



Incorporated as Charlestown Bowling Club Limited



ANNUAL REPORT

and

BALANCE SHEET

2016 - 2017

OFFICE BEARERS 2016-2017

CHAIRMAN

J. Davis

DIRECTORS

M. Rigby

J. Sanderson

F. Wells

G. Adams

I.Percival

G.Fielding

AUDITORS

DFK Crosbie

SECRETARY MANAGER

Michael Gray

LIFE MEMBERS

Since the formation of Charlestown Bowling Club 68 years ago a number of members through their devotion and distinguished service to their Club, have been elected to the coveted office of Life members.

*J.Paterson

*J.T.Joyce

*L.Searle

K.McCabe

*C.A.Clarke

I. Gardner

*J. Norris

*N.Oswald

*D.Campbell

*S.Fraser Snr

R.T.Owens

B.Carling

*A.G.Avery

*S.Hayes

*J.Newton

*R.T.Hoy

W.P.Fogarty

J.Clements

*C.Booth

*D. B. Bailey

*B.Owen

P.Harrold

J. Hugo

*Deceased

CHARLESTOWN BOWLING CLUB LIMITED

Chairman's Foreword 2016/2017

On behalf of the Board of Directors, I am pleased to present my report for 2016 to 2017. Our club has had another successful year and continues to modernise and provide wonderful facilities for our members and guests.

Our Bowlers:

This year saw another great year of bowling. Our talented women bowlers were successful in winning another flag to add to their achievements. Congratulations to you all. Our men also certainly put in a great effort this year. All teams were very competitive during the season and we are proud of all our bowlers who participated this year in this great game we play! For further information please refer to Director Bowls report.

Our Club:

Over the past year the Board has undertaken some strategic planning workshops with Michael Gray (our Chief Executive Officer), reviewing the operations and considering future vision for the club. We again focused on listening to our members to improve facilities. During the past year we have made numerous enhancements including:

- Relocation of the TAB which provided an opportunity to offer a smaller meeting conference facility. This has certainly proved to be a huge success to date, being booked by many members as well as community groups since the upgrade
- Expansion of the outdoor gaming room
- Modernisation, upgrading and expansion of our restaurant area. This has certainly provided a new-look for the club as well as a noticeable increase in the patrons to the restaurant every day.
- Introduction of barbeque facilities available in the outside synthetic green area
- Numerous internal and maintenance changes such as purchase of additional poker machine entitlements and audio improvements etc.

We will continue to review ideas for the betterment of our club, and remain committed to stability whilst moving forward with our vision to ensure our club becomes the bowls club of choice. Our Board remains committed and focused on making decisions that keep this club stable and viable so all can continue to enjoy the great facilities we have. We will continue to promote the interest of all members, social and bowling. We will continue to foster the support for our community and continue to be an employer of choice for our staff.

Our People:

We are lucky to have such amazing employees at the Charlestown Bowling Club. Under the great leadership of Michael Gray (CEO) the club has seen smooth running operations this year with dedicated staff who have continued to provide great services for our members and guests. We thank you all for working so hard to make our members and guests feel welcome, safe and enjoy themselves.

Our kitchen this year has expanded their staff and under the proficient management of Greg Hawke they have capably serviced our members and guests, working tirelessly to ensure our patrons have a comfortable and enjoyable dining experience. You have all done an amazing job and we thank you.

Welcome this year to our new bowls Co-ordinator Chris Thomas. We appreciate your support of our bowlers and look forward to your continuing input to enhance and improve our bowls and on the green.

Greg Geise and his crew have again excellently maintained our greens and club surrounds and we thank you for your outstanding work which is appreciated by all.

Our substantial volunteer workforce have again readily provided their time freely for the benefit of our Club. You are to be congratulated on your amazing efforts and the Board certainly appreciate your support, thank you all!

Valued bowlers and your guests, thank you again for your continuing support and your assistance in supporting our club's direction. You are the heart of our club and we look forward to enjoying bowls and great times with you, our friends.

A HUGE thankyou to all our members, friends and your families, the Board is very grateful for your continuing support this year and we wish you all good health, happiness and good luck always.

Sympathy:

On behalf of the Board of Directors, I extend our sympathy to the family and friends of our members who passed away in the last twelve months. To those who are currently ill, we wish you a speedy recovery and good health.

Jeff Davis
Chairman

Obituaries

During the past year the Club has suffered the loss of several of its Members.

On behalf of the Chairman, Board and Members we extend sincere condolences to their families and friends

Bruce McKnight

Peter Knight

Horace Willy-Smith

Austin Clark

Colin Campbell

Doreen Hamilton

Fay Patenall

Dorothy Hepple

Warren Hogbin

Christian Braun

Alexander Parker

Allan Hugo

Bernie Anderson

Elizabeth Styles

Eileen Kenyon

Graeme Ward

Denise Knight

Peter Torpey

George Dumbrell

CHARLESTOWN BOWLING CLUB LIMITED

ACN 101 425 307

DIRECTOR OF FINANCE'S REPORT ON THE 2016-2017 FINANCIAL YEAR

As the director of Finance, I am pleased to provide this report for the year ended 30th June 2017.

In Summary:

Profit

	2017	2016
Operating Profit (Before Provisions and Depreciation)	719,774	724,188
Provisions & Depreciation	(934,923)	(776,666)
Net Profit/ (Loss)	(215,149)	(52,478)

As a not for profit entity it is the operating cash profit that reflects the trading performance of the Club being \$718,914 for the Year Ending June 2017. Down \$5,274 the previous year.

The increase in net loss is largely attributable to increased trading wages, operating expenses and provision charges despite the large increase in bar and restaurant sales and a small increase in poker machine revenue.

Net Assets

Shows strength of Balance Sheet	2017	2016
	17,768,604	17,983,753

Total Income

2017	2016
6,736,845	6,095,927

Liquidity Quick Ratio

Measures the short-term liquidity of the Club
With a positive ratio, this means the club can pay its immediate debts.

	2017	2016
Current Assets and Investments	1,727,069	1,981,869
Current Liabilities	623,280	568,324
Ratio	2.77	3.49

Summary of Statement of Cash Flows

	2017	2016
Net Cash Flows from Operating Activities	669,507	746,362
Cash Flows from Investing Activities	(1,154,574)	(443,410)
Cash Flows from Financing Activities		
Net Increase in cash held	(485,067)	302,952

This is important for all members to note. The cash flow from operations is invested back into the club in the forms of capital expenditure (mainly poker machine upgrading and improvements to building and grounds).

As with all not for profit organisations profits are re-invested into the organization, in our club's case the capital improvements mentioned above.

It should also be noted that our club is Debt free.

INVESTMENTS

	2017	2016
Term Deposits > 3 months	1,311,336	1,116,476

Future for our Club

It should also be noted our club is debt free and all Capital expenditure is met from our trading profits and investment reserves.

The recently completed 4-year cash flow and profit and loss budgets to June 2021 show continued strong cash surpluses to fund future capital expenditure and are very encouraging and with the continued support of members will be achieved.

The Board along with the CEO are looking at identifying new streams of income (diversification). In order to remain competitive and progress your club.

I thank my fellow board members, Michael Gray (Secretary Manager) and his staff for their assistance in the past financial year.

Yours Sincerely
John Sanderson
Director of Finance

CHARLESTOWN BOWLING CLUB LIMITED

SECRETARY MANAGERS REPORT

Another year has passed quickly and the Club continues to trade well. For the last financial year our bar sales improved by 15% and our bistro showed continued growth improving by 25% from last financial year. Our gaming revenue showed a slight increase however the disruptions caused by the extension to the outdoor gaming area did impact in this area. Overall this positive growth shows that people enjoy coming to our Club. A number of new member promotions such as trivia, bingo and poker were commenced during the year as well as the popular Spin for Cash on Wednesdays and Sundays. Special offers were also made available through the members reward kiosk. The Club has also increased the number of raffles as well as launching the Club App. Our social media presence has never been greater and much credit should be given to Sarah Wilson, the Clubs Marketing and Events Manager, who manages this important area for the Club.

The Board have embraced the need to re-invest back into the Club and as such there has been much activity within the Club.

This year we have also seen the following improvements to our club:

1. Upgraded the bistro furniture and expanded the size of the Bistro.
2. Created the new Patricia Room to host training courses and smaller functions.
3. Installed additional craft beer taps.
4. Expanded the outdoor gaming room.
5. Built in BBQ area.
6. Additional signage.

All these improvements have been received well by members. Management and the Board continue to look at ways of improving the Club further and increasing our revenue streams for the benefit of members. Plans are underway for further improvements to the Club and we will keep members informed of these as they happen.

To all our members who are never shy in offering their advice I thank you for your input, patience and patronage when disruptions have occurred, due to the renovations and hope you continue to support the Club.

I would like to thank all the staff for their hard work and the managers, Greg Hawke, Nerida Mark, Clint Williamson, Greg Geise, Sarah Wilson and Chris Thomas, who lead the various areas of the Club, for their support.

Finally, I would like to thank Jeff Davis and his Board of Directors for their continued support and guidance. They work tirelessly in the best interests of the Club.

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Regards

Michael Gray
Secretary Manager

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

CONTENTS

Directors' Report	2-4
Auditor's Independence Declaration	5
Audit Report to Members	6-7
Directors' Declaration	8
Statement of Financial Position	9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Cashflows	11
Statement of Changes in Equity	12
Notes to and Forming Part of the Financial Statements	13-18

The financial report was authorised for issue by the Directors on 22 August 2017. The Company has the power to amend and re-issue the financial report.

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

DIRECTORS' REPORT

Your Directors present their report of Charlestown Bowling Club Limited (the 'Club') for the financial year ended 30 June 2017.

1. Directors

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

Name	Position	Special Responsibilities	Experience and Qualifications	Years as a Director
Jeff Davis	Chairperson		Worked for 44 years as a butcher and manager. During that time he obtained his butchers trade certificate.	12
Milton Rigby	Director	Bowls	Worked previously as a mechanical engineer. Other Directorships include: Charlestown District Junior Lawn Bowls Development Association Inc.	5
John Sanderson	Director	Finance	Worked for 26 years at the University of Newcastle as finance officer, also spent 5 years at a Mayfield manufacturing company and 5 years at John Lysaght, both in accounting roles. During this time he obtained membership in the Australian Society of Accountants.	3
Freida Wells	Director	Minutes	Served 26 years in administration for Western Power / Advance Energy (now Energy Australia) including 10 years as personal assistant to the CEO. Qualifications include: Associate Certificate in Records Management Association of Australia, Certificate in Advanced Real Estate.	3
George Adams	Director	Social	Worked for 43 years in NSW public service in a range of departments. Also spent 7 years at TAFE NSW teaching at the business management faculty. Qualifications obtained include: Personnel Administration Certificate, Graduate Certificate in Management, Vet Initial Teaching and Learning, Cert 1V	3
Ian Percival	Director	Members	Currently employed as a Fire Safety Officer at John Hunter Hospital. Qualifications obtained include Fire Safety Management and Enterprise Trainer.	1
Glenn Fielding	Director	Assets	Working at and Estimating and Design Manager for the Electrical Switchboard Industry. Is also a qualified electrician.	1

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

2. Activities

The principal activities of the Company in the course of the financial year ended 30 June 2017 were:

The running of a licensed Club for the benefit of its members and to meet the Company's objectives under its constitution.

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

CHARLESTOWN BOWLING CLUB LIMITED

(ABN 38 609 055 115)

DIRECTORS' REPORT (Cont.)

3. Objectives of the Club

The Club's short and long term objectives are to;

Provide the best facilities available to members and their guests, including the promotion of the game of bowls.

To achieve these objectives the Club has adopted the following strategies;

Maintain or increase existing revenue levels and control costs to return to profitability which will allow the Club's premises to be continually improved.

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

4. Results

The net result of operations after income tax was a loss of \$215,149 (2016 loss: \$52,478).

5. Review of Operations

The increase in loss for the year is attributable to increased operating costs despite increases in bar, restaurant and poker machine net revenues.

6. Auditor's Independence Declaration

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

DFK Crosbie continues to hold office in accordance with Section 307 of the Corporations Act 2001.

7. Company Secretary

The Company Secretary is Mr Michael Gray. Mr Gray has been an employee of Charlestown Club Limited since October 2015 and was appointed to the position of Company Secretary at that date.

8. Limited by Guarantee

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any obligations of the Club. At 30 June 2017 the collective liability of members was \$6,597 (2016: \$3,226).

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

DIRECTORS' REPORT (Cont.)

9. Meeting Attendances

The number of Board meetings held during the financial year ended 30 June 2017 was 20, all being normal Board meetings. The details of each Directors attendances at those meetings is given below:

<u>Director</u>	<u>Normal</u>	<u>Held Whilst In Office</u>
J Davis	17	20
M Rigby	18	20
J Sanderson	20	20
F Wells	19	20
G Adams	17	20
I Percival (appointed 18/09/2016)	16	16
G Fielding (appointed 18/09/2016)	14	16
A Collins (resigned 18/09/2016)	1	4
B Daley (resigned 18/09/2016)	3	4

The Annual General Meeting was held on 15 September 2016.

10. Property Report

The land on which the Clubhouse and Greens are situated is freehold property owned by the Club. The Directors have determined that all property of the Club shall be classified as follows in accordance with section 41J of the Registered Clubs Acts 1976 :-

Core Property -	Freehold property situated at 5 Lincoln Street, Charlestown.
Non- Core Property -	Nil

Signed in accordance with a resolution of the Board of Directors



Jeffrey Davis - Director



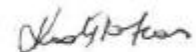
George Adams - Director

Dated: 22 August 2017

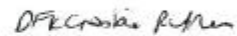
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
CHARLESTOWN BOWLING CLUB LIMITED

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

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



Kirsty Porteous - Partner



DFK Crosbie Partners
Chartered Accountants

Dated: 22 August 2017

Warabrook, NSW

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Newcastle

Cnr Pacific Hwy and Warabrook Blvd,
Warabrook NSW 2304
Box 29, Hunter Region MC NSW 2310
Ph: +61 2 4923 4000 | F: +61 2 4923 4040
www.dfkcrosbie.com.au

Sydney

Level 1, Suite 107 Edgecliff Centre,
203 New South Head Rd, Edgecliff NSW 2027
Ph: +61 2 9301 5200 | F: +61 2 9363 0335
www.dfkcrosbie.com.au

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Charlestown Bowling Club Limited

Report on the Financial Report

Opinion

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

In our opinion, the accompanying financial report of Charlestown Bowling Club Limited, is in accordance with the Corporations Act 2001, including:

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

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Newcastle

Cnr Pacific Hwy and Warabrook Blvd,
Warabrook NSW 2304
Box 29, Hunter Region MC NSW 2310
Ph: +61 2 4923 4000 | F: +61 2 4923 4040
www.dfkcrosbie.com.au

Sydney

Level 1, Suite 107 Edgcliff Centre,
203 New South Head Rd, Edgcliff NSW 2027
Ph: +61 2 9301 5200 | F: +61 2 9363 0335
www.dfkcrosbie.com.au

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

INDEPENDENT AUDIT REPORT TO MEMBERS

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

Kirsty Porteous

Kirsty Porteous - Partner

DFK Crosbie Partners

DFK Crosbie Partners
Chartered Accountants

Dated: 22 August 2017

Warabrook, NSW

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Newcastle

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Warabrook NSW 2304
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www.dfkcrosbie.com.au

Sydney

Level 1, Suite 107 Edgecliff Centre,
203 New South Head Rd, Edgecliff NSW 2027
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CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 9 to 18 are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company.
- 2 In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Jeffrey Davis - Director



George Adams - Director

Dated: 22 August 2017

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	205,170	690,237
Trade and Other Receivables	6	35,353	20,383
Inventories	7	83,869	66,602
Investments	8	1,311,336	1,116,476
Other Assets	9	114,703	88,171
TOTAL CURRENT ASSETS		1,750,431	1,981,869
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	16,233,734	16,136,471
Intangible Assets	11	482,986	476,439
TOTAL NON-CURRENT ASSETS		16,716,720	16,612,910
TOTAL ASSETS		18,467,151	18,594,779
CURRENT LIABILITIES			
Trade and Other Payables	12	412,752	353,718
Provisions	13	160,223	171,150
Other Liabilities	14	72,716	43,456
TOTAL CURRENT LIABILITIES		645,691	568,324
NON-CURRENT LIABILITIES			
Provisions	13	42,477	29,402
Other Liabilities	14	10,379	13,300
TOTAL NON-CURRENT LIABILITIES		52,856	42,702
TOTAL LIABILITIES		698,547	611,026
NET ASSETS		17,768,604	17,983,753
MEMBERS' FUNDS			
Accumulated Profits		17,768,604	17,983,753
TOTAL MEMBERS' FUNDS		17,768,604	17,983,753

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

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

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

Note	2017 \$	2016 \$
Restaurant Sales	1,604,284	1,290,409
Cost of Goods Sold	563,615	447,465
Restaurant Gross Profit	1,040,669	842,944
Bar Sales	1,773,265	1,549,645
Cost of Goods Sold	675,583	614,197
Bar Gross Profit	1,097,682	935,448
Poker Machine Net Revenue	2,765,708	2,755,668
Keno and TAB Commissions	90,192	75,633
Mens Bowling Income	88,930	95,726
Womens Bowling Income	23,188	28,545
Members Subscriptions	47,672	30,644
Interest Received	37,927	34,182
Other Income	305,679	235,475
Total Trading and Other Income	5,497,647	5,034,265
Expenses		
Restaurant Direct Expenses	900,969	678,651
Bar Direct Expenses	557,513	420,417
Poker Machine Direct expenses	1,024,882	987,179
Keno and TAB Direct Expenses	95,406	81,138
Mens Bowling Expenses	266,516	341,260
Womens Bowling Expenses	143,294	131,944
Members Amenities	757,612	504,853
Club Buildings & Car Park	697,279	720,555
Administration	1,269,325	1,220,746
Total Expenses	5,712,796	5,086,743
Net Profit/(Loss) Before Income Tax	(215,149)	(52,478)
Income Tax Expense	1	-
Net Profit/(Loss) After Income Tax	(215,149)	(52,478)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss)	(215,149)	(52,478)

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

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Cash Flows from Operating Activities		
Receipts from Members and Guests	7,388,362	6,710,775
Payments to Suppliers and Employees	(6,754,641)	(5,998,424)
Interest Received	35,786	34,011
<i>Net Cash Flows provided by (used in) Operating Activities</i>	<u>669,507</u>	<u>746,362</u>
Cash Flows from Investing Activities		
Transfer (to) / from Short Term Deposits	(194,860)	(451)
Payments for Plant and Equipment	(977,627)	(489,378)
Payments for Intangible Assets	(6,547)	-
Proceeds from Disposal of Plant and Equipment	24,460	46,419
<i>Net Cash Flows provided by (used in) Investing Activities</i>	<u>(1,154,574)</u>	<u>(443,410)</u>
Net Increase/(Decrease) in Cash Held	<u>(485,067)</u>	<u>302,952</u>
Cash at the Beginning of the Financial Year	<u>690,237</u>	<u>387,285</u>
Cash and Cash Equivalents at the End of the Financial Year	<u>205,170</u>	<u>690,237</u>

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

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Accumulated Profits \$	Total Equity \$
Balance as at 1 July 2015		18,036,231	18,036,231
Profit / (Loss) attributable to members		(52,478)	(52,478)
Balance as at 30 June 2016		17,983,753	17,983,753
Profit / (Loss) attributable to members		(215,149)	(215,149)
Balance as at 30 June 2017		17,768,604	17,768,604

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

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

1 Statement of Significant Accounting Policies

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Charlestown Bowling Club Limited is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

Statement of Compliance

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

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generated unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generated units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

Intangibles

Intangible assets acquired separately are capitalised at cost, the useful lives of these intangible assets are assessed to be either finite or indefinite. Those with finite lives are amortised over that period on a straight line basis. Intangible assets are tested annually for impairment or more frequently where an indicator for impairment exists.

Poker Machine entitlements do not have a finite life and are therefore not amortised.

Property, Plant and Equipment

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

Property, Plant and Equipment are depreciated so as to write off the assets over their estimated useful life on a prime cost or a diminishing value basis as follows.

Buildings and Club Improvements	10 to 50 years
Plant and Equipment	3 to 20 years
Poker Machines	2 to 5 years

Income Tax

The Club is exempt from income tax under Section 50-45 of the Income Tax Assessment Act (1997).

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

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

Trade Debtors and Other Receivables

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

Inventories

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

Cash and Cash Equivalents

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

Revenue Recognition

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

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

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

Interest income is recognised as it accrues.

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

Other revenue is recognised as it accrues.

Employee Benefits

Short Term

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

Other Long Term

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

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

Accounts Payable

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

Goods and Services Tax

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

Comparatives

Comparative information has been adjusted to reflect current year disclosures.

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

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

2 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and assumptions

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

Useful lives of non-current assets

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

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

The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the Statement of Profit or Loss and Other Comprehensive Income should they change.

Impairment of non-current assets

Impairment testing of non-current assets is performed where indicators of impairment exist. In assessing impairment, estimates are made of the recoverable amount of each asset or cash generating unit based on discounted expected future cash flows discounted or estimated replacement cost. Estimation uncertainty exists in relation to assumptions regarding future operating results and cash flows, determination of an appropriate discount rate and estimated current replacement cost of the asset.

	2017	2016
3 Operating Revenue		
Restaurant Sales	1,604,284	1,290,409
Bar Sales	1,773,265	1,549,645
Poker Machine Net Revenue	2,765,708	2,755,668
TAB and Keno Commission	90,192	75,633
Mens Bowls Income	88,930	95,726
Womens Bowls Income	23,188	28,545
Members Subscriptions	47,672	30,644
Interest Received	37,927	34,182
Other Income	305,679	235,475
	<u>6,736,845</u>	<u>6,095,927</u>

4 Operating Profit / (Loss)

The operating profit / (loss) before income tax is arrived at after crediting and charging the following specific items:-

Credits

Interest Received / Receivable	37,927	34,182
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Charges

Depreciation	581,582	567,871
Amortisation	279,180	273,202
	<u>860,762</u>	<u>841,073</u>

Loss on Disposal of Assets	10,552	37,555
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CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

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

	2017	2016		
5 Cash and Cash Equivalents				
Cash on Hand and at Bank	205,170	690,237		
	<u>205,170</u>	<u>690,237</u>		
6 Trade and other Receivables				
Sundry Debtors	30,474	17,645		
Accrued Interest	4,879	2,738		
	<u>35,353</u>	<u>20,383</u>		
There were no impaired receivables in 2017 and 2016				
7 Inventories				
Stock on Hand - Bar	51,334	44,416		
Stock on Hand - Bowls Merchandise	16,776	10,909		
Stock on Hand - Restaurant	15,759	11,277		
	<u>83,869</u>	<u>66,602</u>		
8 Investments				
Term Deposits - > 3 months	1,311,336	1,116,476		
	<u>1,311,336</u>	<u>1,116,476</u>		
The term deposits are carried at amortised cost. They are held to their maturity and carry a fixed weighted average interest rate of 2.7%				
9 Other Assets				
Current				
Prepayments	114,703	88,171		
	<u>114,703</u>	<u>88,171</u>		
10 Property, Plant and Equipment				
	Plant & Equipment	Club Land, Buildings and Greens	Poker Machines	Total
Year ended 30 June 2017				
At 1 July 2016,				
Net of Accumulated Depreciation/Amortisation	1,222,771	14,091,018	822,682	16,136,471
Additions	231,373	440,496	321,168	993,037
Less: Disposals	1,802	-	33,210	35,012
Less: Depreciation/Amortisation	252,337	295,703	312,722	860,762
At 30 June 2017				
Net of Accumulated Depreciation/Amortisation	<u>1,200,005</u>	<u>14,235,811</u>	<u>797,918</u>	<u>16,233,734</u>
At 1 July 2016				
Cost or Fair Value	2,908,825	16,262,295	2,490,362	21,661,482
Accumulated Deprecation/Amortisation	1,686,054	2,171,277	1,667,680	5,525,011
Net Carrying Amount	<u>1,222,771</u>	<u>14,091,018</u>	<u>822,682</u>	<u>16,136,471</u>
At 30 June 2017				
Cost or Fair Value	3,124,501	16,702,791	2,534,134	22,361,426
Accumulated Deprecation/Amortisation	1,924,496	2,466,980	1,736,216	6,127,692
Net Carrying Amount	<u>1,200,005</u>	<u>14,235,811</u>	<u>797,918</u>	<u>16,233,734</u>

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

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

	2017	2016
11 Intangible Assets		
Poker Machine Entitlements at Cost	482,986	476,439
	<u>482,986</u>	<u>476,439</u>
12 Trade and Other Payables		
Current		
Creditors - Trade	207,983	132,649
Other Creditors	36,425	31,077
Accrued Expenses	95,120	91,516
Clearing Accounts	(2,206)	(159)
GST Payable	75,430	98,635
	<u>412,752</u>	<u>353,718</u>
13 Provisions		
Current		
Provision for CDSE	(297)	23,940
Provision for Annual and Sick Leave	116,789	97,340
Provision for Long Service Leave	20,396	36,598
Provision for Poker Machine Jackpot	14,988	5,273
Provision for Player Balance	6,158	4,428
Provision for Unclaimed Payouts	2,189	3,571
	<u>160,223</u>	<u>171,150</u>
Non Current		
Provision for Long Service Leave	42,477	29,402
	<u>42,477</u>	<u>29,402</u>
14 Other Liabilities		
Current		
Subscriptions in Advance	37,686	40,653
Income in Advance	35,030	2,803
	<u>72,716</u>	<u>43,456</u>
Non Current		
Subscriptions in Advance	10,379	13,300
	<u>10,379</u>	<u>13,300</u>
15 Commitments for Expenditure		
a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
	2017	2016
Not greater than 12 months	30,915	2,231
Between 12 months and 5 years	109,793	1,301
	<u>140,708</u>	<u>3,532</u>
b) Capital Commitments		
The Club has committed to make the following capital expenditure within 12 months:		
Poker Machine Entitlements	200,000	
	<u>200,000</u>	

CHARLESTOWN BOWLING CLUB LIMITED
(ABN 38 609 055 115)

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

16 Key Management Personnel / Related Parties Transactions

(a) Directors

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

Key Management personnel	2017	2016
Short Term Employee Benefits	120,447	164,015
Long Term Benefits	352	-
Post Employment Benefits	10,190	14,329
	<u>130,989</u>	<u>178,344</u>

17 Contingent Liabilities

The Club has a bank guarantee for \$6,000 for a security deposit relating to Club TAB facilities.

Men's 2016 Champions

<u>Major Singles</u>	B. Atkins
<u>Major Pairs</u>	I. Percival and F. Verschoor
<u>Major Triples</u>	J. Cowan, Z. Griffiths and P. Lyford
<u>Major Fours</u>	C. Atkins, S. Smith, J. Mclean and B. Atkins
<u>Minor Singles</u>	P. Gray
<u>Minor Pairs</u>	M. Parish and P. Gray
<u>Minor Fours</u>	C. Atkins, J. Clement, P. Gray and W. Meek
<u>Club Bowler of the Year</u>	P. Gray
<u>Most Improved Men's Bowler</u>	I. Percival
<u>Mixed Pairs</u>	H. Sanderson and J. Sanderson

Charlestown Women's Bowling Club Achievements

District Honours 2016

2016 District Results

Winners 1 Grade District Section Pennant Winners

Halina Wuro, Kay Shuttlewood, Raweng Namutwong, Rhonda Littlewood
Karleen Gemmell, Gayle Gannon, Laurel Faint, Rose Wayland and Julie Garry

Club Championship Results Ladies 2016

<u>Major Singles:</u>	H. Huro
<u>Championship Pairs:</u>	R. Littlewood and R. Wayland
<u>Championship Triples:</u>	F. Clark, N. Evans and E. Hoy
<u>Championship Fours:</u>	R. Littlewood, P. White, K. Shuttlewood and H. Wuro
<u>Minor singles:</u>	N. Noosornsri
<u>Olive Brown Consistency:</u>	F. Wells
<u>Most Improved Ladies Bowler</u>	N. Noosornsri

During the last financial year Charlestown Bowling Club supported the following Charities and Community Groups

**Newcastle Triathlon Club
Autism Spectrum Australia
Life Without Barriers
Hunter Breast Cancer Foundation
Charlestown Caring Group
Charlestown Meal on Wheels
Youth of the Streets
Little Wings
Westpac Rescue Helicopter Service
Camp Quality
Motor Neurone Disease Association NSW
Surf Aid
Special Olympics
Newcastle Royals Korfbal Club
Red Cross
Prostate Survival Alliance
Oz Harvest
KU Windale Pre-School
Royal Far West
Mark Hughes Foundation
Charlestown South Public School
Charlestown Cricket Club
Charlestown Junior Football Club
Cardiff Hawks Junior AFL Club
Charlestown Men's Bowling Club
Charlestown Women's Bowling Club
100% Hope
Cancer Council
Windale Junior Rugby League Football Club
Warner's Bay Football Club
Charlestown Junior Cricket Club
Huntermuir Club
Charlestown Rotary Club
Charlestown Lions
Hunter Sports High
St Paul's Primary School
Bel Air View Club
Newcastle Backgammon Club
Charlestown Bowling Club Craft Ladies
All Ability Sports Coaching
Lake Macquarie Zone Little Athletics
International Women's Day
Mercy Services
DFK Crosbie
Newcastle District Bowls Association
Hunter Animal Rescue
Newcastle Rugby Union Referees Association**



Charlestown Bowling Club Limited
5 Lincoln Street, CHARLESTOWN NSW 2290
Phone: 4943 3766 FAX: 4943 3939
ABN: 38 609 055 115
ACN: 101 425 307
www.charlestownbc.com.au