax expense relating to ordinary activities (note 1)	-	-
<b>Profit/(loss) after income tax</b>	<u>(78,522)</u>	<u>(133,614)</u>

The notes on pages 10 to 24 form an integral part of these financial statements.



**Ihuka Bowls Club Limited**  
**Statement of Financial Position as at 30 June 2012**

	2012	2011
	Note	\$
		\$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	4	259,235
Trade and other receivables	6	2,936
Inventories	7	30,611
Other current assets	8	12,912
Financial assets	5	200,020
<b>Total Current Assets</b>		<u>505,714</u>
<b>Non Current Assets</b>		
Property, plant and equipment	9	3,207,143
<b>Total Assets</b>		<u>3,712,857</u>
<b>Current Liabilities</b>		
Trade and other payables	10	101,439
Financial liabilities	12	5,541
Other liabilities	11	22,524
Provisions	13	83,356
<b>Total Current Liabilities</b>		<u>212,860</u>
<b>Non Current Liabilities</b>		
Financial liabilities	12	185,162
Trade and other payables	10	15,960
Provisions	13	4,635
<b>Total Non Current Liabilities</b>		<u>205,757</u>
<b>Total Liabilities</b>		<u>418,617</u>
<b>Net assets</b>		<u>3,294,240</u>
<b>Equity</b>		
Retained earnings		3,294,240
<b>Total Equity</b>		<u>3,294,240</u>

The notes on pages 10 to 24 form an integral part of these financial statements.

**Iluca Bowls Club Limited**  
**Statement of Changes in Equity for the Year Ended 30 June 2012**

	Note	2012 \$	2011 \$
Total Equity at the beginning of the financial year		3,372,762	3,506,376
Profit/(Loss) from ordinary activities after income tax		(78,522)	(133,614)
<b>Total Equity at the end of the financial year</b>	14	<u>3,294,240</u>	<u>3,372,762</u>

The notes on pages 10 to 24 form an integral part of these financial statements.

**Iluka Bowls Club Limited**  
**Statement of Cash Flows for the Year Ended 30 June 2012**

	Note	2012 \$	2011 \$
<b>Cash Flows From Operating Activities</b>			
Cash receipts in the course of operations		2,007,833	1,934,552
Cash payments in the course of operations		(1,844,425)	(1,815,737)
Interest received		11,349	10,282
Interest Paid		(16,487)	(15,857)
<b>Net cash provided by/(used in) operating activities</b>	17(b)	<u>158,270</u>	<u>113,240</u>
<b>Cash Flows From Investing Activities</b>			
Payments for property, plant and equipment		(79,800)	(50,483)
Proceeds on sale of plant and equipment		-	-
Additional Funds Invested		(50,000)	-
Funds Withdrawn from Investment		8,502	2,961
<b>Net cash provided by/(used in) investing activities</b>		<u>(121,298)</u>	<u>(47,522)</u>
<b>Cash Flows From Financing Activities</b>			
Loan Funds Borrowed		-	-
Loan Funds Repaid		(5,101)	(4,251)
<b>Net cash provided by/(used in) financing activities</b>		<u>(5,101)</u>	<u>(4,251)</u>
<b>Net increase/(decrease) in cash held</b>		31,871	61,467
Cash at the beginning of the financial year		227,364	165,897
<b>Cash at the end of the financial year</b>	17(a)	<u>259,235</u>	<u>227,364</u>

The notes on pages 10 to 24 form an integral part of these financial statements.

## **Iuka Bowls Club Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2012**

#### **Note 1: Statement of Significant Accounting policies**

The principal accounting policies adopted by the company in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs).

#### **Historical Cost Convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

#### **Critical Accounting Estimates**

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 1(1).

#### **a. Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

#### **b. Inventories**

Inventories on hand consist of beer, wines, spirits, cordials and other items purchased for resale.

Inventories are measured at the lower of cost and net realisable value using the first in first out method of assigning costs.

## Iluka Bowls Club Limited

### Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

#### c. **Property, Plant and Equipment**

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

#### **Depreciation**

Depreciation on plant and equipment is calculated using the straight line or diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Clubhouse Buildings	- up to 75 years
Ground Improvements	- up to 14 years
Bowling Green Plant	- up to 14 years
Floor Coverings	- up to 7 years
Fixtures & Fittings	- up to 14 years
Plant & Equipment	- up to 14 years
Poker Machines	- up to 7 years

#### d. **Financial Instruments**

##### **Recognition**

The company classifies its investments in the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets as receivables in the balance sheet (note 6).

##### **Held-to-maturity Investments**

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

## **Iuka Bowls Club Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2012**

..... *continued*

#### **Available-for-sale financial assets**

Are non-derivative financial assets that are either designated as available-for-sale or are not classified as financial assets at fair value through profit and loss, held-to-maturity investments or loans and receivables.

Available-for-sale financial assets are carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

#### **Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### **Impairment**

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

#### **e. Impairment of Assets**

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use which is based on the depreciated replacement cost of the asset.

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

#### **f. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### **g. 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 three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

## **Iluka Bowls Club Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2012**

..... *continued*

#### **h. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

#### **i. Borrowing Costs**

All borrowing costs are recognised in income in the period in which they are incurred.

#### **j. Income Tax**

The company has been granted exemption from income tax under the Income Tax Assessment Act.

#### **k. Intangibles**

Intangible assets include poker machine licences, which were previously granted to the entity. Intangible assets are required to be recognised under Accounting Standard AASB 138 Intangible Assets at fair value. The fair value of these licences cannot be reliably measured at the date of the grant of the licence. The company has therefore not assigned a value to the intangible assets in the balance sheet.

#### **l. Critical accounting estimates and judgments**

The directors evaluate estimates and judgments 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.

##### **Key estimates: Impairment**

The company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

## Iluka Bowls Club Limited

### Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

#### m. New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The new accounting standards are not expected to have a material effect on the financial statements of the company.

#### 2 Revenues from Ordinary Activities

	2012	2011
	\$	\$
Sales revenue	643,788	626,173
<i>Other Operating Revenue</i>		
Poker machine revenue	807,850	771,538
Club Keno commission	29,066	34,302
TAB commission	8,444	7,904
Green Fees	45,087	43,869
Interest received	12,438	10,283
Members Subscriptions	19,282	22,478
Rent received	38,124	37,882
Revenue - Sub Entities	168,302	165,403
Other revenue	59,083	50,100
Total	<u>1,831,464</u>	<u>1,769,932</u>



## Iluka Bowls Club Limited

### Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

#### 3 Expenses from Ordinary Activities

Cost of Sales	290,537	297,938
Depreciation	226,248	238,243
Salaries & wages and related costs	562,385	567,026
Repairs & Maintenance	173,501	141,629
Advertising	6,674	8,284
Austar	13,953	13,588
Cleaning Contractors	57,344	55,413
Electricity	87,028	84,155
Gas - BBQ & Kitchen	14,988	15,911
Honorariums	18,120	20,390
Insurance	35,652	34,769
Interest Paid	16,487	15,857
Legal Costs	3,969	2,541
Loan Borrowing Costs	-	-
Pennant Expenses	8,208	1,953
Printing & Stationery	4,329	5,142
Promotions Expense	18,296	22,838
Provision for employee benefits	4,350	10,009
Rates	11,108	11,154
Sky Channel	18,383	16,824
Telephone	13,237	11,242
Auditor's remuneration		
- Auditing financial report	13,520	13,520
- Accounting services	5,200	5,200
- Other Services	3,720	2,810
Expenses - Sub Entities	181,395	167,835
Other expenses from ordinary activities	121,355	139,275
Total	<u>1,909,987</u>	<u>1,903,546</u>

**Iluka Bowls Club Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2012**

..... *continued*

**4 Cash and cash equivalents**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Cash at Bank	133,125	100,374
Cash at Bank - TAB Account	16,472	26,260
Cash at Bank - Sub Entities	29,867	34,458
Cash at Bank - Raffle Account	12,947	-
Cash on Hand	66,824	66,272
	<u>259,235</u>	<u>227,364</u>

**5 Financial assets**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Available-for-sale financial assets (5a)	20	20
Held-to-maturity financial assets (5b)	200,000	158,503
	<u>200,020</u>	<u>158,523</u>
a. Available-for-sale financial assets		
Shares - Big River Credit Union Limited	20	20
	<u>20</u>	<u>20</u>
b. Held-to-maturity financial assets		
Term Deposit	200,000	150,000
Term Deposit - Sub Entities	-	8,503
	<u>200,000</u>	<u>158,503</u>

**6 Trade and other receivables**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Sundry Debtors & Accrued Income	2,936	1,847
	<u>2,936</u>	<u>1,847</u>

**Huka Bowls Club Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2012**

..... *continued*

**7 Inventories**

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>CURRENT</b>		
Trading Stock	<u>30,611</u>	<u>36,547</u>

**8 Other current assets**

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>CURRENT</b>		
Prepayments	7,912	12,279
Security Deposits Paid	<u>5,000</u>	<u>5,000</u>
	<u>12,912</u>	<u>17,279</u>

**9 Property, Plant and Equipment**

	<b>2012</b>	<b>2011</b>
	\$	\$
Land & Buildings - at cost	3,158,079	3,158,079
Less accumulated depreciation	<u>(349,262)</u>	<u>(303,407)</u>
	2,808,817	2,854,672
Bowling Greens & Ground Improvements - at cost	97,739	97,739
Less accumulated depreciation	<u>(64,078)</u>	<u>(59,876)</u>
	33,661	37,863
Poker machines - at cost	790,242	794,882
Less accumulated depreciation	<u>(659,517)</u>	<u>(609,334)</u>
	130,725	185,548
Plant, Equipment, Furniture & Fittings - at cost	1,266,986	1,254,822
Less accumulated depreciation	<u>(1,033,045)</u>	<u>(950,876)</u>
	233,941	303,946
Total Property, Plant and Equipment	<u>3,207,144</u>	<u>3,382,029</u>

## Iuka Bowls Club Limited

### Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

#### Movement in Carrying Amounts

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

2012	Land and Buildings \$	Plant and Equipment \$	Poker Machines \$	Greens & Grounds \$	Total \$
Balance at the beginning of the year	2,854,672	303,946	185,548	37,863	3,382,029
Additions at cost	-	35,728	17,853	-	53,581
Disposals	-	(2,218)	-	-	(2,218)
Depreciation	(45,855)	(103,515)	(72,676)	(4,202)	(226,248)
Carrying amount at end of year	<u>2,808,817</u>	<u>233,941</u>	<u>130,725</u>	<u>33,661</u>	<u>3,207,144</u>

#### 10 Trade and other payables

	2012 \$	2011 \$
<b>CURRENT</b>		
Trade creditors	63,166	69,414
GST	19,414	19,609
Accrued Expenses	18,859	19,717
	<u>101,439</u>	<u>108,740</u>
<b>NON CURRENT</b>		
Trade creditors	<u>15,960</u>	<u>43,320</u>
	<u>117,399</u>	<u>152,060</u>

#### 11 Other Liabilities

	2012 \$	2011 \$
Subscriptions in Advance	<u>22,523</u>	<u>19,321</u>

**Iluka Bowls Club Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2012**

..... *continued*

**12 Financial Liabilities**

	2012 \$	2011 \$
<b>CURRENT</b>		
Loan - Bananacoast Community Credit Union Ltd	5,541	4,528
<b>NON CURRENT</b>		
Loan - Bananacoast Community Credit Union Ltd	185,162	191,276
	190,703	195,804

**13 Provisions**

	2012 \$	2011 \$
<b>CURRENT</b>		
Current Provisions	83,356	78,836
<b>NON CURRENT</b>		
Non-Current Provisions	4,635	4,805
	87,991	83,641

The movement in Provision for Employee Benefits for the year was as follows:

	\$	\$
Opening Balance	83,641	73,632
Plus Amounts Provided for	4,350	10,009
Closing Balance	87,991	83,641
a) Aggregate Employee Benefits	96,020	89,314

The aggregated employee benefits liability above includes amounts for wages and salaries, annual leave, long service leave and sick leave accrued as at 30 June 2012.

## Iluka Bowls Club Limited

### Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

#### 14 Retained Profits/Equity

	2012	2011
	\$	\$
Net Profit/(Loss)	(78,523)	(133,614)
Retained profits at the beginning of the financial year	3,372,762	3,506,376
Retained profits at the end of the financial year	3,294,240	3,372,762

#### 15 Events occurring after the Balance Sheet Date

There have been no events that have occurred after the balance sheet date which require adjustment or disclosure in the financial statements.

The Board of Directors of Iluka Bowls Club Limited have authorised the issue of this financial report on 24 July 2012.

#### 16 Company Information

The company is a company limited by guarantee and incorporated in Australia. The registered office and principal place of business of the company is 75-79 Spenser Street, Iluka, NSW 2466. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each toward meeting any outstanding obligations of the Club. At 30 June 2012 the number of members was 1,529 (2011 - 1,473).

#### 17 Notes to the Cash Flow Statement

##### (a) RECONCILIATION OF CASH

For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

	Note	2012	2011
		\$	\$
Cash at Bank	4	133,125	100,374
Cash at Bank - TAB Account	4	16,472	26,260
Cash at Bank - Sub Entities	4	29,867	34,458
Cash at Bank - Raffle Account	4	12,947	-
Cash on Hand	4	66,824	66,272
		259,235	227,364

**Iuka Bowls Club Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2012**

..... continued

**(b) RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

<b>Operating profit/(loss) after income tax</b>	(78,522)	(133,614)
<b>Add/(less) non-cash items:</b>		
Depreciation	226,248	238,243
Provision for employee benefits	4,350	10,009
Term Deposit Interest Reinvested	-	-
Loss on sale of Non Current Assets	2,218	772
<b>Net cash provided by operating activities before changes in assets and liabilities</b>	<u>154,294</u>	<u>115,410</u>
<b>Changes in assets &amp; liabilities:</b>		
(Increase)/decrease in Receivables	(1,089)	(1)
(Increase)/decrease in Inventories	5,936	9,873
(Increase)/decrease in Other Assets	4,367	(2,109)
(Decrease)/increase in Accounts Payable & Accrued Expenses	(8,246)	(4,958)
(Decrease)/increase in Tax Liabilities	(195)	(1,382)
(Decrease)/increase in Other Liabilities	3,203	(3,593)
<b>Net cash provided by Operating Activities</b>	<u>158,270</u>	<u>113,240</u>

**(c) FINANCING ACTIVITIES**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Bank overdraft facility	25,000	25,000
Amount utilised	-	-
<b>Unused bank overdraft facility</b>	<u>25,000</u>	<u>25,000</u>
Loan facility	190,703	195,804
Amount utilised	(190,703)	(195,804)
<b>Unused loan facility</b>	<u>-</u>	<u>-</u>

**Iluka Bowls Club Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2012**

..... continued

**18 Key Management Personnel Compensation**

*Key Management Personnel*

*Directors*

N R Gray  
 M P Hammond  
 L Thomme (appointed 29 August 2011)  
 A F Day  
 R R Flaherty  
 D J Mills  
 J L Reynolds (appointed 29 August 2011, resigned 21 June 2012)  
 W D Burnes (resigned 29 August 2011)  
 R W Greenwood (resigned 29 August 2011)

*General Manager*

C L Millard

*Key Management Personnel  
 Compensation*

	Short-term benefits	Post-employment benefits	Total
	\$	\$	\$
<b>2012</b>			
Total Compensation	100,404	7,269	107,673
<b>2011</b>			
Total Compensation	102,835	7,270	110,105

**19 Related parties**

**Related party transactions**

The directors attended an annual directors dinner and received a Christmas ham from the Club. The Club also paid for travel, accommodation, membership, training and telephone expenses incurred by Directors in their positions relating to Club business.

From time to time the directors of the company, or director-related entities may purchase/supply goods or services from/to the company. These purchases/ supplies are on the same terms and conditions as those entered into by other company employees, members, customers or suppliers.

The General Manager of the Club made rent payments in respect to the rental property owned by the Club of \$14,560. The rent charged was assessed as being at market value.



## Iluka Bowls Club Limited

### Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

#### 20 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The company does not use derivative financial instruments.

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:

	Weighted Average Interest Rate	2012 \$	2011 \$
<b>Financial Assets</b>			
Cash at Bank	1.25%	192,411	161,092
Trade and other receivables	-	2,935	1,846
Available-for-sale financial assets			
- Shares in Bananacoast Credit Union	-	20	20
- Term Deposit - Bananacoast Credit Union (due within 6 months)	5.60%	200,000	150,000
- Term Deposit - Bananacoast Credit Union - Sub Clubs (due within 6 months)	-	-	8,503
		395,366	329,964
<b>Financial Liabilities</b>			
Trade and other payables	-	101,440	108,740
Loan - Bananacoast Community Credit Union Ltd (term > 5 years)	7.14%	190,703	195,804
		292,143	304,544

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

#### Interest rate risk

The company's interest rate exposure is limited to the amounts invested at bank and in fixed term deposits and the amount borrowed from Bananacoast Community Credit Union Ltd. The interest rates generally change in line with changes in market rates. It is expected that an interest rate increase of 1% at balance date would have increased profit and equity by \$2,017 (2011: \$1,238). A decrease in rates of 1% would have decreased profit and equity by \$1,563 (2011: \$1,238).

#### Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

#### Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash balances are maintained.

## Iluka Bowls Club Limited

### Notes to the Financial Statements for the Year Ended 30 June 2012

..... *continued*

#### 21 Segment Reporting

Iluka Bowls Club Limited operates in one business and geographical segment being in the Registered Club industry in North Eastern New South Wales.

#### 22 Sub Entities Profit/(Loss)


	2012	2011
	\$	\$
Women's Bowls Club	(2,176)	(2,657)
Mens Bowls Section	805	360
Mens Travelling Bowlers	(8,086)	(683)
Mixed Nomads	(2,626)	(699)
Social Darts	(1,010)	1,247
Total	<u>(13,093)</u>	<u>(2,432)</u>

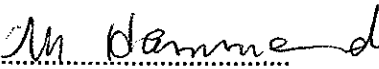
**Iluka Bowls Club Limited**  
**Director's Declaration**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the Corporations Act 2001 and;
  - a. comply with Accounting Standards and the Corporations Act 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company.
2. 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 on 24 July 2012 and signed on its behalf by:

  
.....  
N R Gray  
Director

  
.....  
M P Hammond  
Director

**Independent Audit Report to the members of  
Iluka Bowls Club Limited**

**Report on the financial report**

We have audited the accompanying financial report of Iluka Bowls Club Limited, which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

**Directors' responsibility for the financial report**

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

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



Liability limited by a scheme approved under Professional Standards Legislation

PARTNERS

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A.M. Jones B.Bus., C.P.A.  
S.I. Trustum B.Bus., C.A.  
A. Bazzana B.Bus., C.A.


**Independent Audit Report to the members of  
Iluka Bowls Club Limited**

**Auditor's Opinion**

In our opinion, the financial report of Iluka Bowls Club Limited is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**Wappett & Partners**  
Chartered Accountants

  
**Trevor Graham - Partner**  
Registered Company Auditor

24 July 2012



COVER OF  
EXCELLENCE

Liability limited by a scheme approved under Professional Standards Legislation

PARTNERS

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