



Canberra North Bowling & ACT Rugby Union Club Incorporated

Annual Report & Financial Statements

2015/16

NOTICE OF ANNUAL GENERAL MEETING

Notice to Members

The Annual General meeting of the Canberra North Bowling and ACT Rugby Union Club Incorporated will be held at the RUC Turner, 54 McCaughey Street Turner ACT on THURSDAY 23rd November 2016 at 6.30pm.

Special Resolutions will be proposed to reduce the number of directors on the Board and to make consequential amendments to the Club's constitution.

Copies of the Agenda including Special Resolutions are available at the Club.

AGENDA

**THE CANBERRA NORTH BOWLING AND ACT RUGBY UNION CLUB INC ANNUAL GENERAL MEETING
at the CNBACTRUC, 54 McCaughey Street Turner act 2612
on Wednesday the 23rd November 2015 at 6.30pm**

1. Apologies
2. Minutes of the 2015 Annual General Meeting
3. Presentation of the Annual Report and Financial Statements for 2015/2016
4. Proposed amendment of the Constitution regarding Board members. (Copies of the proposed amendments are available at The RUC Turner and will be available at the Annual General Meeting).
5. Elections (Only to be held if the proposed Constitution amendment is not approved)
 - a. Treasurer – three-year term
 - b. Board Member (Bowling) – three-year term
6. Approval of Life Memberships: Reg Motby
7. General Business
8. Meeting close

PREVIOUS MINUTES

MINUTES

ACT Rugby Union Club Annual General Meeting, followed by
Canberra North Bowling and ACT Rugby Union Club Annual General Meeting
Thursday 26th November 2015, 6.00pm
The CNBACTRUC Auditorium, 54 McCaughey St, Turner

1.0 Welcome/Attendance

1.1) In Attendance/Quorum

J Bisa (President, Chair) and 48 members as per attached list

1.2) Apologies: A McKerchar, N Dahlstrom

2.0 ACT Rugby Union Club AGM

2.1) Minutes of the 2014 AGM

The main business of the 2014 AGM was a motion to amalgamate the ACTRUC and Canberra North Bowling Club, followed by wind-up of the ACTRUC. Nominations were also received for Board positions for the final year of the ACTRUC.

Moved that the Minutes be approved: M Roche

Seconded: S Burt

Carried unanimously.

2.2) Treasurer's Report

- A Sykes gave a summary of this year's ACTRUC Annual Report and Financial Statements. Changing demographics in Barton had led to a loss of \$75,000 in the last year,

THE CANBERRA NORTH BOWLING AND ACT RUGBY UNION CLUB INC

which was draining the Club's resources. The club tried to trade out of the deficit but most initiatives were unsuccessful, particularly on Friday and Saturday nights. The Barton club has now been sold after ACTPLA, GRC, board and member approvals. A suitable buyer was found in the end, and the club was sold for \$1.5 million, with an additional \$110,000 for sale of the poker machines. Settlement occurred six weeks ago, debts are extinguished, and the proceeds will go towards the premises in Turner which are now the Club's sole premises.

- M Roche asked what is involved in the wind-up; A Sykes replied that it is mainly paperwork and that Hardwicke's had been appointed to wind the club up.
- The RUC Board will continue until the ACTRUC is wound up, which is now in progress. The position of Vice President is up for election, and the sole nomination is N Dahlstrom.

Moved that this nomination be approved: S Burt

Seconded: M Roche

N Dahlstrom is elected as Vice President.

- The ACTRUC AGM then closed at 6.20 pm.

3.0 Canberra North Bowling and ACTRUC Annual General Meeting

3.1) In Attendance/Quorum

J Bisa (President, Chair) and 48 members as per attached list

3.2) Apologies: A McKerchar, N Dahlstrom

3.3) Minutes from the 2014 combined club AGM

The focus of the 2014 AGM was on the amalgamation of the two clubs and elections for the new Board. There was also a suite of general business, including the appointment of a new Secretary. Various people had been thanked for their contributions towards the amalgamation, in particular G Hiscox who had been President of Canberra North Bowling Club for many years.

Moved that the Minutes be approved: R McInnes

Seconded: B Sheppard

Carried unanimously.

3.4) Treasurer's Report

- A Sykes presented the Financial Report for the combined Club. The Club had been \$1 million in debt, although the debts were offset by the Club's assets, particularly the sale of Barton. Losses over the last twelve months had been \$268,000, and early in 2015 it became apparent that operating two clubhouses was not sustainable. Sale of the Barton premises had realised assets that are significant enough to cover all the debts. It is hoped that operations will break even over the next year, but provision has been made for a continuing smaller loss. At present only the poker machines continue to make a loss, but it is hoped that they will go into profit in the present month.
- Many suggestions have been put forward for the usage of the proceeds from the Barton sale and other club income, and these exceed the amount available. The Finance Committee comprising A Sykes, R Grylls and R Horner will develop a draft proposal, which will then be discussed at a workshop by the full Board. The workshop will produce a sound business case and plan for the future of the club.

3.5) Motion on Board size

- J Bisa noted that in the call for the AGM a motion to reduce the size of the Board by three members had been flagged. However, after discussions with the Bowls Management Committee it had been decided that the motion would be dropped for twelve months to allow the new Board to settle in for longer and determine its best size. The motion may be reintroduced at a later date.

3.6) Election of Board members

- At the previous AGM Board members were elected for one, two or three year terms, the time differences being for continuity of Board function. Three positions had been for one year and were thus expiring:

Vice President – only one nomination, N Dahlstrom, elected for three years.

General Board member – S Burt, retiring. Only one nomination for this position was received, Greg Corliss, elected for three years.

Bowling Board member – R Horner, retiring. No nominations had been received before the meeting, so nominations were called from the floor. Sole nomination was R Horner, nominated by L Richards, seconded R McInnes, elected for three years.

3.7) Appointment of club auditors

A motion was tabled to change the club's auditors from Bonsella Business Solutions to Hardwicke's, based on price and service.

Moved: B Sheppard

Seconded: R Grylls

Carried unanimously.

3.8) General Business

The overall Board Report was tabled, including on the club's bowling activities. Congratulations were due to B Johnston and L Barnsley for winning the Men's and Women's Singles respectively. The King and Queen event had been very successful during the year. Thanks were due to the Bowls Management Committee for their efforts during the year, and also to P and M Bellchambers for maintaining the club website and T Doyle and Matt Wenman for excellent upkeep of the greens.

The President's report summarised what had already been presented on the club's situation and future. Thanks were given to the Board for its work during the year, and especially to S Burt who is now leaving the Board. The current emphasis is on strategic re-positioning of the whole operation of the club, and in particular stabilising the financial situation.

The Board workshop within the next three months will look at how best strategically to use the funds that are available. Initial focuses will be on the front of house and the back of house, growing the membership base and patronage of the club, and barefoot bowling. Members will be informed when the plan has been developed, and it is hoped that in twelve months' time the club will be able to report a profit. One further emphasis will be on working on all these activities as a single club, for the benefit of all members.

One question from the floor asked whether members could have an input on how the money would be spent. Answer: the Board will make the initial plan, but will then share it with the Bowls Management Committee and other club members for comment and feedback.

3.9) Special business

The President made special mention of the very great contribution that Mick Roche had made, to the operation of the RUC, to working towards the amalgamation with Canberra North Bowling Club, towards the acquisition of a suite of new poker machines, and in many other ways. He proposed that this service be recognised by Life Membership for M Roche.

Motion that M Roche be elected to life Membership of the Canberra North Bowling and ACT Rugby Union Club.

Proposed: J Bisa

Seconded: P Ferrar

Carried unanimously and by acclamation.

4.0 Meeting Close

4.1) The meeting closed at 6.55 pm. The President thanked all members who had attended, and noted that the new venue in the Turner auditorium was excellent.

APPENDIX: List of members attending the ACTRUC and CNBACTRUC AGMs

S Ayre	L Barnsley	N Barnsley	T Bell
N Bessell	J Bisa	V Bliss	S Burt
N Butler	C Carcary	N Clarke	G Corliss
S Cottle	G Croker	C Dalton	P Ferrar
B Fisher	N Freeman	A Grant	R Grylls
D Harber	G Hiscox	R Horner	R Hume
B Hurrell	P Johnston	A Juric	T Kovac
R McInnes	T Moon	T Munro	B Pink
D Polglase	R Rawson	L Richards	K Roche
M Roche	N Scanlan	T Scanlan	K Schipp
M Schipp	D Seaton	A Sheppeard	A Sumpter
A Sykes	P Totterdell	J Wilcox	K Wilson

Also Member No 29260 or 27260 or 21260 – see last but two on third page.

2015/16 BOARD REPORT

The CNBACTRUC board is pleased to present the annual report for the Canberra North Bowling and ACT Rugby Union Club Incorporated and congratulate members, board, staff and management on a year of consolidation for the club.

The financial result for the club is a net profit of \$1,130,989, noting a: \$137,007 net operating loss for Turner; an increase in the operating cash position of the club of \$75,529 in the Club's first full year of gaming operations; and significant investment in the club's infrastructure. Patronage of the club by members has increased over the year as evidenced by the bowling, bar and gaming revenue figures, with membership of the combined club now at 11,153 plus 4,300 AFPA members.

Over \$96,887 was spent on member amenities including the club's Foxtell subscription, discounted food and beverages, over \$33,415 on community organisations (representing \$10,189 more than is legislatively required), \$3,652 on the Gambling Assistance Fund and in excess of \$150,000 on the upkeep of the bowling greens and surrounds.

During the year the board commenced the wind up of The ACT Rugby Union Club and all assets were transferred to CNBACTRUC. The liquor licence at Turner was also transferred from the ACT Rugby Union Club to CNBACTRUC as the final step in the merger between the two clubs.

Both 2015 and 2016 have been strategically focused to formulate, preserve and secure a successful future for the club. The focus of the Board has been to direct funds in a manner that will enhance day-to-day operational targets from which surpluses will fund capital expenditure. The board would like to thank all members, guests and particularly new members for supporting the club in great numbers during the year.

2017 promises to be another exciting year as stage 2 refurbishments near completion and we look forward to members enjoying the new deck, the refurbished club room, furniture, toilets and the new double sided fireplace!

Hearty congratulations to our men bowlers for winning the ACT Grade 3 Pennant Flag, our women bowlers for winning the Doran Challenge Trophy, and expert greenkeeper Terry Doyle for his renowned bowling greens and immaculate surrounds.

THE CANBERRA NORTH BOWLING AND ACT RUGBY UNION CLUB INC

The Board would like to thank and congratulate the outgoing President of the CNBACTRUC, Jason Bisa and outgoing Bowls Management Committee President, Gerry Hiscock for their tireless work as volunteers over many years at the individual and combined clubs.

We wish to thank all the Board members for their dedication to the merger and the merged club, with particular thanks to outgoing directors Nicholas Dahlstrom, Paul Ferrar and Angus McKerchar. I would also like to thank member's ongoing patronage while we build a sustainable future for the Canberra North Bowling and ACT Rugby Union Club.

Jeremy Wilcox
Secretary Manager

Canberra North Bowling Club Inc

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Financial Statements

For the Year Ended 30 June 2016

Canberra North Bowling Club Inc

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Committee's Report For the Year Ended 30 June 2016

The committee members submit the financial report of the Association for the financial year ended 30 June 2016.

1. General information

Directors

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

Names	Position	Appointed/Resigned
David Polglase	Elected Director	Appointed : 26/11/2015
Jarrad Butler	ACTSNSWRU Appointed Director	Appointed : 25/05/2016
Jason Bisa	President	Appointed : 26/11/2015
Peter Bradley	Elected Director	Appointed : 26/11/2015
Greg Corliss	Elected Director	Appointed : 26/11/2015
Angus Mcerchar	ACTSNSWRU Appointed Director	Resigned : 30/03/2016
Rob Horner	Bowling Director	Appointed : 26/11/2015
Andrew Sykes	Treasurer	Appointed : 26/11/2015
Roger Grylls	Bowling Director	Appointed : 26/11/2015
Simon Chester	ACTSNSWRU Appointed Director	Appointed : 26/11/2015
Paul Ferrar	Bowling Director	Appointed : 26/11/2015
Nick dahlsrtom	Director	Resigned : 30/03/2016
Alissa Taylor	Vice president	Appointed : 22/09/2016

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

Principal activities

The principal activities of the Association during the financial year was to foster and encourage interest and participation in sport in the ACT, particularly the game of Lawn Bowls and the Rugby Union Football Code; and promote social intercourse amongst the Members and guests of the Association.

Significant changes

The following significant changes in the nature of the principal activities occurred during the financial year:

On 27 October 2015 The ACT Rugby Union Club Incorporated disposed of Block 25 Section 6 Barton and 15 Poker Machine Licenses as a supply of a going concern to a private equity.

2. Operating results and review of operations for the year

Operating result

The profit of the Association for the financial year after providing for income tax amounted to \$ 1,130,989(2015: loss \$ 268,156).

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**Committee's Report
For the Year Ended 30 June 2016**

Other items

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Discontinuation of Operations

On 27 October 2015, The ACT Rugby Union Club Incorporated announced it would discontinue and wind up its operations as part of the merger with Canberra North Bowling Club Incorporated.

Signed in accordance with a resolution of the Members of the Committee:

Committee member:
Jason Bisa

Committee member:
Andrew Sykes

Dated 23 November 2016

Canberra North Bowling Club Inc

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Statement of Profit or Loss For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Income			
Clubhouse income		897,006	465,161
Gross profit from trading		772,837	654,084
Transfer of Net Assets from The ACT Rugby Union Club		1,267,996	-
		<u>2,937,839</u>	<u>1,119,245</u>
Expenditure			
Accounting fees		15,328	6,362
Advertising & Promotions		91,974	59,407
Auditors remuneration		10,000	3,800
Bank charges		6,155	6,369
Cleaning & Laundry		52,615	46,175
Contract work		350	715
Cost of bowls		2,099	4,090
Depreciation		218,149	104,730
Electricity & gas		74,592	61,345
Equipment		229	127
Glassware - Bar		2,289	3,847
Holiday leave		4,645	2,028
Juke box hire		7,902	9,698
Insurance		7,587	17,933
Kitchen supplies		4,305	5,159
Interest paid		34,551	39,606
Licence fees		10,092	4,348
Long service leave		5,613	1,435
Meat raffle costs		19,492	22,402
Members amenities		96,887	65,217
Materials and supplies		16,017	19,769
Management fees		501,298	416,964
Office expense		5,747	992
Poker machine cost		332,684	253,462
Printing and stationery		12,288	9,818
Rates and taxes		16,139	10,846
Repairs and maintenance		36,261	27,544
Security		-	385
Staff expenses		11,407	14,714
Stock movement		-	2,094
Stock audit		4,320	3,875
Sundry expenses		35,126	5,169
Superannuation contributions		9,598	8,996
Telephone and internet		21,481	14,753
Trophies		-	277
Wages		102,080	96,384
Water & sewerage		20,530	17,523
Waste removal & pest control		13,535	11,742

The accompanying notes form part of these financial statements.

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Statement of Profit or Loss For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
Workers compensation	<u>3,485</u>	<u>7,301</u>
	<u>1,806,850</u>	<u>1,387,401</u>
Income tax expense	2(a) -	-
Profit / (Loss) after income tax	<u>1,130,989</u>	<u>(268,156)</u>
Retained profit at the beginning of the financial year	<u>126,662</u>	<u>394,818</u>
Retained profits at the end of the financial year	<u><u>1,257,651</u></u>	<u><u>126,662</u></u>

The accompanying notes form part of these financial statements.

Canberra North Bowling Club Inc

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Assets and liabilities statement

As At 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	177,961	102,433
Trade and other receivables	5	30,206	16,729
Inventories	6	32,704	30,154
Other assets	7	9,003	3,160
TOTAL CURRENT ASSETS		249,874	152,476
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,555,560	4,468,011
TOTAL NON-CURRENT ASSETS		4,555,560	4,468,011
TOTAL ASSETS		4,805,434	4,620,487
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities	9	327,868	258,356
Trade and other payables	10	169,488	175,533
Employee benefits	11	25,626	8,681
TOTAL CURRENT LIABILITIES		522,982	442,570
NON-CURRENT LIABILITIES			
Financial liabilities	9	81,408	1,113,475
Employee benefits	11	26,968	21,355
TOTAL NON-CURRENT LIABILITIES		108,376	1,134,830
TOTAL LIABILITIES		631,358	1,577,400
NET ASSETS		4,174,076	3,043,087
MEMBERS' FUNDS			
Asset realisation reserve		2,916,425	2,916,425
Retained profits		1,257,651	126,662
TOTAL MEMBERS' FUND		4,174,076	3,043,087

The accompanying notes form part of these financial statements.

Canberra North Bowling Club Inc

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Statement of Changes in Equity For the Year Ended 30 June 2016

2016

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 July 2015	126,662	2,916,425	3,043,087
Profit for the year	1,130,989	-	1,130,989
Balance at 30 June 2016	1,257,651	2,916,425	4,174,076

2015

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 July 2014	394,818	2,916,425	3,311,243
Loss for the year	(268,156)	-	(268,156)
Balance at 30 June 2015	126,662	2,916,425	3,043,087

The accompanying notes form part of these financial statements.

Canberra North Bowling Club Inc

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Statement of Cash Flows For the Year Ended 30 June 2016

	2016
Note	\$
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	1,864,190
Payments to suppliers and employees	(1,643,818)
Interest received	3,645
Net cash provided by/(used in) operating activities	<u>224,017</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash proceeds from merger with RUC	1,520,821
Purchase of property, plant and equipment	(877,519)
Net cash used by investing activities	<u>643,302</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from finance lease	(791,790)
Net cash used by financing activities	<u>(791,790)</u>
Net increase/(decrease) in cash and cash equivalents held	75,529
Cash and cash equivalents at beginning of year	102,432
Cash and cash equivalents at end of financial year	4 <u><u>177,961</u></u>

The accompanying notes form part of these financial statements.

Canberra North Bowling Club Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2016

The financial statements cover Canberra North Bowling Club Inc as an individual entity. Canberra North Bowling Club Inc is a not-for-profit Association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991* ('the Act').

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets

Going Concern

The financial report has been prepared on the going concern basis. The Club has made a loss of \$137,007 for the year ended 30 June 2016. The ability of the Club to continue as a going concern is dependent on the Club's ability to meet its debt as and when they fall due and payable. The club has been prepared cash flow forecast for the next 12 months which reveals that the Club will meet its debt as when they fall due and payable. These cash flow forecast are based on a number of assumptions; in particular the Club's ability to meet projected levels of gaming machine, bar and other revenue.

The committee members are confident that the Club will meet these levels of gaming machine, bar and other revenue and/or can further reduce general expenditure to meet targeted outcomes. On this basis the committee members believe the adoption of the going concern basis of accounting is reasonable.

2 Summary of Significant Accounting Policies

(a) Income tax

Under the concept of mutuality, The Association is only assessed for income tax on the portion of income derived from non-members and other external sources.

The association adopts the liability method of tax effect of accounting whereby the income tax expense shown in the Statement of Financial Performance is based on the profit from ordinary activities before income tax adjusted for any permanent difference.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(b) Revenue and other income continued

Interest revenue

Interest is recognised when received.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Membership income

Membership income is recognised on an accruals basis when the Association is entitled to it.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 assets and liabilities are shown inclusive of GST.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of assets and liabilities.

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(h) Provisions

Provisions are recognised when the Association 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.

3 Business Combinations

Canberra North Bowling Club Inc was renamed in November 2014 following a decision to merge with the ACT Rugby Union Club Incorporated. The intention of the merger was to form a single club with premises in Turner ACT with the objective of offering their joint memberships a greater range of amenities and at the same time to enhance the sustainability of two long standing Canberra sporting and community clubs.

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Asset carrying amount	Fair value
	\$	\$
Assets or liabilities merged:		
Cash	20,821	20,821
Trade Debtors	30,783	30,783
Prepayment	9,003	9,003
Inventories	22,218	22,218
Plant and equipment	86,663	86,663
Trade payables	(103,717)	(103,717)
Borrowings	(278,918)	(278,918)
Total net identifiable assets	(213,147)	(213,147)

Revenue of the ACT Rugby Union Club Incorporated included in the consolidated revenue of Canberra North Bowling Club Inc since the acquisition date on 15 October 2015 amounted to \$ 31,563 with a loss \$ 17,261.

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Notes to the Financial Statements For the Year Ended 30 June 2016

4 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	704	704
Bank balances	67,762	33,213
Short-term deposits	33,587	33,587
Floats and hoppers	75,908	34,929
	<u>177,961</u>	<u>102,433</u>

5 Trade and Other Receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivables	16,837	11,975
GST receivable	-	3,486
Other receivables	13,369	1,268
Total current trade and other receivables	<u>30,206</u>	<u>16,729</u>

6 Inventories

	2016	2015
	\$	\$
CURRENT		
Merchandise	1,711	1,711
Alcoholic beverages	30,993	28,443
	<u>32,704</u>	<u>30,154</u>

7 Other Assets

	2016	2015
	\$	\$
CURRENT		
Accrued income	-	397
Prepayments	9,003	2,763
	<u>9,003</u>	<u>3,160</u>

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Notes to the Financial Statements For the Year Ended 30 June 2016

8 Property, plant and equipment

	2016	2015
	\$	\$
Land and Buildings		
Leasehold land	2,400,000	2,400,000
Buildings & grounds	81,542	81,542
Less: Accumulated depreciation	(14,477)	(8,224)
Property improvements	916,999	913,019
Less: Accumulated depreciation	(62,177)	(39,358)
Total land and buildings	<u>3,321,887</u>	<u>3,346,979</u>
Plant and equipment		
At cost	310,091	75,489
Accumulated depreciation	(150,621)	(6,017)
Total plant and equipment	<u>159,470</u>	<u>69,472</u>
Furniture, fixtures and fittings		
At cost	58,886	-
Accumulated depreciation	(67,990)	-
Total furniture, fixtures and fittings	<u>(9,104)</u>	<u>-</u>
Bar equipment		
At cost	69,212	69,212
Accumulated depreciation	(27,085)	(22,105)
Total Bar equipment	<u>42,127</u>	<u>47,107</u>
Office equipment		
At cost	74,677	9,864
Accumulated depreciation	(36,847)	(4,417)
Total office equipment	<u>37,830</u>	<u>5,447</u>
Greens equipment		
At cost	59,250	58,064
Accumulated depreciation	(47,842)	(45,504)
Total Greens equipment	<u>11,408</u>	<u>12,560</u>
Water Harvest equipment		
At cost	124,500	124,500
Accumulated depreciation	(46,688)	(40,463)
Total Water Harvest equipment	<u>77,812</u>	<u>84,037</u>
Kitchen equipment		
At cost	133,005	60,059
Accumulated depreciation	(71,005)	(7,352)
Total Kitchen equipment	<u>62,000</u>	<u>52,707</u>

Canberra North Bowling Club Inc

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Notes to the Financial Statements For the Year Ended 30 June 2016

8 Property, plant and equipment continued

	2016	2015
	\$	\$
Poker machines		
At cost	1,270,152	906,157
Accumulated depreciation	(419,050)	(57,573)
Total Poker machines	<u>851,102</u>	<u>848,584</u>
Greens		
At cost	1,808	1,808
Accumulated depreciation	(780)	(690)
Total Greens	<u>1,028</u>	<u>1,118</u>
Total property, plant and equipment	<u>4,555,560</u>	<u>4,468,011</u>

9 Financial liabilities

	2016	2015
	\$	\$
CURRENT		
Bank overdraft	50,669	72,188
Bank loans	25,771	-
Gaming machine liability	236,334	186,168
Cash redemption terminal finance	15,094	-
Total current borrowings	<u>327,868</u>	<u>258,356</u>

	2016	2015
	\$	\$
NON-CURRENT		
Bank loan	-	849,960
Poker Machine finance	81,408	263,515
Total non-current borrowings	<u>81,408</u>	<u>1,113,475</u>

Canberra North Bowling Club Inc

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Notes to the Financial Statements For the Year Ended 30 June 2016

10 Trade and Other Payables

	2016	2015
	\$	\$
CURRENT		
Trade payables	123,363	164,270
GST payable	4,155	-
Accrued expense	25,417	-
Other payables	16,553	11,263
	<u>169,488</u>	<u>175,533</u>

11 Employee Benefits

	2016	2015
	\$	\$
Current liabilities		
Provision for annual leave	25,626	8,681
	<u>25,626</u>	<u>8,681</u>

	2016	2015
	\$	\$
Non-current liabilities		
Long service leave	26,968	21,355
	<u>26,968</u>	<u>21,355</u>

12 Events after the end of the Reporting Period

The financial report was authorised for issue on 23 November 2016 by the Committee of Management.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

13 Association Details

The registered office of the association is:
Canberra North Bowling Club Inc
54 McCaughey Street
Turner ACT 2612

14 The Gaming Machine Act 2004: Disclosure

GST amounts are included in the peler machine cash cleared only.

Canberra North Bowling Club Inc

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Notes to the Financial Statements For the Year Ended 30 June 2016

14 The Gaming Machine Act 2004: Disclosure continued

	2016	2015
	\$	\$
	2016	2015
	\$	\$
Poker Machine Trading		
Gross Takings	553,061	207,243
	553,061	207,243
Less: Cost of goods		
Depreciation	153,629	57,573
Repairs and Maintenance	26,496	10,198
Poker Machine Tax	51,763	17,282
Gambling Assistance Fund	3,652	1,379
Sponsorship and Donations	14,714	11,020
Training and Development	175	1,677
Application Costs	990	1,120
Member Competitions	5,636	1,719
Bonus Point Redemption	21,218	874
Poker Machine Compliance	205,840	208,194
	484,113	311,036
Gross Profit / (Loss) from Gaming	68,948	(103,793)

(a) **Section 54(a) of the Gaming Machine Act 2004 - Contracts with influential persons :**

The Club has entered a management agreement with Capital Gemini Group to act as operations managers of the licenced club.

(b) **Section 54(b) of the Gaming Machine Act 2004 - contractual arrangements or consultancies with remuneration greater than \$99,999**

None

(c) **Section 54(c) of the Gaming Machine Act 2004 - contractual arrangements or consultancies with remuneration equal to or more than \$150,000**

None

(d) **Section 54(d) of the Gaming Machine Act 2004 - any benefits taken by a person during the financial year.**

None

Canberra North Bowling Club Inc

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Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 3 to 15:

- 1. Presents fairly the financial position of Canberra North Bowling Club Inc as at 30 June 2016 and its performance for the year ended on that date.
- 2. At the date of this statement, there are reasonable grounds to believe that Canberra North Bowling Club Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President.....

Treasurer

Dated 23 November 2016

Independent Audit Report to the members of Canberra North Bowling Club Inc

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Canberra North Bowling Club Inc, which comprises the statement of assets and liabilities as at 30 June 2016, the statement of profit or loss, 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 statement by members of the committee.

Officers' Responsibility for the Financial Report

The officers of Canberra North Bowling Club Inc are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the needs of the members. The officers' responsibility also includes such internal control as the officers determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independent Audit Report to the members of Canberra North Bowling Club Inc

Opinion

In our opinion, the financial report gives a true and fair view of the financial position of Canberra North Bowling Club Inc as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with financial reporting provisions.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Canberra North Bowling Club Inc to comply with the financial reporting provisions of contract. As a result, the financial report may not be suitable for another purpose.

Hardwickes
Chartered Accountants

Robert Johnson FCA
Partner

Canberra

23 November 2016

