

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MAY 2010**

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The financial report was authorised for issue by the directors on 20 July 2010. The Co-Operative has the power to amend and re-issue the financial report.

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**DIRECTORS' REPORT**

Your Directors present their report for the financial year ended 31 May 2010.

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

Name	Occupation/ Qualifications	No. of year service as a Director of the Co-operative
John Jordan	Retired	9
Michael Beck	Retired	6
Clem Pascoe	Retired	19
Jean Moir	Retired	14
Charles Eason	Retired	5
Ian Hanlon	Retired	2
Norm Brooks	Retired	9
Keith Gibbons	Nurses Assistant	1

\* Refer to page 4 for details of Directors' meeting attendances.

## **2. Activities**

The principal activities of the Co-Operative during the financial period were the running of the Co-Operative in accordance with its objectives, principally being the promotion of the game bowls, for the benefit of its members.

## **3. Results**

The net result of operations was a profit of \$16,130 (2009 loss of \$3,434).

## **4. Review of Operations**

The operating result for the year was a profit of \$16,130 compared to a loss of \$3,434 last year. The Club achieved an increase in poker machine and sundry income for the year while bar sales decreased and operating expenses increased.

## **5. Significant Changes**

There have been no significant changes in the activities conducted by the Club in the year under review.

## **6 Events Subsequent to Balance Date**

Since the end of the financial year the Directors are not aware of any matters or circumstances not otherwise dealt with in the report or accounts that has significantly or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial years.

## **7. Likely Developments and Expected Results**

No new developments are anticipated in the operations of the Co-Operative, with growth in trading revenue levels and controlling of costs where possible.

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**DIRECTORS' REPORT (Cont.)**

**8. 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.

**9. Directors' Benefits**

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 Co-operative in which they have a substantial financial interest in.

**10. Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 31 May 2010 has been received and is set out on page 5 of the financial report.

The Co-operative may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Co-operative is important. Details of the amounts paid or payable to the auditor (Crosbie Warren Sinclair) for audit and non- audit services are provided in Note 16 to the full financial report.

**11. 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.

**12. Dividends**

The club is prohibited from paying dividends under its constitution.



J. Jordan - Director



M. Beck - Director

Date: 20 July 2010

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**DIRECTORS' MEETING ATTENDANCES**

The number of Board meetings held during the financial year ended 31 May 2010 were 16 being 12 Board meetings and 4 special board meetings. The details of each Directors attendances at those meetings is given below:

<b><u>Director</u></b>	<b><u>Normal</u></b>	<b><u>Special</u></b>	<b><u>Eligible to Attend</u></b>
I. Hanlon	12	4	16
J. Jordan	12	4	16
M. Beck	12	4	16
C. Pascoe	11	1	16
C. Eason	12	3	16
J. Moir	12	4	16
N. Brooks	Appointed at AGM 11	4	15
K. Gibbons	Appointed at AGM 10	4	15
G. Young	Did not stand at AGM 0	0	1

**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 - Freehold property situated at 63 Kenibea Avenue, Kahibah, NSW 2290.

Non-core Property - Investment properties held:

- 110 Kahibah Road, Kahibah, NSW 2290
- 112 Kahibah Road, Kahibah, NSW 2290
- 114 Kahibah Road, Kahibah, NSW 2290

**CROSBIE WARREN SINCLAIR**

ACCOUNTANTS &amp; BUSINESS ADVISERS

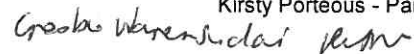
**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)****AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF**  
**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2010 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 - Partner

Crosbie Warren Sinclair Partners  
Certified Practising Accountants

Date: 20 July 2010

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# CROSBIE WARREN SINCLAIR

ACCOUNTANTS & BUSINESS ADVISERS

## KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED (ABN 52 069 232 319)

### INDEPENDENT AUDIT REPORT TO MEMBERS

To the members of Kahibah Bowling Club Co-operative Limited:

#### **Report on the Financial Report**

We have audited the accompanying concise financial report of Kahibah Bowling Club Co-Operative Limited, which comprises the statement of financial position as at 31 May 2010 and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date, and related notes which was derived from the full financial report of Kahibah Bowling Club Co-Operative Limited for the year ended 31 May 2010. We expressed an unmodified auditor's opinion on that financial report in our audit report dated 16 July 2010.

#### *Directors' Responsibility for the Financial Report*

The Directors are responsible for preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Co-Operatives Act 1992.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the concise financial report based on our procedures, which were conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements.

Our procedures in respect of the audit of the concise financial report include testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Australian Accounting Standards AASB 1039: Concise Financial Reports.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Kahibah Bowling Club Co-operative Limited on 20 July 2010 has the same date as this auditor's report.

#### *Matters relating to the electronic presentation of the audited financial report*


This auditor's report relates to the financial report of Kahibah Bowling Club Co-Operative Limited (the club) for the year ended 31 May 2010 included on the club's web site. The club's directors are responsible for the integrity of the club's website. We have not been engaged to report on the integrity of the website. The auditor's report only refers to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the club's website.

#### **Audit Opinion**

In our opinion, the information reported in the concise financial report of Kahibah Bowling Club Co-Operative Limited for the year ended 31 May 2010 is consistent, in all material respects, with the financial report from which it was derived and complies with Australian Accounting Standard AASB 1039: Concise Financial Reports. For a better understanding of the scope of our audit, this auditor's report should be read in conjunction with our audit report on the full financial report.



Kirsty Porteous - Partner



Crosbie Warren Sinclair Partners  
Certified Practising Accountants

**Date: 20 July 2010**

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**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**DIRECTORS' DECLARATION**

The Directors of the Co-operative declare that the concise financial report of Kahibah Bowling Club Co-Operative Limited for the financial year ended 31 May 2010 as set out on pages 7 to 11:

- (a) complies with Australian Accounting Standard AASB 1039 Concise Financial Reports; and
- (b) has been derived from and is consistent with the full financial report of Kahibah Bowling Club Co-Operative Limited.

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



J. Jordan - Director



M. Beck - Director

Date: 20 July 2010

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**DISCUSSION AND ANALYSIS OF THE FINANCIAL REPORT**

**Information on Kahibah Bowling Club Co-Operative Limited Concise Financial Report**

The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and Co-Operatives Act 1992 and is an extract from the full financial report. The concise financial report is expressed in Australian dollars.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full 2010 financial report of Kahibah Bowling Club Co-Operative Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Co-Operative as the full financial report. The accounting policies have been consistently applied by the Co-Operative and are consistent with the previous financial year.

**A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.**

The following discussion has been included to assist members in understanding the concise financial report.

**Statement of Comprehensive Income**

The profit for the year ended 31 May 2010 is \$16,130 compared to a loss of \$3,434 last financial year. The club's trading profit overall is slightly down on that achieved last year, with bar sales reducing \$31,713. Poker machine net revenues increased by \$47,443, however this was offset by increased depreciation costs of \$38,000. Other income increased by \$38,959 due to higher profit on sale of assets, members subscriptions and sundry income. In terms of expenses, increased costs were noted in bowls advertising, greens wages, depreciation, electricity, and administration wages. These increases were partially offset with decreases in entertainment, interest and prizemoney. The previous year also included an expense for the decrease in value of the rental properties of \$65,901 with no similar amount included this year.

**Statement of Financial Position**

The statement of financial position set outs the assets and liabilities of the Club as at 31 May 2010, disclosing current assets of \$428,806 compared to current liabilities of \$311,198. Cash deposits and cash equivalents on hand at 31 May 2010 amounted to \$307,660. Loan balances have decreased from additional repayments being greater than additional funds borrowed.

**Statement of Cashflows**

The statement of cashflows discloses that the Club has a surplus of \$443,553 in cash from operating activities compared to \$443,091 in the previous year. Further funds were used to purchase plant and equipment and club renovations to the extent of \$378,781 during the year. This has been partially funded by additional borrowings of \$27,466.

**Statement of Changes in Equity**

The statement of changes in equity for the year ended 31 May 2010 reflects the increase in net assets following the profit after income tax for the year.

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2010**

	2010 \$	2009 \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	307,660	369,351
Receivables	47,259	37,932
Inventories	30,633	30,451
Other Current Assets	43,254	42,618
<b>TOTAL CURRENT ASSETS</b>	<b>428,806</b>	<b>480,352</b>
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	5,020,784	5,013,707
Investment Properties	1,252,123	1,252,123
Intangible Assets	1,500	1,500
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,274,407</b>	<b>6,267,330</b>
<b>TOTAL ASSETS</b>	<b>6,703,213</b>	<b>6,747,682</b>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	192,182	182,765
Interest Bearing Liabilities	35,850	17,036
Provisions	51,169	35,503
Other Current Liabilities	31,997	11,025
<b>TOTAL CURRENT LIABILITIES</b>	<b>311,198</b>	<b>246,329</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest Bearing Liabilities	738,642	894,160
Provisions	67,239	63,469
Other Non Current Liabilities	26,280	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>832,161</b>	<b>957,629</b>
<b>TOTAL LIABILITIES</b>	<b>1,143,359</b>	<b>1,203,958</b>
<b>NET ASSETS</b>	<b>5,559,854</b>	<b>5,543,724</b>
<b>MEMBERS' FUNDS</b>		
General Reserve	2,086	2,086
Accumulated Funds	5,557,768	5,541,638
<b>TOTAL MEMBERS' FUNDS</b>	<b>5,559,854</b>	<b>5,543,724</b>

Extract from Full Financial Report

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MAY 2010**

	2010 \$	2009 \$
Bar Sales	1,230,952	1,262,665
Cost of Goods Sold	573,446	569,964
Bar Gross Profit (\$)	657,506	692,701
Bar Gross Profit (%)	53.4%	54.9%
Poker Machine Net Revenue	1,350,468	1,301,912
Members Subscriptions	40,406	38,553
Green Fees	26,912	21,586
Interest Received	44,120	40,975
Rent Received	415	5,547
Profit on Sale of Assets	9,741	-
Other Income	176,233	152,207
<b>Total Income</b>	<b>2,305,801</b>	<b>2,253,481</b>
<b>Less Operating Expenses</b>		
Bar Direct Expenses	359,010	374,595
Poker Machine Direct Expenses	378,783	336,310
Members Amenities	194,793	222,657
Bowling Activities	144,016	126,975
Greens	116,176	110,308
Clubhouse	465,011	445,894
Administration	566,186	562,653
Borrowing Costs	53,685	64,633
Rental Property Expenses	12,011	12,890
<b>Total Expenses</b>	<b>2,289,671</b>	<b>2,256,915</b>
<b>Net (Loss)/Profit before Income Tax</b>	<b>16,130</b>	<b>(3,434)</b>
Income Tax expense	-	-
<b>Net (Loss)/Profit after Income Tax</b>	<b>16,130</b>	<b>(3,434)</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive income / (Loss)</b>	<b>16,130</b>	<b>(3,434)</b>

Extract from Full Financial Report

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 MAY 2010**

	2010 \$	2009 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from Members and Guests	3,179,158	3,121,692
Payments to Suppliers and Employees	(2,682,335)	(2,619,515)
Interest Received	415	5,547
Interest Paid	(53,685)	(64,633)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	<u>443,553</u>	<u>443,091</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of Assets	19,000	-
Proceeds from Investments	-	5,954
Payments for Plant and Equipment	(378,781)	(664,408)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	<u>(359,781)</u>	<u>(658,454)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowing	27,466	313,037
Repayment of Borrowings	(172,929)	(19,389)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	<u>(145,463)</u>	<u>293,648</u>
<b>Net Increase/(Decrease) in Cash Held</b>	(61,691)	78,285
<b>Cash Equivalents at the Beginning of the Financial Year</b>	<u>369,351</u>	<u>291,066</u>
<b>Cash Equivalents at the End of the Financial Year</b>	<u>307,660</u>	<u>369,351</u>

Extract from Full Financial Report

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED**  
**(ABN 52 069 232 319)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MAY 2010**

	2010 \$	2009 \$
<b>Opening Balance 1 June 2009</b>		
Accumulated Profit	5,541,638	5,545,072
General Reserve	2,086	2,086
	5,543,724	5,547,158
Comprehensive Income/(Loss) for the year	16,130	(3,434)
<b>Closing Balance 31 May 2010</b>		
Accumulated Profit	5,557,768	5,541,638
General Reserve	2,086	2,086
	5,559,854	5,543,724

**KAHIBAH BOWLING CLUB CO-OPERATIVE LIMITED****DETAILED INCOME & EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 MAY 2010**

	2010	2009
<b>Licensed Club Activities</b>		
Income		
Bar sales (incl Function Bar)	1,230,952	1,262,665
Cost of Goods sold	(573,446)	(569,965)
Bar Gross Profit	657,506	692,700
<i><b>Bar Trading %</b></i>	<b>53.4%</b>	<b>54.9%</b>
Poker machine net revenue	1,350,468	1,301,912
Members subscriptions	26,912	21,586
Other core income	258,674	268,118
Income net of COGS	2,293,560	2,284,316
Expenses		
Poker machine direct	(254,346)	(253,524)
Bar direct	(356,106)	(389,824)
Clubhouse	(612,913)	(592,525)
Administration	(406,305)	(381,766)
Total licensed club expenses	(1,629,670)	(1,617,639)
<b>EBITDARD - licensed club</b>	<b>663,890</b>	<b>666,677</b>
<i><b>EBITDARD % on total income</b></i>	<b>23.2%</b>	<b>23.4%</b>
Other business expenses		
Depreciation	(376,247)	(319,022)
Profit on sale of fixed assets	9,741	0
Loss on sale of assets	0	(6,641)
Donations	(23,582)	(20,236)
Rental of equipment	(15,601)	(15,634)
Net interest	(53,270)	(59,236)
	(458,959)	(420,769)
<b>Net surplus - Licensed Club Activities</b>	<b>204,931</b>	<b>245,908</b>
<b>Non Licensed Club Activities</b>		
Income		
Green fees	44,120	40,975
Other bowls income	22,445	19,614
	66,565	60,589
Expenses		
Bowling activities	(270,824)	(257,794)
Bowling facilities depreciation	(3,453)	(4,102)
Total non licensed club activities	(274,277)	(261,896)
<b>Net cost - non licensed club activities</b>	<b>(207,712)</b>	<b>(201,307)</b>
<b>Non club trading</b>		
Income		
Rental properties	30,915	30,756
	30,915	30,756
Expenses		
Rental properties	(12,004)	(12,890)
Change in fair values	0	(65,901)
	(12,004)	(78,791)
<b>Total non-club trading</b>	<b>18,911</b>	<b>(48,035)</b>
<b>Grand total - Surplus/(Deficit)</b>	<b>16,130</b>	<b>(3,434)</b>