Wooli Bowling &

Recreation Club

Co-Operative Limited



Annual Report

For the year ending

30 June 2017

**WOOLI BOWLING & RECREATION CLUB CO-OPERATIVE LIMITED**

**ABN: 78 177 416 970**

**NOTICE OF ANNUAL GENERAL MEETING**

**Notice is hereby given that the Annual General Meeting of the club will held on Sunday the 15th October 2017**

**at 9.00am at the Registered Office of the Co-operative, Riverside Drive, Wooli.**

**BUSINESS**

1) Confirmation of minutes

2) To receive the President’s and Directors’ Reports

3) To receive, consider and adopt the financial report of the co-operative for the year ended 30 June 2017.

4) Election of Officers

a) President

b) Vice President (2)

c) Treasurer and 5 Directors

1. To determine and fix any honorariums. Currently, honorariums are as follows;

President $300 per month.

Treasurer $300 per month.

Bowls Secretary $140 per month.

1. To pass Ordinary Resolution One as outlined below.

 7) To transact any other business that may be legally dealt with in conformity with the club rules.

**MEMBERS NOTE**

Questions requiring research of financial figures should be submitted to the President no later than two days before the Annual Meeting.

By Order of the Board

Phil Baynham

President

19th September 2017

A member entitled to attend and vote is not entitled to appoint a proxy to attend and vote on their behalf, in accordance with rule Part III Section 30 (1) d of the Registered Clubs Act 1976

Notice of Ordinary Resolution.

**Ordinary Resolution One.**

That pursuant to the Registered Clubs Act, the Members hereby approve that each of the Directors are to be entitled to the following benefits over the next twelve (12) months and the Members acknowledge that these benefits are not available to Members generally, but only those who are Directors of the Club:

1. Directors to be reimbursed for any reasonable out of pocket expenses incurred during the course of acting for and on behalf of the Club.
2. The reasonable cost of Directors for meals and or drinks covering Board Meeting attendance and associated activities.
3. The reasonable costs of travel, accommodation and meals for Directors attending seminars, lectures, trade displays, organised study tours, fact finding tours, Registered Clubs Association of New South Wales events, Club Managers Association events and other similar events as may be determined by the Board from time to time.
4. Attendance at functions with spouses where appropriate and required, to represent the Club.
5. Reasonable expenses incurred by Directors in relation to other such duties including the entertainment of special guests to the Club and other promotional activities performed by Directors subject to prior Board approval.
6. That should the Board resolve that a uniform is required for Directors, the uniform shall be provided at the Club’s expense.

PRESIDENT’S REPORT

Members

Once again the Club has experienced a reasonably successful year. Although the profit margin is somewhat down on last year we still have made a small profit as the Club continues to improve amenities and conditions for the members.

Capital expenditure during the past twelve months totalled approximately  $45000. The main items included the purchase of a new bus – which most will agree was a necessary upgrade! – and the replacement of compressors in the cool room and kitchen.

These improvements will continue with new carpet, new fencing and bowling green renovations already approved by the Board.

New manager, Lorna, assistant Kellie and all the staff have contributed to making our Club a very convivial place to spend some time, thank you.

To the staff who left through the year, Del and John, thank you for your services to the club.

Thanks also to my fellow directors and all those volunteers who helped out during the year.

I would like to extend condolences and sympathy to those families that have lost loved ones during the year.

Thank you Members

Phil Baynham

President

Your Directors present their report, together with the financial statements on the co-operative for the financial year ended 30 June 2017.

**Directors**

The names of the Directors in office at any time during or since the end of the year are:

P.Baynham

C.Drabsch

C.Brown

G.Tory

S.Austin

D.Pope

J.Mussared

G.Clarkson

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

**Operating Result**

The profit/(loss) of the co-operative for the financial year after providing for income tax amounted to:

 Year ended Year ended

 30 June 2017 30 June 2016

 $ $

 245 6,355

**Principal Activities**

The principal activities of the co-operative during the course of the year were providing for Members and Guests a social and sporting club with all the usual facilities of a licensed club.

No significant change in the nature of these activities occurred during the year.

The entity’s short-term objectives are:

* to maintain the club as a going concern
* to manage the club’s cash holdings
* to upgrade all facilities for the enjoyment of the members

The entity’s long-term objectives are:

* to enhance the club to be the destination in Wooli
* to increase the amount of community support that the club provides

**Co-operative Secretary**

John Chapman resigned the position of Secretary Manager on the 14th of April 2017. Lorna Franks was in the acting position of Secretary Manager from that date until being appointed Secretary Manager by the Board on the 9th of July 2017.

**Review of Operations**

**a. Trading Results**

**a1. Bar Area**

The bar division turnover decreased by $9,319 (1.9%). Gross profit in this area has increased by $2,790 (1.0%). Profit margin increased by 1.6%.

**a.2 Poker Machines**

The poker machine net receipts increased by $4,280 (1.4%) however gaming profit decreased by $763 (0.3%).

1. **Capital Expenditure**

During the financial year a total of $45,797 has been spent on capital expenditure representing new plant and equipment.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the entity’s operations, the results of those operations, or the entity’s state of affairs in future financial years.

**Likely developments and expected results of operations**

Information on likely developments in the operations of the entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the entity.

**Financial Position**

The net assets of the co-operative have increased by $245 from 1 July 2016 to $2,425,693 in 2017.

**INFORMATION ON DIRECTORS**

Particulars of the qualifications, experience and special responsibilities of the directors are

**NAME QUALIFICATIONS & EXPERIENCE**

**Phil Baynham** Director of the club 8 years

Special Duties:Chairman

Meetings Attended:11/12

**Craig Drabsch** Director of the club 4 years

Special Duties: Finance

Meetings Attended: 11/12

**Colleen Brown** Director of the club 6 years

Special Duties: Treasurer

Meetings Attended: 10/12

**Steve Austen** Director of the club 4 years

Special Duties: General Committee

Meetings Attended: 0/12

**Gerald Tory** Director of the club 6 years

Special Duties: Maintenance

Meetings Attended: 10/12

**Deborah Pope** Director of the club 3 years

Special Duties: General Committee

Meetings Attended: 9/12

**Judy Mussared** Director of the club 3 years

Special Duties: General Committee

Meetings Attended: 12/12

**Graham Clarkson** Director of the club 2 years

Special Duties: Bowls and General Committee

Meetings Attended: 10/12

**Indemnity and insurance of officers**

The co-operative has indemnified the directors and executives of the co-operative for costs incurred, in their capacity as

director or executive, for which they may be held personally liable, except where there is lack of good faith.

During the financial year, the co-operative paid a premium in respect of a contract to insure the directors and executives of

the co-operative against a liability to the extent permitted by the Co-Operatives Act.

**Environmental regulation**

The entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Proceedings on behalf of the co-operative**

No person has applied to the Court for leave to bring proceedings on behalf of the co-operative or to intervene in any

proceedings to which the co-operative is a party for the purpose of taking responsibility on behalf of the co-operative for

all or part of those proceedings.

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

Craig Drabsch

Director

19th September 2017

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2017** |  | **2016** |
| **REVENUE** |  | $ |  | $ |
| Revenue |  | 956,090 |  | 946,702 |
|  |  |  |  |  |
| **EXPENSES** |  |  |  |  |
| Cost of Goods Sold  |  | -288,974 |  | -296,040 |
| Depreciation |  | -57,124 |  | -40,313 |
| Employee Benefits Expenses |  | -262,651 |  | -271,607 |
| Financing Costs |  | - |  | - |
| Other Expenses  |  | -347,096 |  | -332,387 |
|  |  |  |  |  |
| **Profit(Loss) Before Income Tax**  |  | 245 |  | 6,355 |
|  |  |  |  |  |
| Income Tax Expense |  | 0 |  | 0 |
|  |  |  |  |  |
| **Profit(Loss) after Income Tax** |  | 245 |  | 6,355 |
|  |  |  |  |  |

**Other Comprehensive Income**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
| Net gain(loss) on revaluation of non-current assets |  | - |  | - |
|  |  |  |  |  |
| **Total comprehensive income/(loss) for the year attributable to the members** |  | 245 |  | 6,355 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Notes | **2017** |  | **2016** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ASSETS** |  | $ |  | $ |
| **Current Assets** |  |  |  |  |
| Cash and cash equivalents |  | 355,079 |  | 368,138 |
| Inventories |  | 30,300 |  | 36,319 |
| Financial assets |  | 30 |  | 30 |
| Other |  | 18,106 |  | 14,541 |
| **Total Current Assets** |  | **403,515** |  | **419,028** |
|  |  |  |  |  |
| **Non-Current Assets** |  |  |  |  |
| Property, plant and equipment |  | 2,050,869 |  | 2,062,196 |
| **Total Non-Current Assets** |  | **2,050,869** |  | **2,062,196** |
|  |  |  |  |  |
| **Total Assets** |  | **2,454,384** |  | **2,481,224** |
|  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |
| **Current Liabilities** |  |  |  |  |
| Trade and Other Payables |  | 25,707 |  | 45,917 |
| Provisions |  | 2,984 |  | 9,859 |
|  |  |  |  |  |
| **Total Current Liabilities** |  | **28,691** |  | **55,776** |
|  |  |  |  |  |
| **Non Current Liabilities** |  |  |  |  |
| Provisions |  | **-** |  | - |
| **Total Non Current Liabilities** |  | - |  | **-** |
|  |  |  |  |  |
| **Total Liabilities** |  | **28,691** |  | **55,776** |
|  |  |  |  |  |
| **Net Assets** |  | **2,425,693** |  | **2,425,448** |
|  |  |  |  |  |
| **Equity** |  |  |  |  |
| Reserves |  | 1,303,528 |  | 1,303,528 |
| Retained Profits |  | 1,122,165 |  | 1,121,920 |
| **Total Equity** |  | **2,425,693** |  | **2,425,448** |

|  |  |  |
| --- | --- | --- |
|  | **Retained Earnings** | **Asset Revaluation Reserve** |
| Balance at 30 June 2015 | 1,115,565 | 1,303,528 |
| Profit/(Loss) attributable to the entity | 6,355 |  |
| Balance at 30 June 2016 | 1,121,920 | 1,303,528 |
| Profit/(Loss) attributable to the entity | 245 |  |
| Balance at 30 June 2017 | 1,122,165 | 1,303,528 |

**Statement of Cash Flows**

**For the year ended 30 June 2017**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Notes | **2017****$** |  | **2016****$** |
| **Cash Flow From Operating Activities** |  |  |  |  |
| Receipts from customers (inclusive of GST) |  | 1,046,696 |  | 1,040,702 |
| Payments to suppliers and employees (inclusive of GST) |  | (963,671) |  | (961,457) |
| Interest received |  | 2,743 |  | 7,636 |
| Goods and Services Tax Paid |  | (53,030) |  | (46,425) |
| Net cash provided, (used) by operating activities |  | 32,738 |  | 40,456 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Cash Flow From Investing Activities** |  |  |  |  |
| **Payment for:** |  |  |  |  |
| Payments for property, plant and equipment |  | (45,797) |  | (4,830) |
| Transfer investments to cash |  |  |  |  |
|  |  | (45,797) |  | (4,830) |
|  |  |  |  |  |
|  |  |  |  |  |
| Net increase (decrease) in cash and cash equivalents |  | (13,059) |  | 35,626 |
| Cash and cash equivalents at the beginning of the year |  | 368,138 |  | 332,512 |
| Cash at the end of the year |  | 355,079 |  | 368,138 |

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit and loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

**Accounting Policies:**

1. **Investments**

Investments are bought to account at cost. The carrying amount of the investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the investments. The expected net cash flows from investments have not been discounted to their present values in determining the recoverable amounts, except were stated.

Interest and dividends are brought to account in the Profit & Loss statement when receivable.

1. **Property, Plant and Equipment**

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

**Land:**  Freehold land is measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in one arms-length transaction. It is the policy of the club to implement valuations when received.

The revaluation of freehold land does not require capital gains tax to be taken into account, as the club is exempt from taxation

**Buildings, Plant & Equipment:**

Freehold buildings and Plant & Equipment are measured at cost.

The club is treated as a ‘not-for-profit’ entity where the value of certain assets in the club has future benefits that may not be directly related to cash flows in the future. The club has determined to use depreciated replacement cost as an appropriate measure for impairment.

The cost of fixed assets constructed includes the cost of materials and direct labour.

**Depreciation:**

The depreciable amount of all fixed assets including building but excluding freehold land, is depreciate straight basis, over their useful lives commencing from the time the asset is held ready for use.

The gain or loss on the disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before tax of the co-operative in the year of disposal.

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

|  |  |
| --- | --- |
| **Class of Fixed Asset** | **Depreciation Rate** |
| Buildings | 2.5% - 10% |
| Greens Equipment |  10% - 20% |
| Bowling Greens | 2.5% - 10% |
| Plant & Equipment (General) | 20% |
| Furnishings & Crockery | 10% - 20% |
| Carpets | 20% |
| Furniture | 10% - 20% |
| Poker Machines | 20% |
| Improvements | 2.5% - 10% |
| Bar Plant | 20% |
| Leasehold Assets | 2.5% |
| Electrical Plant | 20% |
| Cool Room | 10% - 20% |

1. **Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a “first in, first out” basis.

1. **Employee Benefits**

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

Contributions are made by the co-operative to an employee Superannuation Fund and are charged as expenses when incurred.

1. **Income Tax**

The co-operative is exempt from Income Tax under Section 50-45 of the Income Tax Assessment Act 1997.

1. **Cash & Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with maturities of 90 days or less and bank overdrafts.

1. **Revenue**

Revenue from bar trading and gaming is recognised upon receipt. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset. Revenue from other sources is recognised on a proportional basis when the service has been delivered to the customers.

All revenue is stated net of the amount of goods and services tax (GST) except on the Statement of Cash Flows.

1. **Comparative Figures**

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

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

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

**(j) Provisions**

Provisions are recognised when the co-operative has a legal and constructive obligation, as a result of past events, for which it is probable than an outflow of economic benefits will result and that outflow can be reliably measured.

**(k) Segment Reporting**

 The Club operates predominantly in the Club Entertainment and Sporting Industry in Wooli NSW.

**(l) Trade & Other Payables**

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**(m) Critical Accounting Estimates**

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

**(n) Critical Accounting Judgements, Estimates & Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

The entity determines the estimated useful lives and related depreciation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Directors’ Declaration**

In the Directors’ opinion

* The attached financial statements and notes thereto comply with the Small Co-operatives financial reporting requirements.
* The attached financial statements and notes thereto give a true and fair view of the entity’s financial position as at 30 June 2017 and of its performance for the financial year ended on that date.
* 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.

Signed in accordance with a resolution of Directors ,

On behalf of the Directors

Craig Drabsch

Director

19th September 2017