

**cabra bowls**  
TWO CLUBS ONE COMMUNITY

**group**



**2017 – 2018**  
**ANNUAL**  
REPORT

CABBRAMATTA BOWLING & RECREATION CLUB LTD

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FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2018

ABN 48 000 976 894



## Members Please Note

Members are requested to advise the Chief Executive Officer in writing, seven (7) days prior to the date of Annual General Meeting of any query in relation to the Financial Accounts on which further information may be required.

Such information will be researched and answers delivered to the Annual General Meeting.

## Office-Bearers

### President

Michael Morthorpe

### Senior Vice-President

Colin Strudwick

### Junior Vice-President

Fred Priestly

### Directors

Ron Davis

Fred Fardell

Colin Lewis (*Deceased December 2017*)

Kevin Williams

Ronald Abdy

Stephen Johnson

### Chief Executive Officer

Jay Porter



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 65th Annual General Meeting of Cabramatta Bowling and Recreation Club Limited will be held in the Club Auditorium, Fairview Road, Cabramatta on SUNDAY, 26th AUGUST, 2018 at 10am. This meeting is open to all Members of the Club.

### BUSINESS

1. Apologies
2. Adopt the minutes of the Annual General Meeting held Sunday 27th August, 2017
3. Correspondence
4. To receive and consider the Directors Report, Financial Statements including the Balance Sheet, Trading and Profit and Loss Accounts, and the Auditor's Report of the year ended 31st May, 2018
5. To declare the ballot, in accordance with the Articles of Association, for the Board of Directors for the ensuing year, namely
  - Director x 2
6. To appoint
  - Club Patrons
  - Publicity Officer
  - Welfare Officer/s
  - Delegates for Zone 12
7. To consider and if thought fit pass the following ordinary resolution for Directors' Honorariums for 2017-2018

That pursuant to the Registered Clubs Act the members hereby approve payment of honorariums to Directors of the Club in respect of the directors' services to the Club until the Annual General Meeting of the Club to be held in 2018 with such honorarium to be paid to those persons who hold office at that time:

President	\$8000
Senior Vice President	\$3500
Junior Vice President	\$3000
Director (4)	\$2500
Director (H)*	\$1000
Director (I-)*	\$625
Welfare Officer	\$750
Publicity Officer	\$750

\*(H) - Relates to Colin Lewis who ceased being a Director following his passing in December 2017.

\*(I-) - Relates to Stephen Johnson who was appointed as a Director in March 2018.

8. To consider and if thought fit pass the following ordinary resolution for Director's expenses and benefits for 2017-2018
9. To consider and if thought fit pass the following special resolution. That member 375 Frederick Fardell be granted Life Membership of Cabramatta Bowling Club.

## **FIRST ORDINARY RESOLUTION**

That pursuant to the Registered Clubs Act:

- (1.a) The members hereby approve and agree to reasonable expenditure of up to \$10,000 by the Club until the next Annual General Meeting of the Club for the following expenses of the Board of Directors, subject to specific amounts being authorised by the Board of Directors of the Club:
  - (1.a.i) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such duties, including entertainment of special guests of the Club and other promotional activities approved by the Board, on production of documentary evidence of such expenditure.
  - (1.a.ii) Reasonable expenditure on food and beverages incurred by Directors in entertaining members and guests of the Club in the course of their duties as Directors.
  - (1.a.iii) Reasonable expenditure on food and beverages for Directors and partners for two dinners per year, and other functions where appropriate, and required to represent the Club.
  - (1.a.iv) Reasonable costs of a meal and beverage for Directors immediately before, during or after a Board or Committee meeting or Club related meeting where the meeting corresponds to a normal meal time.
  - (1.a.v) Reasonable costs of providing each Director items of clothing displaying the Club's logo, name or other distinguishing feature to be worn at official functions and on occasions when Directors are required to represent the Club, provided that a Director shall, at the conclusion of his/her term of office, return the apparel to the Club.
- (1.b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally, but only for those who are Directors of the Club.

## **SECOND ORDINARY RESOLUTION**

That pursuant to the Registered Clubs Act:

- (1.a) The members hereby approve and agree to reasonable expenditure of up to \$30,000 by the Club for professional development and education of the Board of Directors until the next Annual General Meeting of the Club, subject to specific amounts being authorised by the Board of Directors of the Club, being:
  - (1.b.i) The reasonable costs of Directors attending the Clubs NSW Annual General Meeting and meetings of other association of which the Club is a member.

- (1.b.ii) The reasonable costs of Directors attending seminars, trade displays, organised study tours, fact-finding tours and other similar events as may be determined by the Board.
  - (1.b.iii) The reasonable cost of Directors attending other registered clubs or similar types of business for the purpose of observing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.
  - (1.b.iv) Attendance at functions with partners held in association with the activities in subparagraphs (i) (ii) and (iii) of this Resolution where appropriate and required to represent the Club including the reasonable cost of partners' accommodation.
- (1.c) The members acknowledge that the benefits in paragraph (a) above are not available to members generally, but only for those who are Directors of the Club and those members directly involved in the above activities.

### **THIRD ORDINARY RESOLUTION**

That pursuant to the Registered Clubs Act:

- (1.a) Members hereby approve the setting aside of designated parking spaces in the Club's premises for the use of the Directors of the Club.
- (1.d) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who hold the offices listed in paragraph (a) above.

### **SPECIAL RESOLUTION**

1. The Board recommends Life Membership be granted.

By order of the Board

**Jay Porter**  
**Chief Executive Officer**



## PRESIDENT'S REPORT

I am pleased to again report another strong trading year for the Club. I extend my congratulations to the Chief Executive Officer and his team on managing our Club through the amalgamation with the Bundeena RSL – now the Bundeena Community and Services Club.

We have had another successful year on the greens qualifying in the Women's Grade 3 pennant playoffs and the Men's Grade 1, 5 and 6. This year we were able to boast the fact that our club had more Australian Jackaroo members than any other club in Australia. I thank our Bowls Manager and his staff for their efforts this year.

I must thank my fellow Board members for giving up their time and putting a great deal of effort into their duties. Sadly, we lost Colin Lewis late last year after a long illness. Col was actively participating in Board room discussions until his illness prevented him from doing so. Rest in Peace Col, you will be missed.

Steve Johnson joined our Board early this year and has contributed greatly during his tenure and I look forward to working with Steve in the future.

Our amalgamation with Bundeena RSL was completed in September last year and we opened the doors on 27th March. Bundeena has traded well since opening and I thank the local Advisory Committee led by Graeme Kelly for their insight to local issues.

My thanks go to my family and particularly my wife Julie for their support over the past year.

To those who lost loved ones during the year, my condolences.

I look forward to seeing you at our venues over the coming year.

**Michael Morthorpe**  
**President**

## CHIEF EXECUTIVE OFFICER'S REPORT

It is my pleasure to present my first report as the Chief Executive Officer. Since I commenced at Cabramatta Bowling Club in August 2017 I have been overwhelmed with support from members and I thank you for making me feel so welcomed.

The past year is without a doubt the busiest year I have experienced in my professional life, settling into a new role and simultaneously completing an amalgamation whilst rebuilding the premises at Bundeena was certainly a challenge. We also completed additional facilities at Cabramatta including the Bowls Shop, Bowls Lounge extension and slip lane. I was fortunate to have an excellent Management team to rely on and I thank Nathaniel (Gaming and Compliance), Tanya (Operations), Jessica (Marketing and Events) and Carmen (Finance) for their professionalism and dedication.

We have seen many staff come and go over the past year and I thank those that have given service to our club in their respective capacity. I would like to welcome our Group Gaming and Compliance Manager Nathaniel Schryver to the team. Nathaniel comes from a large Sydney Club and brings with him a wealth of experience and knowledge. I also welcome our Venue Manager Camilla Hargreaves and her team at our Bundeena venue. If you haven't had the opportunity to visit Bundeena Community and Services Club I suggest you do – you will be treated to a stunning view, culinary delights and an excellent new venue. The Greens and surrounds at Cabramatta are in excellent condition and Ben and his team must be congratulated.

Our net profit is down on the previous year; however, we have had some extra ordinary expenses to deal with this year. Budgets have been prepared and approved by the Board for the coming year and I am confident that we will achieve these targets.

Our Bowlers have once again proved to be the best in the business with the Men and Women winning their respective State grade 1 pennant last year and to cap it off the Club won the Club of the Year award bestowed by both Bowls NSW and Women's Bowls NSW. A great achievement! Our success would not be possible without the expertise of our Bowls Manager Ray and his team.

We performed well as a club on the greens, but we also saw some inspirational individual achievements – particularly Aaron Wilson winning Gold in the Commonwealth Games Men's singles Championship. Also, we congratulate Karen Murphy, Kay Moran and Carmen Anderson for representing their countries and club with distinction.

I would like to thank President Michael and the Board for their support and guidance. You can rest assured that your Board members work hard for the best outcomes for the Club and regularly attend meetings and conferences to keep themselves abreast of industry trends. The Board actively seek out new opportunities for expansion and are committed to long term stability for our Group.

I take this opportunity to thank all staff for their efforts over the year and acknowledge the work they do, ensuring that our clubs remain the best that they can be.

**Jay Porter**  
**Chief Executive Officer**



## 2017 Men's Club Championships

### Major Singles

W Johnson

### Major Pairs

C Wedlock, R Pearse

### Club Triples

W Macdonald, D Byrne, W Johnson

### Club Fours

L Bowerman, C Ennis, A Peisley, W Johnson

### Minor Singles

A Vidaic

### Minor Pairs

M Dickson, A Vidaic

## 2017 Ladies Club Championships

### Major Singles

S Farrell

### Major Pairs

D Davis, A Davis

### Club Triples

J Hogan, A Davis, K Murphy

### Club Fours

N Richards, D Davis, J Hogan, M Wilton

### Minor Singles

Lisa Collins

## 2017 Mixed Club Championships

### Mixed Fours

D Davis, A Davis, G Corey, R Pearse

### Mixed Pairs

C Soliz, R Pearse

## 2017 Zone 12 Championships

### Zone 12 Reserve Triples

A Vidaic, T Mcgregor, K Shanahan

### Zone 12 Triples

C Wedlock, W Johnson, C Healey

### Zone 12 Pairs

A Mitchell, C Healey

### Zone 12 Singles

R Pearse

### Zone 12 Champion of Club Champion Pairs

C Wedlock, R Pearse

### Zone 12 Bowler of the year

C Healey

## 2017 Lansdowne District/ Regional Championships

### Lansdowne District Singles

S Farrell

### Regional Ladies Singles

S Farrell

### District & Regional Mixed Pairs

D Davis, J Porter



## **2017 NSW State Titles (Men & Ladies)**

### **NSW Ladies State Singles**

S Farrell (R/U)

### **NSW Men's State Pairs**

A Mitchell, C Healey

### **NSW Men's Champion of Club Champion Pairs**

C Wedlock, R Pearse

### **NSW U/25 State Singles**

W Johnson (R/U)

### **NSW Club Challenge**

Women's Gold – S Farrell, J Watkins, J Hogan, B Mathers, D Davis

Women's Pink – L Collins, N Saunders, C Douglas, V Hannan, M Weekes, N Richards

## **2017 National Titles (Men & Ladies)**

### **Australian Pairs Championships**

A Mitchell, C Healey (Silver)

## **2018 Ladies Club Championships**

### **Ladies Major Singles**

C Anderson

## **2018 Men's Club Championships**

### **Major Singles**

R Pearse

## 2018 Zone 12 Championships

### Zone 12 Reserve Fours

L Bludnicki, S Watkins, M Morthorpe, B Watkins

### Zone 12 Reserve Triples

K Shanahan, T McGregor, A Vidaic

### Zone 12 Triples

W Johnson, C Healey, C Wedlock

### Zone 12 Reserve Singles

A Vidaic

### Zone 12 Singles

R Pearse

### Zone 12 Junior Fours

N Swan, M Swan

### Zone 12 Junior Singles

M Swan

### Zone 12 Junior Pairs

R Klem, M Swan

## 2018 Lansdowne District/ Regional Championships

### Lansdowne District Singles

E Ryan

### Lansdowne District Senior Pairs

J Watkins, C Anderson

### Lansdowne District Triples

J Watkins, J Hogan, C Anderson

### Regional Ladies Senior Pairs

J Watkins, C Anderson



## 2017/18 Representative Honours

### NSW

#### 2017 City V Country

OPEN - Ray Pearse, Bill Johnson, Aaron Wilson and Carl Healey

U25 - Corey Wedlock, Daniel Farrell and Beau Prideaux

#### 2017/18 NSW Representatives

MEN - Corey Wedlock (Debut), Aaron Wilson, Carl Healey and Ray Pearse

LADIES - Jamie Lee Worsnop, Molly Wilton (Debut), Karen Murphy, Ellen Ryan, Sharon Farrell (Debut)

UNDER 25's LADIES - Jessica Hogan

### Australia

#### 2017 Multi Nations

A Wilson, C Wedlock, R Pearse, K Murphy, E Ryan

#### 2017 Trans – Tasman

K Murphy, A Wilson, C Wedlock, E Ryan

#### 2018 Commonwealth Games Selection

A Wilson, K Murphy

#### 2018 Australian Jackaroos & Emerging Squad

A Wilson, C Wedlock, R Pearse, E Ryan, K Murphy, C Healey



## **2017/18 Members & Club Achievements**

### **2017 Australian Open**

Ellen Ryan – Singles and Pairs Winner

### **NSW Interzone Championship**

A Wilson, C Wedlock, B Prideaux, Carl Healey, W Johnson R Pearse

### **Golden Nugget Singles**

E Ryan (R/U)

### **Men's & Ladies Pennant**

No.1 NSW Men's State Pennant Flag

No.1 NSW Ladies State Pennant Flag

2018 Ladies District Grade 3 Pennant

### **World Bowls Tour Young player of the year**

E Ryan

### **International Bowler of the year**

A Wilson

### **Bowls NSW & Women's Bowls NSW Awards**

Women's NSW Club of the year

Men's Bowls NSW Club of the year

### **Bowls NSW 5 A Side**

C Healey, B McCall, W Johnson, R Pearse, C Wedlock

### **2018 World U25 Championships**

C Wedlock, E Ryan

### **2018 World Cup**

K Moran (Bronze)

### **2018 Commonwealth Games Singles**

A Wilson (Gold)

### **2018 NSW Greenkeepers Championships**

B Morthorpe (Singles & Pairs)

### **2018 Australian Open Pairs**

C Healey

### **2018 UK Multi Nations**

E Ryan, C Wedlock, A Wilson



## Financial Report For The Year Ended 31 May 2018

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## DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 May 2018.

### Directors

The names of each person who has been a director during the year and to the date of this report are:

Michael MORTHORPE  
Colin STRUDWICK  
Fred PRIESTLY  
Fred FARDELL  
Colin LEWIS deceased (15/12/2017)  
Ronald DAVIS  
Kevin WILLIAMS  
Ronald ABDY  
Stephen JOHNSON appointed (16/01/2018)

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

### Principal Activities

The principal activity of the company during the financial year was:

Operation of a Licensed Club for the benefit of its members and their guests.

### Company Secretary

Barry John Watkins was the Company Secretary of the company from 1st June 2017 to 10th July 2017.

Jay Eric Porter was the Company Secretary from 11th July 2017 and continues such position.

### Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

### Short-term and Long Term Objectives

The company's short-term objectives are to:

- The development and delivery of premium bowls and club facilities and services to its members and their guests.
- The provision of social welfare to its members and community sports and recreational organisations.

## Strategies for achieving those objectives

- Maintain the bowling facilities to a world class standard.
- Update the premises to reflect the quality of appearance of the club.
- Constantly monitor and improve the services of the gaming<sup>1</sup> bar, restaurant and bistro areas.

## How those activities assisted in achieving the club's objectives

To achieve its stated objectives, the company has adopted the following strategies:

The surpluses of the club have been utilised in enhancing the club's facilities and the provision of support to the local sporting and community support organisations and other charitable associations.

## Operating Results

The surplus of the club amounted to \$943,304. (2017 - \$1,592,566)

## Details of Members

Class	Number		Liability of Member	
	2018	2017	2018	2017
			\$	\$
Bowling Members	207	180	414	360
Club Members (Non Bowlers)	4,803	2,714	9,606	5,428
Junior Sporting	7	4	14	8
Total	5,017	2,898	\$10,034	\$5,796

## Information on Directors

**Michael MORTHORPE** President  
 Experience Director since 2001  
 Special Responsibilities Chairman of the board, of the executive committee and capital works.

**Colin STRUDWICK** Senior Vice President  
 Experience Director since 2005  
 Special Responsibilities Chair of the disciplinary and TAB committee. Member of the executive and capital works.

**Fred PRIESTLY** Junior Vice President  
 Experience Director since 1996  
 Special Responsibilities Member of finance and disciplinary committees.  
 Life Member.

**Fred FARDELL** Director  
 Experience Director since 2000  
 Special Responsibilities Chair of umpires committee and members honours committee.

**Colin LEWIS** (*deceased*) Director  
 Experience Director since 2011  
 Special Responsibilities Member of club grants, TAB, disciplinary and honours committees.

**Ronald DAVIS** Director  
 Experience Director since 2011  
 Special Responsibilities Honours committee.

**Kevin WILLIAMS** Director  
 Experience Director since 2012  
 Special Responsibilities Member of social and grants committee.

**Ronald ABDY** Director  
 Experience Director since 2014  
 Special Responsibilities Member of Club grants and finance committees.

**Stephen JOHNSON** Director  
 Experience Director since January 2018  
 Special Responsibilities Member of the grants committee.

## Meetings of Directors

During the financial year, 13 meetings of directors were held. Attendances by each director were as follows:

### Directors' Meetings

	Number eligible to attend	Number attended
Michael MORTHORPE	13	13
Colin STRUDWICK	13	11
Fred PRIESTLY	13	11
Fred FARDELL	13	12
Colin LEWIS	6	4
Ronald DAVIS	13	13
Kevin WILLIAMS	13	12
Ronald ABDY	13	13
Stephen JOHNSON	4	4

The club is a "not-for profit entity and is incorporated under the Corporations Act 2001 and is a company limited by guarantee. Under its constitution the company is prohibited from the payments of dividends to its members. Any surplus on wind-up will be distributed to an organisation which has similar objects as dictated by the constitution."



## **Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 May 2018 has been received and can be found on page 19 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director

**Michael MORTHORPE**

Dated this 26th day of July 2018

## AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CABRAMATTA BOWLING & RECREATION CLUB LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2018 there have been no contraventions

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

**Name of Firm**      **Partlett Chave & Rowland**



**Name of Partner**      **Henry Ratajczak**

Dated this 26th July 2018

Address Suite 7, 170 George Street Liverpool NSW 2170

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2018

	Note	2018 \$	2017 \$
Revenue	2	11,652,065	10,840,981
Other income	2	-	96,945
Employee benefits expense		(2,784,336)	(2,260,096)
Depreciation and amortisation expense	3	(1,198,001 )	(1,033,146)
Interest expense	3	(49,983)	
Audit, legal and consultancy fees		(122,609)	(65,115)
Cost of sales		(883,858)	(763,912)
Promotions		(232,314)	(162,95 1)
Coaching tourmaments		(1 70,550)	(86,390)
Cleaning		(214,604)	(160,427)
Donations		(169,214)	(99,802)
Entertainment		(509,404)	(562,648)
Insurances		(117,184)	(96,991)
Light & Power		(181,611)	(145,811 )
Repairs and maintenance		(394,748)	(325,923)
Security		(484,001)	(591,649)
Trophies Prises & Awards		(294,565)	(318,892)
Other		(764,308)	(627,354)
Gaming Tax		(1,874,722)	(1,864,090)
Member Amenities		(248,771)	(180,164)
Catering		(13,978)	-
<b>Current year surplus before income tax</b>		<b>943,304</b>	<b>1,592,566</b>
Income tax expense			
<b>Net current year surplus</b>		<b>943,304</b>	<b>1,592,566</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,638,579	5,187,209
Accounts receivable and other debtors	5	77,079	15,682
Inventories	6	97,293	45,324
Other current assets	7	121,161	63,488
<b>TOTAL CURRENT ASSETS</b>		<u>1,934,112</u>	<u>5,311,703</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	35,283,245	20,937,185
Intangible assets	9	1,212,759	867,759
<b>TOTAL NON-CURRENT ASSETS</b>		<u>36,496,004</u>	<u>21,804,943</u>
<b>TOTAL ASSETS</b>		<u>38,430,116</u>	<u>27,116,647</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	10	1,408,753	950,980
Borrowings	11	800,393	
Employee provisions	12	412,774	499,960
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,621,920</u>	<u>1,450,939</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	3,677,969	-
Employee provisions	12	11,267	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>3,689,237</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>6,311,156</u>	<u>1,450,939</u>
<b>NET ASSETS</b>		<u>32,118,959</u>	<u>25,665,708</u>
<b>EQUITY</b>			
Retained surplus		25,587,411	24,644,108
Reserves		6,531,548	1,021,600
<b>TOTAL EQUITY</b>		<u>32,118,959</u>	<u>25,665,708</u>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2018

	Note	Retained Surplus \$	Revaluation Surplus \$	Total \$
<b>Balance at 1 June 2016</b>		23,051,541	1,021,600	24,073,141
<b>Comprehensive Income</b>				
Surplus for the year attributable to members of the entity		1,592,566	-	1,592,566
<b>Balance at 31 May 2017</b>		<u>24,644,108</u>	<u>1,021,600</u>	<u>25,665,708</u>
<b>Comprehensive income</b>				
Surplus for the year attributable to members of the entity		943,304		943,304
Other comprehensive income for the year	18			
Property revaluations		-	3,060,000	3,060,000
Total other comprehensive income		<u>-</u>	<u>3,060,000</u>	<u>3,060,000</u>
<b>Total comprehensive income attributable to members of the entity</b>		<u>943,304</u>	<u>3,060,000</u>	<u>4,003,304</u>
<b>Other transfers</b>				
Gumulative revaluation surplus relating to sale of property, transferred to retained surplus	18			
Bundeena Equity		-	2,449,948	2,449,948
<b>Transfers</b>		<u>-</u>	<u>2,449,948</u>	<u>2,449,948</u>
<b>Balance at 31 May 2018</b>		<u>25,587,411</u>	<u>6,531,48</u>	<u>32,118,959</u>

For a description of each reserve, refer to Note 18.

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and members		10,899,605	10,477,058
Other income		139,836	44,473
Payments to suppliers and employees		(9,258,382)	(8,306,534)
Interest received		23,586	1 09,408
Rents received		245,788	226,053
Grants received		279,000	-
Interest paid		(49,983)	-
Net cash generated from operating activities	15	<u>2,279,449</u>	<u>2,550,459</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		8,522	102,135
Payment for property, plant and equipment		<u>(10,314,964)</u>	<u>(2,433,277)</u>
Net cash used in investing activities		<u>(10,306,442)</u>	<u>(2,531,142)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Bank borrowings		3,896,798	-
Finance lease borrowings		<u>581,564</u>	-
Net cash used in financing activities		<u>4,478,362</u>	-
Net increase in cash held		(3,548,631)	219,317
Cash on hand at beginning of the financial year		<u>5,187,209</u>	<u>4,967,892</u>
Cash on hand at end of the financial year	4	<u>1,638,579</u>	<u>5,187,209</u>

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

## Note 1 Summary of Significant Accounting Policies

### Basis of Preparation

Cabramatta Bowling & Recreation Club Ltd applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

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 a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

The financial statements were authorised for issue on 26th July 2018 by the directors of the company.

### Accounting Policies

#### (a) Revenue

Revenue is recognised at fair value of consideration received or receivable, net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised. Revenue from gaming, beverages, together with other services to members and their guests is recognised when the significant risks and rewards of ownership have passed to the buyer and can be reliably measured. Risks and rewards are passed to the buyer when goods have been delivered to the customer.

Revenue from gaming together with other services to members and other patrons, are recognised when services are provided.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Cabramatta Bowling & Recreation Club Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

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

## **(b) Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

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

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

### **Freehold Property**

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

## Plant and Equipment

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

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

## Depreciation

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

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.50%
Plant and equipment	5 - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

## (d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

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

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

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

## **(e) Financial Instruments**

### *Initial Recognition and Measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the 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 recognised immediately as expenses in profit or loss.

### *Classification and Subsequent Measurement*

Financial instruments are subsequently measured at fair value (refer to Note 1(q)), amortised cost using the effective interest method, or cost.

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

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

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

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

### *Loans and receivables*

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



*(iii) Held-to-maturity investments*

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

*(iv) Available-for-sale investments*

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

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

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

*Financial liabilities*

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

*Impairment*

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

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

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

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

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

#### *Derecognition*

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

#### **(f) Impairment of Assets**

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

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

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

#### **(g) Employee Benefits**

Short-term employee benefits

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 within 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.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

#### Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are 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. Provision is made for the company's obligation for other long-term employee benefits, which 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 classified under employee benefits expense.

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

#### 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 employee's average ordinary salary) to the employee's 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 guarantee 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.

#### **(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within

short-term borrowings in current liabilities on the statement of financial position.

**(i) Goods and Services Tax (G3T)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(j) Income Tax**

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

**(k) Intangible Assets**

Poker Machine Licences

Intangible assets represent poker machine licenses. These assets are carried at cost and are not amortised because they have indefinite useful lives. The useful life is assessed annually to determine whether events or circumstances continue to support an indefinite useful life assessment. The carrying value of poker machine licenses is reviewed annually for impairment.

**(l) Provisions**

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

Comparative Figures

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

**(n) Trade and Other Payables**

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

**(o) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and



are based on current trends and economic data, obtained both externally and within the company.

### **Key Estimates**

#### *Valuation of freehold land and buildings*

The freehold land and buildings were independently valued on 18th October 2016 by Ben Hill - RV No 024135 from Global Valuation Services. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$3,060,000 being recognised this year.

At 31 May 2018 the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by The valuers in 2017 and do not believe there has been a significant change in the assumptions at 31 May 2018. They directors therefore believe the carrying amount of the land correctly reflects the fair value less costs to sell at 31 May 2018.

#### **(p) Economic Dependence**

Cabramatta Bowling & Recreation Club Ltd is dependent on the support of the members and guests for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the members and guests will not continue to support Cabramatta Bowling & Recreation Club Ltd.

#### **(q) Fair Value of Assets and Liabilities**

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

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the

receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

AASB 2016-8 mandatorily applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is

**(r) New and amended Accounting Standards**

The entity has assessed all new and amended accounting standards issued and effective for financial reporting periods beginning on or after 1 January 2017, and determined there to be no effect on the current or prior period financial statements.

2018  
\$

2017  
\$

## Note 2 Revenue and Other Income

### Revenue

— Interest received	23,586	109,408
— Member subscriptions	37,749	24,674
— Other income	142,688	79,053
— Poker machine revenue	8,975,810	8,819,166
— Bar sales and commissions	1,635,083	1,501,241
— Commissions	39,689	33,990
— Rents received	245,788	226,053
— Tab commissions	52,391	47,397
— Government Grant	279,000	-
— Catering	220,280	-
Total Revenue	<u>11,652,065</u>	<u>10,840,981</u>

### Other income

— Gain on disposal of property, plant and equipment	-	96,945
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<b>Total other income</b>	<u>-</u>	<u>96,945</u>
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<b>Total revenue and other income</b>	<u>11,652,065</u>	<u>10,937,927</u>
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## Note 3 Profit for the year

### (a) Expenses

Employee benefits expense:	<u>2,784,336</u>	<u>2,260,096</u>
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Total employee benefits expense	<u>2,784,336</u>	<u>2,260,096</u>
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### Depreciation and amortisation:

— Land and buildings	567,179	-
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— Motor vehicles	209,728	-
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— Furniture and equipment	421,094	-
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— Software	-	-
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Total depreciation and amortisation	<u>1,198,001</u>	<u>1,033,146</u>
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### Finance costs:

— Interest expense on financial liabilities not at fair value through profit or loss	<u>49,983</u>	<u>-</u>
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### Audit fees

— Audit services	25,000	24,000
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— Taxation services	5,093	4,900
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Total Audit Remuneration	<u>30,093</u>	<u>28,900</u>
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2018  
\$

2017  
\$

#### Note 4 Cash and Cash Equivalents

CURRENT

Cash at bank	1,068,579	4,667,209
Cash on hand	570,000	520,000
	<u>1,638,579</u>	<u>5,187,209</u>
	<u>1,638,579</u>	<u>5,187,209</u>

#### Note 5 Trade and Other Receivables

CURRENT

Other debtors	77,079	15,682
Total current accounts receivable and other debtors	<u>77,079</u>	<u>15,682</u>

#### Note 6 Inventories

CURRENT

At cost:

Inventory	97,293	45,324
	<u>97,293</u>	<u>45,324</u>

#### Note 7 Other Assets

Prepayments	121,161	63,488
	<u>121,161</u>	<u>63,488</u>

#### Note 8 Property, Plant and Equipment

LAND AND BUILDINGS

Freehold land at fair value:

– Directors valuation in 2017

Fairview Road	3,500,000	2,600,000
59 Cabramatta Road	1,000,000	500,000
61 Cabramatta Road	900,000	450,000
87 Longfield Street	2,013,000	803,000
Bundeena	1,850,101	-
Total land	<u>9,263,101</u>	<u>4,353,000</u>

Buildings at fair value:

– Directors valuation in 2018

Less accumulated depreciation	22,123,976	14,635,039
Fairview Road	15,380,419	9,750,000
Additions 2016-2017	-	2,075,592
(Accumulated depreciation)	(1,648,573)	(961,060)
87 Longfield Street	1,737,000	1,737,000
(Accumulated depreciation)	(173,700)	(130,275)
59 Cabramatta Road	483,689	260,000

	2018	2017
	\$	\$
Additions	-	179,989
(Accumulated depreciation)	(31,592)	(19,500)
61 Cabramatta Road	751,779	150,000
Additions	-	546,079
(Accumulated depreciation)	(30,126)	(11,332)
2/85 Longfield Street	346,905	346,905
5/85 Longfield Street	373,903	373,903
Roadworks Cabramatta Road	-	331,237
Bundeena	5,028,266	6,500
(Accumulated depreciation)	(93,995)	-
Total buildings	<u>22,123,976</u>	<u>14,635,039</u>
Total land and buildings	<u>31,387,077</u>	<u>18,988,039</u>
 <b>PLANT AND EQUIPMENT</b>		
Plant and equipment:		
At cost	4,076,108	3,590,663
Less accumulated depreciation	<u>(2,680,092)</u>	<u>(2,705,632)</u>
	<u>1,396,016</u>	<u>885,030</u>
Poker Machines - at cost	4,109,314	4,475,206
(Accumulated depreciation)	<u>(1,777,820)</u>	<u>(3,462,257)</u>
	<u>2,331,494</u>	<u>1,012,949</u>
Insert Category		
Motor vehicles - at cost	233,160	93,177
(Accumulated depreciation)	<u>(64,501)</u>	<u>(42,011)</u>
	<u>168,659</u>	<u>51,166</u>
Total plant and equipment	<u>3,896,168</u>	<u>1,949,145</u>
Total property, plant and equipment	<u>35,283,245</u>	<u>20,937,185</u>

## Movements 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>Land and Buildings</b>	<b>Poker Machines</b>	<b>Plant Equipment &amp; Vehicles</b>	<b>Total</b>
	\$	\$	\$	\$
<b>2017</b>				
Balance at the beginning				
of the year	17,568,164	1,043,521	930,558	19,542,243
Additions at cost	1,790,025	446,376	196,877	2,433,277
Disposals	-	-	(5,190)	(5,190)
Depreciation expense	(370,150)	(476,948)	(186,048)	(1,033,145)
Carrying amount at the end of the year	<u>18,988,039</u>	<u>1,012,949</u>	<u>936,197</u>	<u>20,937,185</u>
<b>2018</b>				
Balance at the beginning				
of the year	18,988,039	1,012,949	936,197	20,937,185
Additions at cost	9,906,217	1,739,639	846,728	12,492,584
Disposals	-	-	-	(8,522)
Depreciation expense	(567,179)	(421,094)	(209,728)	(1,198,001)
Carrying amount at the end of the year	<u>31,387,077</u>	<u>2,331,494</u>	<u>1,573,197</u>	<u>35,283,246</u>

## Asset revaluations

The freehold land and buildings were independently valued on 18th October 2016 by Ben Hill - RV No 024135 from Global Valuation Services. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$3,060,000 being recognised this year.

The Properties, Buildings and the Plant & Equipment are held by the Westpack Bank as security (Registered Mortgage) for the Borrowings.

2018  
\$

2017  
\$

## Note 9 Intangible Assets

Poker Machine Licences - at cost	1,212,759	867,759
Net carrying amount	<u>1,212,759</u>	<u>867,759</u>

### Movements in carrying Amount 2018

Balance at the beginning of the year	867,759
Additions	<u>345,000</u>
	<u><u>1,212,759</u></u>

## Note 10 Trade and Other Payables

### CURRENT

Accounts payable	1,328,047	940,093
Subscriptions in Advance	8,034	10,886
	<u>1,408,753</u>	<u>950,980</u>

10(a)

## Note 11 Borrowings

### CURRENT

Lease liabilities	13	660,000	-
Bank Loan		140,393	-
Lease liability		<u>800,393</u>	-

### NON-CURRENT

Lease liabilities	13		
Bank Loan		3,236,798	-
Lease liability		441,171	-
		<u>3,677,969</u>	-

TOTAL LEASE LIABILITIES	16	<u>4,478,362</u>	-
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Lease liabilities are secured by the underlying leased assets. The Bank Loan is secured by all the Assets of the Club.

## Note 12 Provisions

### CURRENT

Provision for employee benefits: annual leave	277,897	311,598
Provision for employee benefits: long service leave	134,877	188,362
	<u>412,774</u>	<u>499,960</u>

	2018	2017
	\$	\$
NON-CURRENT		
Provision for employee benefits: long service leave	11,267	-
	<u>11,267</u>	<u>-</u>
	<u>424,042</u>	<u>499,960</u>

#### Employee Provisions

Employee provisions represents amounts accrued for annual leave and long service leave.

### Note 13 Capital and Leasing Commitments

#### (a) Finance Lease Commitments

Payable - minimum lease payments:

not later than 12 months	140,393	-
- between 12 months and five years	441,171	-
- later than five years	-	-
Minimum lease payments	<u>581,564</u>	<u>-</u>
	<u>581,564</u>	<u>-</u>

### Note 14 Key Management Personnel Compensation

#### Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the company during the year are as follows:

- Directors	29,500	29,500
- Key management personnel	<u>536,186</u>	<u>517,037</u>
	<u>565,686</u>	<u>546,537</u>

### Note 15 Cash Flow Information

#### Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus

Net current year surplus	943,304	1,592,566
Adjustment for:		
Depreciation and amortisation expense	1,198,001	1,033,146
Gain on disposal of property, plant and equipment		(96,945)
(Increase)/decrease in accounts receivable and other debtors	(61,398)	15,561
Increase/(decrease) in accounts payable and other payables	385,102	19,302
Increase/(decrease) in employee provisions	(75,918)	(4,830)
(Increase)/decrease in inventories on hand	(51,969)	(6,791)
(Increase)/decrease in prepayments	<u>(57,672)</u>	<u>(1,549)</u>
	<u>2,279,449</u>	<u>2,550,459</u>

2018  
\$

2017  
\$

## Note 16 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long term investments, receivables and payables, and lease liabilities.

The carrying amounts 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:

### Financial assets

Cash and cash equivalents	4	1,638,579	5,187,209
Loans and receivables	5	77,079	15,682
Total financial assets		<u>1,715,658</u>	<u>5,202,891</u>

### Financial liabilities

#### Financial liabilities at amortised cost:

- accounts payable and other payables	10(a)	1,408,753	950,980
- lease liabilities	11	4,478,362	-
Total financial liabilities		<u>5,887,115</u>	<u>950,980</u>

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 17 Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised within tolerable risk parameters. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity'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.

The gearing ratios for the years ended 31 May 2018 and 31 May 2017 are as follows:

		2018	2017
		\$	\$
Total debt	11	4,478,362	-
Less cash on hand	4	<u>(1,638,579)</u>	<u>(5,187,209)</u>
Net debt		2,839,783	(5,187,209)
Total equity (retained surplus and reserves)		<u>32,118,959</u>	<u>25,665,708</u>
Total capital		<u>34,958,743</u>	<u>20,478,498</u>
Gearing ratio		8%	

## Note 18 Reserves

### (a) Revaluation Surplus

The revaluation surplus records revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this reserve.

### (b) Financial Assets Reserve

The financial assets reserve records revaluation increments and decrements (that do not represent impairment writeMdowns) that relate to financial assets classified as available-for-sale.

### (c) Analysis of Each Class of Reserve

Revaluation of land - Cabramatta	8	3,060,000	-
Bundeena Equity		<u>2,449,948</u>	-
Movement in revaluation surplus		<u>5,509,948</u>	<u>-</u>

## Note 19 Core and Non-Core Properties

Persuant to section 41J of the Registered Clubs Amendment Act 2006, the club defines property as follows:

### Core Property

- (i) Club Land & Buildings at Fairview Road Cabramatta NSW 2166
- (ii) Club Land & Buildings at 67-71 Loftus Street Bundeena NSW 2230 Non- core Property
- (iii) Land & Buildings - 59 Cabramatta Road East Cabramatta NSW 2166
- (iv) Land & Buildings - 61 Cabramatta Road East Cabramatta NSW 2166
- (v) 10 Strata Uinis - 87 Longfield Street Cabramatta NSW 2166
- (vi) Strata Unit - Unit 2, 85 Longfield Street Cabramatta NSW 2166
- (vii) Strata Unit - Unit 5, 85 Longfield Street Cabramatta NSW 2166

## Note 20 Entity Details

The registered office and principal place of business of the entity is:

Cabramatta Bowling & Recreation Club Ltd

Fairview Road Cabramatta NSW 2166

The principal place of business for the Bundeena CSC is:

67 - 71 Loftus Street Bundeena NSW 2230

## Note 21 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the entity. At 31 May 2018 the number of members was Notes1 5017.

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cabramatta Bowling & Recreation Club Ltd, the directors declare that:

1. The financial statements and notes, as set out on pages 20 to 42, are in accordance with the Corporations Act 2001 and:
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.



**Director**     **Michael MORTHORPE**

Dated this 26th day of July 2018

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABRAMATTA BOWLING & RECREATION CLUB LTD

## Report on the Audit of the Financial Report

### *Opinion*

We have audited the financial report of Cabramatta Bowling & Recreation Club Ltd (the company), which comprises the statement of financial position as at 31 May 2018, 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.

In our opinion, the accompanying financial report of Cabramatta Bowling & Recreation Club Ltd is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 31 May 2018 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

### *Basis of Opinion*

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Cabramatta Bowling & Recreation Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's.

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

### *Information Other than the Financial Report and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 May 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for the Financial Report*

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 - Reduced Disclosure Requirements 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.

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

#### *Auditor's Responsibilities for the Audit of the Financial Report*

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Name of Firm**      **Partlett Chave & Rowland**



**Auditors Name**      **Henry Ratajczak**

Address: Suite 7, 170 George Street Liverpool NSW 2170

Dated this 26th day of July 2018



## Accountants Compilation Report

We have compiled the accompanying special purpose financial statements of Cabramatta Bowling & Recreation Club Ltd which comprise the Statement of Financial Performance for the year ended 31st May 2018.

The specific purpose for which the special purpose financial report has been prepared is to provide information relating to the performance and financial position of the company that satisfies the information needs of the directors.

### The responsibility of directors

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the directors.

### Our responsibility

On the basis of information provided by the directors, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting adopted and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided, into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial report was prepared exclusively for the directors. We do not accept responsibility to any other person for the content of the special purpose financial statements.

**Name of Firm:** Partlett Chave & Rowland (Western) Pty Ltd  
Chartered Accountants

**Name of Director:** Henry Ratajczak

Address: Suite 7, 170 George Street Liverpool NSW 2170

Dated this 26th day of July 2018

## Statement of Financial Performance For the Year Ended 31st May 2018

	<b>Consolidated</b>
	<b>\$</b>
Poker Machine Trading	5,887,307.24
Bar Trading	436,118.16
Properties Net Income	123,394.38
Keno Trading	35,024.93
Functions	6,954.95
Catering	(37,275.02)
Tab Trading	(58,843.73)
Mens & Womens Bowls	(908,932.93)
Other Income	404,881.31
Administration	(4,945,325.66)
	<u>943,303.63</u>

This report forms part of the financial statements  
and should be read in conjunction with the attached compilation report of Partlett  
Chave & Rowland (Western) Pty Ltd



Cabramatta Bowling & Recreation Club Ltd

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