

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

FINANCIAL REPORT
FOR THE YEAR ENDED 30 APRIL 2017

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The financial report was authorised for issue by the directors on 27 June 2017. The Co-Operative has the power to amend and re-issue the financial report

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

DIRECTORS' REPORT

Your Directors present their report for the financial year ended 30 April 2017.

1. Directors

The names of the Directors in office at the date of this report are:

Name	Special Responsibilities	Qualifications and Experience	Years service as a Director
David Bell	Building Committee	Builder from 1956-2005 and Director of own company. Worked for Duncan's Holdings as a Manager of Supply and fix department for 2 years then worked for own company Astra Roofing for 20 years. Retired in 2005.	15
Colin Taylor	Finance, constitution and by-law committees	Certified Practising Accountant (CPA), JP. Has been employed in senior management / accounting roles for over 35 years.	12
Edward Elks	Finance, building, HR and membership, marketing and constitution and by-law committees	Worked in the insurance industry mainly with Mercantile Mutual Insurance culminating in the position of Regional Manager at Newcastle. He then worked with Markey Insurance Brokers as Administration Manager and then with Austagencies as an Underwriter.	12
Peter Howell	Building Committee	Started as an apprentice with Newcastle Building firm R.A. Wenham Pty Ltd from 1958 to 1970, finishing as a foreman. Here he achieved his Clerk of Works Certificate. Following this he worked with various sub-contracting builders until 1974 where he received a Builders Licence and worked as a sole builder until 2003. He worked as a foreman with Andrew Brown Construction through to retirement in 2008.	9
David McQuire	Finance Committee	Qualified Accountant for over 42 years and a member of National Institute of Accountants and a member of the Australian Institute of Company Directors. Held Senior Accounting positions in major organisations in the Mining, Club and Construction Industries and a variety of small business in Australia, Indonesia and Chile (South America).	9
Glenda Morgan	Marketing and constitution and by-law committees	40 years teaching experience. BA Education. Diploma Special Education Teaching Certificate.	8
Dave Tull	HR and membership committee	27.5 years State Bank of NSW (Manager 5 years), 7 years Hunter Business Enterprise Centre (Training Manager - training approximately 850 students in small business), 11 years Australian Taxation Office (Field Officer - educating business owners in GST including record keeping). Qualifications - Certificate IV Workplace Training - Category 2 (April 1998). Justice of the Peace since 1972.	6
Colin Edwards	Finance Committee	12 years as a Bank Officer, 30 years in the Aluminium Industry. The past 18 years as Treasurer of Valentine Lions Club also the last 2 years as Treasurer of Belmont Scouts. Other positions held over the years include, President Eleebana Lions Club, President & Secretary of Valentine Soccer Club & President of Macquarie Soccer Association.	3
Geoff Armstrong	Building Committee	Qualified Fitter Machinist, 44 years working in mining industry. 10 years Union Rep in mining industry.	3

* All Directors has undertaken mandatory Directors training where applicable.

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

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
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DIRECTORS' REPORT (Cont.)

2. Activities

The principal activities of the Co-operative in the course of the financial year ended 30 April 2017 were the running of the Club in accordance with its objectives for the benefit of its members.

3. Results

The net result of operations after income tax was a profit of \$46,502 (2016 profit of \$211,166).

4. Review of Operations

The decrease in profit is due to lower poker machine net revenue and higher expenses despite increases in both bar and bistro sales. Despite the renovations carried out during the year, revenue from both bar and bistro increased, however this was offset by a lower gross profit margin and poker machine net revenue. Expenses increased, particularly amortisation, interest and cleaning as a result of the renovations.

5. Short and Long term Objectives

The Clubs objectives, in accordance with the Clubs constitution, are to encourage and promote the sport of lawn bowls. The Club's strategy to achieve these objectives is to continue to operate profitably and maintain a high standard of facilities for members.

6. Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 30 April 2017 has been received and is set out on page 5 of the financial report.

7. Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Co-operative:

* indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs expenses in successfully defending legal proceedings: or

* paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception of the following matters:

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

8. Directors Benefit

Since the end of the previous financial year no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due to be received by Directors shown in the accounts or received as the fixed salary of a full time employee of the Club) by reason of a contract made by the Club or by a related corporation with the Director or with a firm of which they are a member, or with a Company in which they have a substantial financial interest in, other than those disclosed in Note 19 of this report.

9. Environmental Regulations

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

10. Dividends

The Club is prohibited from paying dividends under its constitution.

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
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DIRECTORS' REPORT (Cont.)

11. Meeting Attendances

The number of Board meetings held during the financial year ended 30 April 2017 was 13, being 12 ordinary monthly Board meetings and 1 special Board meeting. The details of each Directors attendances at those meetings is given below:

<u>Director</u>	<u>Normal</u>	<u>Special</u>	<u>Eligible to Attend</u>
David Bell	10	1	13
Colin Taylor	11	1	13
Edward Elks	12	1	13
Peter Howell	11	1	13
David McQuire	9	-	13
Glenda Morgan	11	-	13
Dave Tull	11	1	13
Colin Edwards	12	1	13
Geoff Armstrong	11	1	13

12. Property Report

The directors have determined that property of the club shall be classified as follows in accordance with section 41J of the Registered Clubs Act 1976 :

Core Property - Leasehold property situated at Valentine Crescent, Valentine, NSW 2280

Non Core Property - Nil

Signed in accordance with a resolution of the Board of Directors



E. Elks - Director



D. McQuire - Director

Dated: 27 June 2017



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

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Kirsty Porteous

Kirsty Porteous - Partner

DFK Crosbie Partners

DFK Crosbie Partners
Chartered Accountants

Dated: 27 June 2017
Warabrook, NSW

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LEADING ACCOUNTANTS AND BUSINESS ADVISERS
VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)
INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Valentine Bowling Club Co-operative Limited.

Report on the Financial Report

Opinion

We have audited the financial report of Valentine Bowling Club Co-Operative Limited, which comprises the Statement of Financial Position as at 30 April 2017, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cashflows for the year then ended, including a summary of significant accounting policies, and the Directors' declaration.

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

(a) giving a true and fair view of the company's financial position as at 30 April 2017 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Co-operatives National Regulation (NSW).

Basis for Opinion

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 30 April 2017, 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.

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INDEPENDENT AUDIT REPORT TO MEMBERS

Responsibilities of the Directors for the Financial Report

The Directors of the Club 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 Club'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 Club 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our audit report.

Kirsty Porteous

Kirsty Porteous - Partner

DFK Crosbie Partners

DFK Crosbie Partners
Chartered Accountants

Dated: 27 June 2017
Warabrook, NSW

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VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

DIRECTORS' DECLARATION

The Directors of the Co-operative declare that:

- 1 The financial statements and notes, as set out on pages 9 to 18:
 - (a) comply with Accounting Standards in Australia, the Co-operative National Law (NSW) 2014 and other mandatory reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 April 2017 and of its performance, as represented by the results of its operations and cash flows for the year ended on that date.
- 2 At the date of this declaration there are reasonable grounds to believe that the Co-Operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and signed for on behalf of the Directors by:



E. Elks - Director



D. McQuire - Director

Dated: 27 June 2017

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7	285,953	562,743
Trade and Other Receivables	8	22,807	27,264
Inventories	9	48,169	55,270
Investments	10	5,236	5,236
Other Assets	11	57,286	55,797
TOTAL CURRENT ASSETS		419,451	706,310
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	3,395,733	2,250,167
Intangible Assets	13	73,166	73,166
TOTAL NON-CURRENT ASSETS		3,468,899	2,323,333
TOTAL ASSETS		3,888,350	3,029,643
CURRENT LIABILITIES			
Trade and Other Payables	14	276,341	180,594
Financial Liabilities	15	790,928	41,447
Provisions	16	110,218	135,417
Other Liabilities	17	87,157	98,503
TOTAL CURRENT LIABILITIES		1,264,644	455,961
NON-CURRENT LIABILITIES			
Provisions	16	24,653	21,131
TOTAL NON-CURRENT LIABILITIES		24,653	21,131
TOTAL LIABILITIES		1,289,297	477,092
NET ASSETS		2,599,053	2,552,551
MEMBERS' FUNDS			
General Reserve		1,271	1,271
Accumulated Profit		2,597,782	2,551,280
TOTAL MEMBERS' FUNDS		2,599,053	2,552,551

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

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2017

	Note	2017 \$	2016 \$
Bar Sales		1,638,592	1,591,865
Cost of Goods Sold		(699,779)	(660,144)
Bar Gross Profit (\$)		938,813	931,721
Bar Gross Profit (%)		57.3%	58.5%
Bistro Sales/Functions		1,683,465	1,614,147
Cost of Goods Sold		(651,192)	(589,297)
Bistro Gross Profit (\$)		1,032,273	1,024,850
Bistro Gross Profit (%)		61.3%	63.5%
Poker Machine Net Revenue		677,544	726,717
Members' Subscriptions		66,386	54,283
Green Fees & Related Income		87,353	86,412
Interest Received		-	-
Keno Commission		34,471	38,620
Tab Commission		5,974	5,299
Function Income		39,413	36,728
Sundry Income		181,544	167,021
Total Trading and Other Income		3,063,771	3,071,651
Expenses			
Bar Direct Expenses		(284,018)	(328,546)
Bistro Direct Expenses		(692,386)	(646,335)
Poker Machine Direct expenses		(112,361)	(116,287)
Keno Direct Expenses		(5,656)	(6,349)
Tab Direct Expenses		(8,450)	(7,989)
Members Amenities		(216,309)	(214,904)
Bowls & Greens Expenses		(272,113)	(264,291)
Clubhouse Expenses		(640,790)	(568,212)
Administration and Other Expenses (excluding Finance Costs)		(747,473)	(705,446)
Finance Costs		(37,713)	(2,126)
Total Expenses		(3,017,269)	(2,860,485)
Net Profit/(Loss) Before Income Tax		46,502	211,166
Income Tax Expense	1	-	-
Net Profit/(Loss) After Income Tax		46,502	211,166
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		46,502	211,166

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

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 APRIL 2017

Note	2017 \$	2016 \$
Cash Flows from Operating Activities		
Receipts from Members and Guests	4,849,046	4,851,308
Payments to Suppliers and Employees	(4,378,747)	(4,246,810)
Interest Received	-	-
Interest Paid	(2,632)	(2,126)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	<u>467,667</u>	<u>602,372</u>
Cash Flows from Investing Activities		
Proceeds from Disposal of Property, Plant & Equipment	15,229	-
Payments for Plant and Equipment	(1,509,167)	(284,045)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	<u>(1,493,938)</u>	<u>(284,045)</u>
Cash Flows from Financing Activities		
Proceeds from Borrowings	1,005,928	54,086
Repayment of Borrowings	(256,447)	(37,039)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	<u>749,481</u>	<u>17,047</u>
Net Increase/(Decrease) in Cash Held	(276,790)	335,374
Cash at the Beginning of the Financial Year	<u>562,743</u>	<u>227,369</u>
Cash and Cash Equivalents at the End of the Financial Year	<u>285,953</u>	<u>562,743</u>

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

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017

	General Reserve	Accumulated Profits \$	Total Equity \$
Balance as at 1 May 2015	1,271	2,340,114	2,341,385
Profit attributable to members	-	211,166	211,166
Balance as at 30 April 2016	1,271	2,551,280	2,552,551
Profit attributable to members	-	46,502	46,502
Balance as at 30 April 2017	1,271	2,597,782	2,599,053

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

1 Statement of Significant Accounting Policies

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Co-operative National Law (NSW) 2014. Valentine Bowling Club Co-operative Limited is a not for profit entity for the purposes of preparing the financial statements.

The financial report has been prepared on an accrual basis and is based on historical costs. The financial report is presented in Australian Dollars.

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

Statement of Compliance

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

Income Tax

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

Inventories

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

Property, Plant and Equipment

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

The cost of leasehold improvements are being written off over the shortest of the term of the Club lease with Lake Macquarie City Council which expires in December 2043 or the useful life of the asset. Depreciation is calculated on a straight line basis over the estimated useful life of the asset or a diminishing value basis as follows:

Asset Class	Rate	Method of Depreciation
Leasehold Improvements	1 - 20%	Straight-line/ Diminishing Value
Greens Construction	10 - 20%	Straight-line
Plant and Equipment	10 - 25%	Straight-line
Poker Machines	25 - 33.33%	Straight-line

Impairment

At each reporting date, the Club assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Club makes a formal estimate of the recoverable amount. Where the carrying amount of the asset exceeds the recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the administration expense line item.

Recoverable Amount of Assets

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use can not be estimated to be close to its fair value less cost to sell and it does not generate cash in flows that are largely independent of those of other assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

1 Statement of Significant Accounting Policies (Cont.)

Borrowing Costs

Borrowing Costs are recognised as an expense when incurred.

Accounts Payable

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

Trade Debtors and Other Receivables

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

Cash and Cash Equivalents

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

Revenue Recognition

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

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Club.

Revenue from membership subscriptions is recognised upon receipt of money for the period in which the membership relates.

Interest income is recognised as it accrues.

The profit or loss on disposal of asset is brought to account at the date an unconditional contract is signed.

Other revenue is recognised as it accrues.

Intangible Assets

Intangible assets acquired separately are capitalised at cost, the useful lives of these intangible assets are assessed to be either finite or indefinite. Those with finite lives are amortised over that period on a straight line basis. Intangible assets are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

Employee Benefits

Short Term

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

Other Long Term

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. A discount rate of the cash rate as at year end has been selected and used.

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

Goods and Services Tax

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

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 85 055 077 247)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

2 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application

Significant accounting estimates and assumptions

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

Useful lives of non-current assets

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

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

The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the Statement of Profit or loss and other comprehensive income should they change.

3 Deficiency in Working Capital

As at 30 April 2017 current assets of the Club were \$419,451 compared to current liabilities of \$1,264,644 representing a deficiency in working capital of \$845,193.

Current liabilities includes the entire balance of the NAB Loan being stated as a current liability due to the agreement with the Bank containing a clause which limits the Club from having an unconditional right to defer settlement of the loan, despite the Club having fulfilled all its obligations to the Bank to date.

The Club has a re-draw facility on borrowings to assist short term cashflow needs if required. At balance date the total amount of funds available was \$445,188. While the Club is making regular repayments on the loan facility, principle repayments are not required until the terms of the loan agreement until October 2019. Further, the Club achieved a profit of \$46,502 in the current year and the Statement of Cashflows shows net cashflows from operations of \$467,667. This together with the ongoing investment in property, plant and equipment, and forecasted operating profit results and positive cash flows are expected to be more than sufficient to meet the expected obligations to creditors and financiers. In addition, the Directors do not foresee any issues in continuing to meet the obligations in relation to the loan from NAB including all the loan terms and conditions. It is on this basis that the Directors have formed the opinion that the going concern basis is appropriate.

4 Other Information

The Club, being incorporated in New South Wales, Australia under the Co-operatives Act has its registered office and principal place of business at Valentine Crescent, Valentine.

5 Operating Revenue

	2017	2016
	\$	\$
Bar Sales	1,638,592	1,591,865
Bistro Sales	1,683,465	1,614,147
Poker Machine Net Revenue	677,544	726,717
Members' Subscriptions	66,386	54,283
Green Fees	87,353	86,412
Keno Commission	34,471	38,620
Tab Commission	5,974	5,299
Function Income	39,413	36,728
Sundry Income	198,724	184,201
Total	4,431,922	4,338,272

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

	2017 \$	2016 \$
6 Operating Profit / (Loss)		
Operating profit / (loss) before income tax is arrived at after crediting and charging the following specific items:		
Credits		
Interest Received / Receivable	-	-
Profit on sale of assets	15,229	-
Charges		
Depreciation Poker Machines	40,772	52,265
Plant & Equipment	90,936	66,842
Greens & Equipment	20,673	18,459
	152,381	137,566
Amortisation - Leasehold Improvements	243,411	229,242
Total Depreciation and Amortisation	395,792	366,808
Loss on sale of assets	9,159	-
Interest and Finance Costs	37,713	2,126
Workers Compensation Insurance	27,093	24,110
Employee Benefits - Wages	1,344,394	1,326,146
- Superannuation	121,161	112,851
- Net Change in Leave provisions	(21,677)	23,373
	1,443,878	1,462,370
7 Cash and Cash Equivalents		
Cash on hand and equivalents	285,953	562,743
8 Trade and Other Receivables		
Debtors Trade	22,807	27,264
9 Inventories		
Stock on Hand - at Cost	48,169	55,270
10 Investments		
Women's Investment Deposit	5,236	5,236
11 Other Assets		
Prepayments	57,286	55,797

VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

12 Property, Plant and Equipment

	Plant & Equipment	Leasehold Improvements	Greens & Equipment	Poker Machines	Total
Year ended 30 April 2017					
At 1 May 2016					
Net of Accumulated Depreciation/Amortisation	296,587	1,695,714	149,057	108,809	2,250,167
Additions	402,473	1,036,094	1,890	110,060	1,550,517
Less: Disposals	9,159	-	-	-	9,159
Less: Depreciation/Amortisation	91,557	243,411	20,674	40,150	395,792
At 30 April 2017					
Net of Accumulated Depreciation/Amortisation	<u>598,344</u>	<u>2,488,397</u>	<u>130,273</u>	<u>178,719</u>	<u>3,395,733</u>
At 1 May 2016					
Cost or Fair Value	847,579	4,962,949	299,681	646,132	6,756,341
Accumulated Depreciation/Amortisation	550,992	3,267,235	150,624	537,323	4,506,174
Net Carrying Amount	<u>296,587</u>	<u>1,695,714</u>	<u>149,057</u>	<u>108,809</u>	<u>2,250,167</u>
At 30 April 2017					
Cost or Fair Value	1,119,636	5,963,294	301,570	720,567	8,105,067
Accumulated Depreciation/Amortisation	521,292	3,474,897	171,297	541,848	4,709,334
Net Carrying Amount	<u>598,344</u>	<u>2,488,397</u>	<u>130,273</u>	<u>178,719</u>	<u>3,395,733</u>

2017

\$

2016

\$

13 Intangibles

Poker Machine entitlements	<u>73,166</u>	<u>73,166</u>
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14 Trade and Other Payables

Current

Creditors & Accruals	256,453	159,329
GST Payable	19,888	21,265
	<u>276,341</u>	<u>180,594</u>

15 Financial Liabilities

Current

Loan - Global	23,192	23,854
Loan - Insurance General	4,445	3,632
Loan - Insurance Workers Comp	8,479	13,961
Loan Facility - National Australia Bank (Secured)		-
- Expected to repay within 12 months	260,000	
- Expected to repay after 12 months	494,812	
	<u>790,928</u>	<u>41,447</u>

Financing Security

The loan facility with National Australia Bank was taken out to fund the extensions and renovations undertaken by the Club. The facility is secured by Registered Mortgage Debenture over the whole of the assets of the Club and Mortgage over Lease given by Valentine Bowling Club over premises. The facility is interest only and will expire in October 2019.

16 Provisions

Current

Provision for Annual Leave	77,937	89,197
Provision for Sick Pay	-	3,271
Provision for Long Service Leave	32,281	42,949
	<u>110,218</u>	<u>135,417</u>

Non Current

Provision for Long Service Leave	<u>24,653</u>	<u>21,131</u>
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VALENTINE BOWLING CLUB CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

	2017	2016
	\$	\$
17 Other Liabilities		
Subscriptions in Advance	44,782	41,988
Income in Advance	13,662	21,829
Money Held for Internal Clubs	24,151	30,063
Members Points Liability	1,693	2,272
Other Provisions	1,435	920
Gaming Tax Rebate - In Advance	1,434	1,431
	87,157	98,503

18 Commitments for Expenditure

a) Rental Agreements

Total commitments in respect of rental agreements are as follows:

Not Later than one year	38,340	38,340
Later than one year and not later than five	114,745	128,802
Later than five years	491,067	514,267
	644,152	681,409

These include the club lease noted below assuming the current rental applies forward.

The Club is located on land that is leased from Lake Macquarie City Council for a term of 30 years from 1 December 2014 to 1 December 2043. The rent for each year is to be paid annually in advance, with the amount being calculated as 1% of the sum of bar sales and poker machine net revenue for the financial year of the Club ending immediately prior to 1 July. The rent for the year ended 30 June 2017 is \$23,200 (2016: \$23,200)

b) Capital Commitments

	2017	2016
	\$	\$
To be expended within one year:		
Renovation of Clubhouse	-	1,371,355
	-	1,371,355

19 Related Parties

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

An amount of \$13,600 was paid to Davidal Pty Ltd during the year. Director D McQuire is also a Director of this company.

Key Management personnel

The total remuneration paid to key management personnel of the Club during the year was as follows:

	2017	2016
	\$	\$
Short Term Employment benefits	110,266	108,247
Long Term employment benefits	1,560	1,175
Post employment benefits	9,995	9,808
	121,821	119,230