

WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 39 189 285 833)

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

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The financial report was authorised for issue by the Directors on 22 August 2014. The Co-Operative has the power to amend and re-issue the financial report

WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED

(ABN 39 189 285 833)

DIRECTORS' REPORT

Your Directors presents their report for the financial year ended 30 June 2014.

1. Directors

Name	Occupation/ Qualifications	No. of years service as a Director of the Co-operative
Keith Taylor	Retired	16
Neil Stones	Mining Maintenance Worker	3
Phillip Stone	Manager	3
Darryl McKinnon	Retired	4
Robert Cass	Retired	3
Cameron Gibbs	Business Owner	2
Col Douglas	Retired	1

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

2. Review of Operations

The net result of operations after income tax was a loss of \$67,470 (2013 loss of \$91,343).

The reduction in the net loss is primarily due to an increase in bar sales offset in part by a decrease in poker machine revenue and a modest increase in administration expenses.

3. Activities

The principal activities of the Co-operative during the financial year ended 30 June 2014 were the running of the Club in accordance with its objectives for the benefit of its members.

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

4. Significant Changes in the State of Affairs

No significant changes in the Co-operative's state of affairs occurred during the financial year.

5. Events Subsequent to the End of the Reporting Period

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

6. Likely Developments and Expected Results of Operations

No new developments are anticipated in the operations of the Club. The expected results for future years are of growth in revenue whilst the Club will control costs wherever possible.

7. Indemnifying Officer or Auditor

The Co-operative 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 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 Company in which they have a substantial financial interest in, other than those included in the Related Parties note to the Financial Report (Note 18 to the full financial report).

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

9. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2014 has been received and is set out on page 4 of the financial report. In addition, details of the non-audit services provided by the auditor DFK Crosbie are contained in Note 16 of the full financial report.

10. 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.

11. Dividends

The Club is prohibited from paying dividends under its constitution.

12. Meeting Attendances

The number of ordinary Board meetings held during the financial year ended 30 June 2014 was 10. The details of each Directors' attendances at those meetings is given below:

<u>Director</u>	<u>Normal</u>	<u>Eligible to Attend</u>
Neil Stones	9	10
Keith Taylor	10	10
Darryl McKinnon	10	10
Phillip Stone	10	10
Robert Cass	9	10
Cameron Gibbs	7	10
Wilhelm Schaeffer (Did not stand AGM)	0	2
Col Douglas (Appointed at AGM)	7	8

The Club's Annual General Meeting was held 31 August 2013

13. 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 - Land located at 2 John Street Warners Bay
 - Property located at 7 Charles Street Warners Bay (leased from Lake Macquarie City Council)

Non Core Property - Nil

Signed in accordance with a resolution of the Board of Directors



Neil Stones - Director



Darryl McKinnon - Director

Date: 22 August 2014



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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 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.


 Brent Perkins - Partner


 DFK Crosbie Partners
 Chartered Accountants

Date: 22 August 2014
Warabrook, NSW

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Newcastle

Cnr Pacific Hwy and Warabrook Blvd,
 Warabrook, NSW 2304
 Box 29 Hunter Region MC NSW 2310
 Ph: 02 4923 4000 | F: 02 4923 4040
www.dfkcrosbie.com.au

Gold Coast

Level 2, 7 Short Street Southport QLD 4215
 PO Box 2147 Southport QLD 4215
 Ph: 07 5591 4444 | F: 07 5531 1000
www.dfkcrosbie.com.au

Sydney

Level 1, Suite 107 Edgecliff Centre
 203 New South Head Rd Edgecliff NSW 2027
 Ph: 02 9301 5200 | F: 02 9363 0335
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WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED

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INDEPENDENT AUDITOR'S REPORT

To the Members of Warners Bay Bowling Club Co-Operative Limited.

Report on the Financial Report

We have audited the accompanying concise financial report of Warners Bay Bowling Club Co-Operative Limited, comprising the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year then ended and related notes which was derived from the financial report of Warners Bay Bowling Club Co-Operative Limited for the year ended 30 June 2014. We expressed a modified auditor's opinion on that financial report in our audit report dated 22 August 2014. The details of the modification are set out below as an emphasis of matter.

The Financial Report and Directors Responsibility

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 National Law (NSW). This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. Our audit report on the financial report for the year was signed on 22 August 2014 and was subject to modification. The modification affects our report on the concise financial report and is a modification to our opinion on the concise financial report. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

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 Warners Bay Bowling Club Co-Operative Limited on 22 August 2014 has the same date of this auditor's report.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the concise financial report of Warners Bay Bowling Club Co-Operative Limited (the Club) for the year ended 30 June 2014 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 concise financial report to confirm the information included in the audited concise financial report presented on the Club's website.

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WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
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INDEPENDENT AUDITOR'S REPORT (CONT.)

Audit Opinion

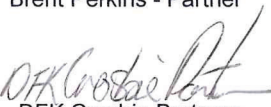
In our opinion, the information reported in the concise financial report of Warners Bay Bowling Club Co-Operative Limited for the year ended 30 June 2014 is consistent, in all material respects, with the financial report from which it was derived and complies with Australian Accounting Standard AASB 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.

Emphasis of Matter

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to Note 2 to the financial statements which indicates that the Club has a deficiency in working capital such that the current liabilities exceed the current assets by \$810,493. This together with other matters set out in Note 2 indicates the existence of material uncertainty as to whether the Club will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. In our opinion, knowledge of the significant uncertainty affecting the Club's ability to continue as a going concern is necessary for the proper understanding of the financial report.


 Brent Perkins - Partner


 DFK Crosbie Partners
 Chartered Accountants

Date: 22 August 2014

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WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 39 189 285 833)

DIRECTORS' DECLARATION

The Directors of the Co-Operative declare that the concise financial report of Warners Bay Bowling Club Co-operative Limited for the financial year ended 30 June 2014 as set out on pages 8 to 13:

- (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 Warners Bay 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:



Neil Stones - Director



Darryl McKinnon - Director

Date: 22 August 2014

WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 39 189 285 833)

DISCUSSION AND ANALYSIS OF THE CONCISE FINANCIAL REPORT

Information on Warners Bay Bowling Club Co-Operative Limited Financial Report

The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and Co-Operatives National Law (NSW) and is an extract from the full financial report.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full 2014 financial report of Warners Bay Bowling Club Co-operative Limited. The concise financial report is derived from and is consistent with the full 2014 financial report of Warners Bay 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 result for the year ended 30 June 2014 is a loss of \$67,470 compared to a loss of \$91,343 last financial year. The reduction in the net loss is primarily due to an increase in bar trading offset by a small decrease in poker machine revenue and a modest rise in operating expenses overall.

Bar sales for the year were \$925,514 compared to \$841,091 in the previous year, with the gross profit margin achieved of 60.5% being an improvement of almost 3% compared to last year. The net profit from bar for the year was \$355,170 compared to \$254,367 last year.

Net revenue from poker machines was \$512,890 compared to \$542,643 in 2013. Direct expenses in relation to poker machines decreased mainly in depreciation and rental charges, to result in a net profit from poker machines of \$477,668 compared to \$494,261 last year.

Other income decreased on last year mainly as a result of the sale of poker machine entitlements last year which resulted in a profit on disposal of \$24,000 together with reductions in interest, room hire and insurance recoveries.

Operating expenses not allocated to trading areas totalled \$1,196,307 compared to \$1,167,407 last year. Costs to decrease include interest, administration wages and courtesy bus whilst increases were noted in bowls wages, raffles, sponsorship and repairs and maintenance.

Statement of Financial Position

The statement of financial position sets out the assets and liabilities of the Club as at 30 June 2014, disclosing current assets of \$70,028 compared to current liabilities of \$880,521. The reconciled balance of the Club's cheque account was in overdraft of \$37,926 and cash held in sundry accounts and on hand totalled \$39,141. Trade creditors and GST payable amounted to \$140,160.

Statement of Cashflows

The statement of cashflows discloses that the Club generated a positive cashflow from operating activities of \$132,704 compared to \$138,978 last year. This cash generated was used to purchase plant and equipment to the extent of \$20,165, meet hire purchase obligations of \$37,820 and repay the loans by \$92,128, with an improvement in the net cash position of \$11,026.

Statement of Changes in Equity

The statement of changes in equity for the year ended 30 June 2014 reflects the loss for that year.

WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 39 189 285 833)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

Note	2014 \$	2013 \$
CURRENT ASSETS		
Cash and Cash Equivalents	39,141	28,034
Trade & Other Receivables	7,593	28,251
Inventories	16,918	9,174
Other Assets	6,376	8,444
TOTAL CURRENT ASSETS	70,028	73,903
NON-CURRENT ASSETS		
Property, Plant and Equipment	1,628,547	1,831,209
Intangible Assets	93,468	93,468
TOTAL NON-CURRENT ASSETS	1,722,015	1,924,677
TOTAL ASSETS	1,792,043	1,998,580
CURRENT LIABILITIES		
Trade and Other Payables	140,160	156,910
Borrowings	692,938	781,889
Short Term Provisions	26,833	29,526
Other Liabilities	20,590	13,559
TOTAL CURRENT LIABILITIES	880,521	981,884
NON-CURRENT LIABILITIES		
Borrowings	54,472	93,353
Long Term Provisions	906	688
Other Current Liabilities	1,353	394
TOTAL NON-CURRENT LIABILITIES	56,731	94,435
TOTAL LIABILITIES	937,252	1,076,319
NET ASSETS	854,791	922,261
MEMBERS' FUNDS		
General Reserve	1,948	1,948
Accumulated Profit	852,843	920,313
TOTAL MEMBERS' FUNDS	854,791	922,261

Extract From Full Financial Report.

To be read in conjunction with the attached notes to the Concise Financial Report

WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 39 189 285 833)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

Note	2014 \$	2013 \$
Bar Sales	925,514	841,091
Cost of Goods Sold	365,425	356,232
Bar Gross Profit (\$)	560,089	484,859
Bar Gross Profit (%)	60.5%	57.6%
 Poker Machine Net Revenue	 512,890	 542,643
Members' Subscriptions	22,089	21,923
Green Fees	45,412	46,782
Interest Received	-	11,899
Keno Commission	20,750	18,741
Tab Commission	8,483	8,765
Profit on Sale of Assets	-	6,129
Profit on Sale of Poker Machine Entitlements	-	24,000
Other Income	199,265	187,611
Total Trading and Other Income	1,368,978	1,353,352
 Expenses		
Bar Direct Expenses	204,919	230,472
Poker Machine Direct expenses (excluding Finance Costs)	35,222	48,382
Members Amenities	327,897	294,811
Bowls & Greens Expenses	169,929	141,055
Clubhouse Expenses	384,052	373,977
Administration and Other Expenses (excluding Finance Costs)	267,093	286,065
Finance Costs	47,336	69,933
Total Expenses	1,436,448	1,444,695
Net Profit/(Loss) Before Income Tax	(67,470)	(91,343)
 Income Tax Expense	 -	 -
Net Profit/(Loss) After Income Tax	(67,470)	(91,343)
 Other Comprehensive Income	 -	 -
Total Comprehensive Income/(Loss)	(67,470)	(91,343)

Extract From Full Financial Report.
To be read in conjunction with the attached notes to the Concise Financial Report

WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 39 189 285 833)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2014

Note	2014 \$	2013 \$
Cash Flows from Operating Activities		
Receipts from Members and Guests	1,917,414	1,865,770
Payments to Suppliers and Employees	(1,737,374)	(1,668,759)
Interest Received	-	11,899
Interest Paid	(47,336)	(69,932)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	132,704	138,978
Cash Flows from Investing Activities		
Proceeds from Sale of Assets	26,400	8,157
Payments for Renovations, Plant and Equipment	(20,165)	(186,019)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	6,235	(177,862)
Cash Flows from Financing Activities		
Borrowings	-	94,854
Hire Purchase & Lease Payments	(37,820)	(43,981)
Proceeds from Borrowings	2,035	161,270
Repayment of Borrowings	(92,128)	(104,163)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	(127,913)	107,980
Net Increase/(Decrease) in Cash Held	11,026	69,096
Cash and Cash Equivalents at the Beginning of the Financial Year	(9,811)	(78,907)
Cash and Cash Equivalents at the End of the Financial Year	1,215	(9,811)

Extract From Full Financial Report.
To be read in conjunction with the attached notes to the Concise Financial Report

WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Note	2014 \$	2013 \$
Opening Balance 1 July 2013		
General Reserve	1,948	1,948
Accumulated Profit	920,313	1,011,656
	922,261	1,013,604
Comprehensive Profit/(Loss) for Year	(67,470)	(91,343)
Closing Balance 30 June 2014		
General Reserve	1,948	1,948
Accumulated Profit	852,843	920,313
	854,791	922,261

Extract From Full Financial Report.
To be read in conjunction with the attached notes to the Concise Financial Report

WARNERS BAY BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 39 189 285 833)

NOTES TO THE FINANCIAL CONCISE REPORT
FOR THE YEAR ENDED 30 JUNE 2014

1 Deficiency in Working Capital

The Club has incurred another net loss in the current year which has increased the deficiency in working capital with current assets of \$70,028 compared to current liabilities of \$880,521 which includes the total Bank loan of \$600,016 due to the Club not meeting financial covenants for the year. In the Directors' opinion, the ability of the Club to continue to trade as a going concern will be dependant upon a projected improvement in current trading levels and importantly the continuation of favourable trading terms with creditors and ongoing support from the Club's bank.

The above factors indicate significant uncertainty of the Club's ability to continue as a going concern. If the Club is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in this financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Club not continue as a going concern.

2 Currency

The concise financial report is presented in Australian Dollars.