



# MUNMORAH UNITED BOWLING CLUB LIMITED

(A Company Limited by Guarantee  
and having No Share Capital)  
A.B.N. 24 000 639 314

An aerial photograph of a coastal town and harbor. The town is built on a hillside overlooking a large blue harbor. In the foreground, there is a large parking lot with many cars, a tennis court, and a large building. The harbor is filled with water, and there are green islands in the distance under a clear blue sky. Two large, curved, overlapping shapes in dark blue and green are overlaid on the left side of the image, framing the text.

*the place to be*

**Annual Reports and  
Financial Statements**  
For the year ended 30th June, 2019.

## **PRESIDENT'S REPORT 2019**

Welcome to our 51<sup>st</sup> year.

Again, it is wonderful to announce that your club has shown a healthy profit for the 2018/2019 financial year. With a total net revenue of \$5,733,708 and a net profit of \$418,049, it shows that the Company is operating in the correct manner under the guidance of our CEO, Alex Moore and his dedicated team. Our team all complete their workload according to all the correct procedures and policies adopted by the Club to ensure our Club is governed accordingly.

I thank my fellow Board Members who are all very proactive in assisting the company in achieving our future strategies. My personal thanks go to Fiona Macalpine for her ongoing commitment to our Club as Treasurer. The time and effort being put in by her is extraordinary. The Board's current focus is on delivering Stage 1 of the Club's Masterplan. There is a great deal of groundwork required prior to the commencement of the new build and the building committee are working tirelessly toward minimising any inconvenience this may cause to our loyal members.

The Club continued to support our local community within our ClubGRANTS commitments. This included sponsorship of numerous sporting groups and other worthwhile not for profit community groups. Our funding provided essential support to these organisations and has helped them provide programmes and facilities that make a meaningful difference to individuals and families that are in desperate need of help.

I would like to thank our Bowls Manager, Paul Wesche. Paul is continuing to deliver a major improvement in the bowls operations and our junior bowls program is progressing in a positive direction. Thanks also go to Tony Gough (our greenkeeper) for providing quality bowling surfaces each week, well done Tony. Thank you to all our Pennant representatives, both Men and Ladies, for your commitment and dedication to the game of bowls at Lake Munmorah.

Our total Club Membership is growing and without your support we would not have grown into the venue we now enjoy. I am confident that our team will continue doing everything right to make your time here more enjoyable. We are here to serve the community, and as a Board of Directors, we expect that your time spent at the Munmorah Bowlo is pleasing for many years to come, so that our grandchildren can also enjoy the experience.

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.

Kind Regards,  
John Heaton



## CHIEF EXECUTIVE OFFICER'S REPORT 2019

On behalf of the Board of Directors, I have much pleasure in presenting the 51<sup>st</sup> Annual Financial Report of the Munmorah United Bowling Club Limited for the year ending 30 June 2019.

It has been a challenging year for the Club with our local communities and businesses experiencing a difficult economic period. There was increased uncertainty around living expenses with the impact of both the State and Federal elections. The uncertainty in the community led to the amount of disposable spending to drop.

Although the Club continued to trade well during the past financial year, there was a noticeable decline in spending trends joined with increases in expense items such as depreciation and wages, which in turn realised a weakening in trading results compared to last year.

The operating cashflow increased compared to 2018 reflecting the growth in underlying cash profit. The nett result for the year ending was \$418,049 with the cash profit a healthy \$878,280, up \$176,754 on 2018. The Club's working capital position rose by nearly \$500,000 this financial year compared to 2018.

There has been much discussion around stage 1 of the Clubs Masterplan, to construct a new venue. The Board and Management invested a large amount of time and effort into this stage by exploring all aspects of the project in order to make informed and educated decisions. The Development Application received a favourable decision in late July with the building committee now planning the next steps. One of the factors identified in the decision-making process was the need to attract and develop relationships with the next generation member, all while preserving an association and relationship with our existing key stakeholders. I firmly believe that this will be an exceptional project for the Club being the first stage in the board's long term goals to expand the Clubs income stream and secure its future as a first class community asset.

The Club resumed full operation of the catering offering in October and rebranded the restaurant as The Brasserie. Our commitment is to quality, consistency and value for all who dine at the Club. Our team, led by Patray Moncacha, is welcoming and engaging. The team accept feedback, both positive and negative, however I would encourage any feedback to be offered at the time of the experience. The catering team do a fantastic job and I thank them for their commitment to our members and visitors.

The Club continued to offer great incentives and promotions for members. Last year the Mazda 2 promotion was well received and this year the Pick A Prize was possibly the greatest promotion conducted at this Club. Members continue to receive meal deals in the Brasserie and bonuses through the Clubs app and the swipe terminal.

To Chairman John Heaton, Treasurer Fiona Macalpine and the Board of Directors, I would like to thank you for your continued work together securing the short and long term future for the Club. You as a group have backed the management team to guide the Club through a tough period in early 2019, thus demonstrating why the Club continues to be a robust and successful business.

Every day, the team at Munmorah goes above and beyond to provide a quality experience for our members and their guests. Their individual and combined efforts should continue to be supported. To my management team of Greg, Cathy, Patray and Paul, you continue to be committed and passionate and at the forefront of this industry.

Finally, a huge thank you to our members for your loyalty and friendship during the past 12 months. We are lucky to have such an active, diverse and appreciative membership. My team will continually welcome you to the Munmorah Bowlo each time you visit. I also offer my condolences to those members who have lost loved ones this year.

**Alex Moore**, Dip. Mgmt.  
*Chief Executive Officer*

## TREASURER'S REPORT 2019

It is with great pleasure that I present this year's Treasurer's Report.

Quick summary of this years is:

<b>Total Income:</b>	<b>\$5,733,708</b>	<b>Up 17.1%</b>
<b>Total Expenses:</b>	<b>\$5,315,659</b>	<b>Up 19.6%</b>
<b>Net Profit:</b>	<b>\$418,049</b>	<b>Down 7.1%</b>
<b>Cash Profit:</b>	<b>\$878,280</b>	<b>Up 25.2%</b>
<b>Net assets:</b>	<b>Increased by 9.1 %</b>	
<b>Working Capital:</b>	<b>Up 73%</b>	

**Overall, the net assets of the Club have increased reflecting the net profit for the year.**

Valuation on the Club's investment property decreased by \$20,000.

The decrease in profit is reflective of increased revenue across all trading areas offset by increases in expenses. The key factors impacting the loss is the decreased valuation of the investment property and the increase in depreciation.

Expense increases occurred in poker machine and catering expenses. Key increases were in the brasserie with the cost of sales and wage increases along with an increase in gaming duty.

### Bowls Trading

Bowls Income:	\$137,730
Bowls Expenses:	\$193,042 (a loss of \$55,312)
Greens Expenses	\$118,342
Total Bowls Loss:	<u>\$173,654</u>

The Club supported the local community and other not-for-profit organisations again this year under the ClubGRANTS Scheme. Category 1 beneficiaries included the Coast Community Care, the Catholic Diocese of Broken Bay, the Southlake Marketplace and the Farmers Drought appeal. Our category 2 recipients included the Lake Munmorah Netball Club, Northern Lakes Warriors JRLFC, Blue Haven JRLFC to name a few.

Under Alex's guidance, our poker machine replacement program continued. The gaming floor was updated regularly with new machine installs and regular conversions. Repositioning of machines also proved to be very successful.

A big thank you to our CEO, Alex Moore. It has been both a pleasure and a huge learning experience working with you this past year. Through your guidance, professionalism and interaction, our Club has grown and become a venue for our members to meet and mingle in a safe and friendly environment. The member benefits at our Club are of a high standard and I am sure all members appreciate belonging to Munmorah United Bowling Club.

To our managers Greg and Cathy, it has been a pleasure working with you. Your staff leadership, management of daily activities and service to our members is to be commended.

Thank you to all members of our team for your dedication, professionalism, support and ability to carry out your duties. You bare the face of our Club and service you deliver to our members is greatly appreciated.

To Chairman John, thank you. It has been a pleasure serving on the Board under your leadership. To all my fellow Board members, I have enjoyed working with you. As a Board, we have worked collaboratively and have made the necessary decisions for the betterment of the Club.

To my husband Greg, thank you for your continued support in my position.

Looking forward to another good year in2018-2019.

Fiona Macalpine  
**Treasurer**

# ClubGRANTS

**Munmorah United Bowling Club proudly supported the following not for profit organisations in our community with donations totaling \$72,628**

Munmorah United Fishing Club  
Munmorah United Darts Club  
Munmorah United Euchre Club  
Lake Munmorah Netball Club  
Northern Lakes RLFC  
Northern Lakes Junior RLFC  
Lake Munmorah High School  
Lake Munmorah Public School  
Cancer Council  
Northlakes Probus  
Lake Munmorah Probus  
ARPRA  
Mannering Park Public School  
Give Me 5 for Kids  
Mannering Park Men's Shed  
Wyong Hospital  
Gosford Hospital  
Jeans for Genes  
Dad's Day Out – Uniting Care  
Wyong Hospital Women's Auxiliary  
Lake Munmorah Progress Association  
Lake Munmorah Senior Citizens  
Gwandalan Lioness Club  
Southlake Marketplace Uniting Care  
Rural Aid & Buy A Bale  
Central Coast Kids in Need  
Catholic Care Diocese  
Coast Community Care  
Dudley RLFC  
Blue Haven JRLFC  
SES Gosford  
Lake Munmorah Residential Village  
Parktrees Residential Village  
Macquarie Shores Residential Village

**MUNMORAH UNITED BOWLING CLUB LIMITED****(ACN 000 639 314)****FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2019****CONTENTS**

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The financial report was authorised for issue by the Directors on 12 August 2019. The Company has the power to amend and re-issue the financial report.

**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**

**DIRECTORS' REPORT**

Your Directors present their report for the financial year ended 30 June 2019.

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

Name	Occupation/Qualifications	Position	Years service as a Director of the Company
John Heaton	Retired Mining Electrical Engineer	President	9
Raymond Bourke	Retired Manager & Transport Officer	Vice President	11
Sonia Geddes	Retired Office Manager	Bowling Director	9
Fiona Macalpine	Self employed for 15 years	Treasurer	16
Beverly Jones	Retired Bank Manager	Bowling Director	3
Rosemary Elliott	Retired Functions Coordinator	Bowling Director	3
Stephen Tanko	Project Manager	Temporary Director	2
Graham Brown	Retired Car Salesman	Bowling Director	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 2019 were the running of the Club in accordance with its objectives for the benefit of its members.

**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 applicable income tax was a profit of \$418,049 (2018 profit of \$449,932).

**5. Review of Operations**

The Club has seen an increase in revenue across all trading areas especially in gaming and catering as the Club took over the operations of the brasserie in October 2018. The increased revenue has been partly offset by increases in expenses including catering expenses, gaming tax and wages. The Club has also incurred a loss on its investment property of \$20,000. (2018: gain of \$70,000)

**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 financial statements 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 Club, with continued growth in revenue levels and controlling of costs where possible. The Board is continuing to assess the needs of members and the community to provide the best possible facilities.

**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 Company indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs in successfully defending legal proceedings.

During the financial year, the Club 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. Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 4 of the financial report.

**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**

**DIRECTORS' REPORT (Cont.)**

**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. Financial Report Issue Date**

The financial report was authorised for issue by the Directors on 12 August 2019. The Company has the power to amend and re-issue the financial report.

**12. Company Secretary**

The Company Secretary is Mr Alex Moore. Mr Moore has been an employee of Munmorah United Bowling Club Limited since August 2014 and was appointed on 10 October 2014 to the position of Company Secretary. Prior to this Mr Moore has held senior management positions in other larger registered clubs in Port Macquarie, Penrith and Blacktown.

**13. Dividends**

The Company being a non-profit organisation is prevented from paying dividends by it's constitution.

**14. Meeting Attendances**

The number of Board meetings held during the financial year ended 30 June 2019 was 14, being 12 normal monthly Board meetings and 2 special Board meeting. The details of each Directors attendances at those meetings is given below:

<u>Director</u>		<u>Special Attended</u>	<u>Normal Attended</u>	<u>Eligible to Attend</u>
John Heaton		2	12	14
Raymond Bourke		2	11	14
Sonia Geddes		2	12	14
Fiona Macalpine		2	10	14
Colin McFarlane	Resigned AGM	1	3	5
Beverley Jones		2	12	14
Rosemary Elliott		1	11	14
Stephen Tanko		1	9	14
Graham Brown	Appointed AGM	1	8	9

**15. Property Report**

The Directors have determined that all property of the Club shall be classified as follows in accordance with Section 41J of the Registered Clubs Act 1976.

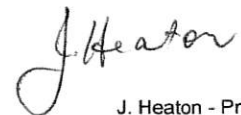
Core Property - Leased Club Property Acacia Avenue, Lake Munmorah.

Non Core Property - 600 Pacific Highway, Lake Munmorah.

**16. 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 \$5 each towards meeting any obligations of the Club. At 30 June 2019 the collective liability of members was \$27,070 (2018 \$29,115).

Signed in accordance with a resolution of the Board of Directors



J. Heaton - President



F. Macalpine - Treasurer

**Dated: 12 August 2019**



# dfk crosbie

Business Advisers and Accountants

MUNMORAH UNITED BOWLING CLUB LIMITED  
(ACN 000 639 314)


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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 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.



Shaun Mahony - Partner



DFK Crosbie Partners  
Chartered Accountants

Dated: 12 August 2019  
Newcastle

# dfk crosbie

## Business Advisers and Accountants

**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**  
**INDEPENDENT AUDIT REPORT TO MEMBERS**

To the Members of Munmorah United Bowling Club Limited

### Report on the Financial Report

#### Opinion

We have audited the financial report of Munmorah United Bowling Club Limited (the Company), which comprises the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including, a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

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

- (i) giving a true and fair view of Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 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.

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

The auditor's report relates to the financial report of Munmorah United Bowling Club Limited for the year ended 30 June 2019 included on Munmorah United Bowling Club Limited's web site. The Company's Directors are responsible for the integrity of the Munmorah United Bowling Club Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only 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 this web site.

# dfk crosbie

Business Advisers and Accountants

MUNMORAH UNITED BOWLING CLUB LIMITED

(ACN 000 639 314)

INDEPENDENT AUDIT REPORT TO MEMBERS

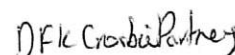
## Auditor's Responsibilities for the Audit of the Financial Report

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\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.



Shaun Mahony - Partner



DFK Crosbie Partners  
Chartered Accountants

Dated: 12 August 2019  
Newcastle

**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**

**DIRECTORS' DECLARATION**

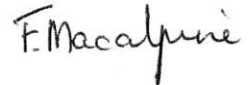
The Directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 8 to 17 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Australian 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 of Company as at 30 June 2019 and of its performance for the year ended on that date.
- 2 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:



J. Heaton - President



F. Macalpine - Treasurer

Dated: 12 August 2019

**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	680,597	515,382
Inventories	6	46,606	39,150
Other Assets	7	47,212	38,091
Financial Assets at Amortised Cost	8	879,057	615,286
<b>TOTAL CURRENT ASSETS</b>		<b>1,653,472</b>	<b>1,207,909</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	9	3,593,968	3,574,230
Financial Assets at Amortised Cost	8	1,086	1,250
Investment Properties	10	430,000	450,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,025,054</b>	<b>4,025,480</b>
<b>TOTAL ASSETS</b>		<b>5,678,526</b>	<b>5,233,389</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	276,531	325,709
Borrowings	12	125,430	127,546
Provisions	13	89,656	80,652
Other Liabilities	14	27,122	17,987
<b>TOTAL CURRENT LIABILITIES</b>		<b>518,739</b>	<b>551,894</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	13,543	2,542
Borrowings	12	133,098	83,856
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>146,641</b>	<b>86,398</b>
<b>TOTAL LIABILITIES</b>		<b>665,380</b>	<b>638,292</b>
<b>NET ASSETS</b>		<b>5,013,146</b>	<b>4,595,097</b>
<b>MEMBERS' FUNDS</b>			
Accumulated Profit		5,013,146	4,595,097
<b>TOTAL MEMBERS' FUNDS</b>		<b>5,013,146</b>	<b>4,595,097</b>

**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
Bar Sales		1,582,838	1,542,665
Bistro Sales		533,595	-
Gaming Net Revenue		3,020,444	2,749,252
Bowls Sales		137,730	123,764
Promotions Sales		294,317	244,330
Commissions		57,077	50,445
Interest Received		18,507	12,717
Profit on Sale of Assets		5,000	44,955
Rent Received		11,346	11,520
Subscriptions		25,899	22,280
Other Income		46,955	23,314
Fair Value Adjustment on Investment Properties	10	-	70,000
<b>Total Trading and Other Income</b>	<b>3</b>	<b>5,733,708</b>	<b>4,895,242</b>
<b>Expenses</b>			
Bar Cost of Goods Sold		653,902	675,273
Bar Direct Expenses		547,289	510,502
Catering Cost of Goods Sold		222,980	-
Catering Direct Expenses		348,047	44,147
Poker Machine Direct Expenses		1,187,819	1,077,618
Bowls Direct Expenses		311,384	279,991
Promotions Direct Expenses		747,430	653,857
Administration Expenses		1,266,465	1,184,782
Fair Value Adjustment on Investment Properties	10	20,000	-
Finance Costs	4	10,343	19,140
<b>Total Expenses</b>	<b>4</b>	<b>5,315,659</b>	<b>4,445,310</b>
<b>Net Profit/(Loss) Before Income Tax</b>		<b>418,049</b>	<b>449,932</b>
<b>Income Tax Expense</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Net Profit/(Loss) After Income Tax</b>		<b>418,049</b>	<b>449,932</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss)</b>		<b>418,049</b>	<b>449,932</b>

**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**

**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

Note	2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from Members and Guests	6,261,715	5,236,081
Payments to Suppliers and Employees	(5,393,543)	(4,531,047)
Interest Received	20,451	12,717
Interest Paid	(10,343)	(16,225)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	<u>878,280</u>	<u>701,526</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sale of Plant and Equipment	5,000	44,955
Transfer from / (to) Interest Bearing Deposit	(269,215)	(604,739)
Proceeds from sale of Unlisted Shares	164	-
Payments for Property, Plant and Equipment	(496,140)	(444,700)
<i>Net Cash Flows provided by (used in) Investing Activities</i>	<u>(760,191)</u>	<u>(1,004,484)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowings	196,325	247,283
Repayment of Borrowings	(149,199)	(198,462)
<i>Net Cash Flows provided by (used in) Financing Activities</i>	<u>47,126</u>	<u>48,821</u>
<b>Net Increase/(Decrease) in Cash Held</b>	165,215	(254,137)
<b>Cash and Cash Equivalents at the Beginning of the Financial Year</b>	<u>515,382</u>	<u>769,519</u>
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	<u>680,597</u>	<u>515,382</u>

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**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	RETAINED EARNINGS \$	TOTAL \$
Balance at 1 July 2017		4,145,165	4,145,165
Net profit after income tax		449,932	449,932
<b>Balance at 30 June 2018</b>		<b>4,595,097</b>	<b>4,595,097</b>
Net profit after income tax		418,049	418,049
<b>Balance at 30 June 2019</b>		<b>5,013,146</b>	<b>5,013,146</b>



**MUNMORAH UNITED BOWLING CLUB LIMITED**  
**(ACN 000 639 314)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**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 Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Munmorah United 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, except for investment properties which have been measured at fair value. The financial report is presented in Australian Dollars.

The following is a summary of the significant accounting policies adopted by the Company 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.

**Revenue Recognition**

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

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

Revenue from membership fees is recognised upon receipt of monies for the period to which the payment relates.

Interest income is recognised as it accrues.

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

Other revenue is recognised as it accrues.

**Income Tax**

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

**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 cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Trade Receivables**

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

**Financial Assets at Amortised Cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

**Inventories**

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

**Property, Plant and Equipment**

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

Depreciation is calculated on a straight line basis over the estimated useful life of the asset or a diminishing value basis as follows:

Leasehold Improvements	10 to 50 years
Plant & Equipment	3 to 11 years
Poker Machines	3 to 5 years

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**FOR THE YEAR ENDED 30 JUNE 2019**

*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 generating 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 generating 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 Company 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.

**Trade and Other Payables**

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

**Borrowing Costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

**Investment Properties**

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. Gains or losses arising from changes in the fair values of the investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognising of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

**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.

**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 cash flows 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.

**MUNMORAH UNITED BOWLING CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**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**

*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 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.

*Fair Value of investment Properties*

The fair value of Investment Properties is estimated at each reporting date, based on independent assessments of the market value of the property and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

**3 Revenue and Other Income**

	2019	2018
	\$	\$
<b>Operating revenue</b>		
Bar Sales	1,582,838	1,542,665
Bistro Sales	533,595	-
Gaming Machine Net Revenue	2,907,179	2,621,812
TAB & Keno Commission	113,265	127,440
Other	561,978	464,133
	5,698,855	4,756,050
<b>Other income</b>		
Interest Received/Receivable	18,507	12,717
Profit on Sale of Fixed Assets	5,000	44,955
Rental income	11,346	11,520
	34,853	69,192
<b>Other gains/(losses)</b>		
Fair value adjustment on Investment Properties	-	70,000
	5,733,708	4,895,242

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

		2019	2018
		\$	\$
<b>4</b>	<b>Operating Profit</b>		
	Operating profit before income tax is arrived at after crediting and charging the following specific items:-		
	<b>Credits</b>		
	Interest Received / Receivable	18,507	12,717
	Fair value adjustment on Investment Properties	-	70,000
	Profit on Sale of Assets	5,000	44,955
	<b>Charges</b>		
	Depreciation		
	Leasehold Improvements	83,941	89,929
	Plant & Equipment	82,906	76,516
	Poker Machines	273,367	228,884
	Total Depreciation & Amortisation	440,214	395,329
	Interest and Finance Costs	10,343	19,140
	Employee Benefits		
	- Wages	1,328,269	948,535
	- Superannuation	124,180	89,151
		1,452,449	1,037,686
<b>5</b>	<b>Cash and Cash Equivalents</b>		
	Cash at Bank and in Hand	680,597	515,382
		680,597	515,382
<b>6</b>	<b>Inventories</b>		
	Stock on Hand - Bar	40,977	39,150
	Stock on Hand - Kitchen	5,629	-
		46,606	39,150
<b>7</b>	<b>Other Assets</b>		
	<b>Current</b>		
	Prepayments	47,212	38,091
		47,212	38,091
<b>8</b>	<b>Financial Assets at Amortised Cost</b>		
	<b>Current</b>		
	Term Deposit	873,954	604,739
	Other Debtors	-	3,500
	Accrued Interest	5,103	7,047
		879,057	615,286
	<b>Non Current</b>		
	Shares in Listed Entities	1,086	1,250
		1,086	1,250

The Company has adopted AASB 9 Financial Instruments from 1 January 2018 . AASB 9 replaces the provisions of AASB 139 relating to the recognition, classification and measurement of financial assets and financial liabilities. In accordance with the transitional provisions in AASB 9 the standard has been applied retrospectively resulting in the restatement of comparative figures. There was no impact on the measurement and recognition of the Company's financial assets resulting from the adoption of AASB 9. The Company has assessed the classification of the financial assets which has resulted in changes in the classification of the following financial assets on the statement of financial position:

- Term deposits were reclassified from held to maturity investments to financial assets at amortised cost.
- Other debtors were reclassified from trade and other receivables to financial assets at amortised cost.
- Shares in Listed Entities were reclassified from investments to financial assets at amortised cost.
- Accrued interest was reclassified from trade and other payables to financial assets at amortised cost.

The accounting policies in Note 1 have been updated to reflect the adoption of AASB 9.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**9 Property, Plant and Equipment**

	Leasehold Improvements \$	Plant & Equipment \$	Poker Machines \$	Capital WIP \$	Total \$
<b>Year ended 30 June 2019</b>					
At 1 July 2018,					
Net of Accumulated Depreciation/Amortisation	2,323,153	415,529	778,748	56,800	3,574,230
Additions	-	93,134	292,296	74,522	459,952
Less: Depreciation/Amortisation	83,941	82,906	273,367	-	440,214
At 30 June 2019					
Net of Accumulated Depreciation/Amortisation	<u>2,239,212</u>	<u>425,757</u>	<u>797,677</u>	<u>131,322</u>	<u>3,593,968</u>
<b>At 1 July 2018</b>					
Cost or Fair Value	3,787,037	1,857,819	2,963,947	56,800	8,665,603
Accumulated Depreciation/Amortisation	1,463,884	1,442,290	2,185,199	-	5,091,373
Net Carrying Amount	<u>2,323,153</u>	<u>415,529</u>	<u>778,748</u>	<u>56,800</u>	<u>3,574,230</u>
<b>At 30 June 2019</b>					
Cost or Fair Value	3,784,001	1,880,304	2,394,127	131,322	8,189,754
Accumulated Depreciation/Amortisation	1,544,789	1,454,547	1,596,450	-	4,595,786
Net Carrying Amount	<u>2,239,212</u>	<u>425,757</u>	<u>797,677</u>	<u>131,322</u>	<u>3,593,968</u>

	2019 \$	2018 \$
<b>10 Investment Properties</b>		
Opening Balance at 1 July	450,000	380,000
Additions	-	-
Net Gain/(Loss) from Fair Value Adjustment	(20,000)	70,000
Closing Balance 30 June	<u>430,000</u>	<u>450,000</u>

Investment properties are stated at fair value, which has been determined by the Directors based on a market appraisals performed by Raine and Horne and Ray White as at 30 June 2019. The real estate agents frequently assess the market values for properties similar to those held by the Company in the same areas, having regard to past sales prices of other properties and current market conditions.

<b>11 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	114,877	174,021
Other Creditors and Accruals	124,188	137,026
GST Payable	37,466	14,662
	<u>276,531</u>	<u>325,709</u>
<b>12 Borrowings</b>		
<b>Current</b>		
Insurance Loan	11,299	11,418
Hire Purchase Liability	114,131	116,128
	<u>125,430</u>	<u>127,546</u>
<b>Non-Current</b>		
Hire Purchase Liability	133,098	83,856
	<u>133,098</u>	<u>83,856</u>

The Club has an overdraft facility of \$100,000 with the Commonwealth Bank which is secured by:

- A First Registered Mortgage over Residential Real Property at 600 Pacific Highway Lake Munmorah NSW.
- A First Registered Equitable Mortgage over the whole of the assets and undertakings including uncalled capital of the Company.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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		2019	2018
		\$	\$
<b>13</b>	<b>Provisions</b>		
	<b>Current</b>		
	Provision for Annual	57,322	48,684
	Provision for Long Service Leave	32,334	31,968
		89,656	80,652
	<b>Non Current</b>		
	Provision for Long Service Leave	13,543	2,542
		13,543	2,542
<b>14</b>	<b>Other Liabilities</b>		
	<b>Current</b>		
	Income in Advance	10,506	-
	Subscriptions in Advance	6,608	6,432
	Poker Machine Cashless Liability	10,008	11,555
		27,122	17,987
<b>15</b>	<b>Commitments for Expenditure</b>		
	<b>a) Expenditure Commitments</b>		
	<i>Operating Leases</i>		
	Commitments in relation to non-cancellable operating leases are payable as follows:		
	Within one year	35,376	31,520
	Later than one year but less than five years	135,289	15,640
		170,665	47,160
	<i>Hire Purchase Agreements</i>		
	Commitments in relation to hire purchases agreements are payable as follows:		
	Within one year	118,088	126,065
	Later than one year but less than five years	134,182	88,895
	Minimum hire purchase payments	252,270	214,960
	Future finance charges	(5,041)	(14,976)
	Total hire purchase liabilities	247,229	199,984
	Hire purchase liabilities are reflected in the Statement of Financial Position as follows:		
	Within one year	114,131	116,128
	Later than one year but less than five years	133,098	83,856
		247,229	199,984
<b>16</b>	<b>Contingent Liabilities</b>		
	The Club has a bank guarantee for \$5,000 substituting for a security deposit relating to Club TAB facilities.		
<b>17</b>	<b>Related Parties</b>		
	The names of persons who were directors of the Company at any time during the year are as they appear in the attached Directors' Report.		
	<b>Key Management Personnel</b>		
	The following remuneration was provided to the key management personnel of the Company during the year:		
	Short term employment benefits	228,638	208,924
	Post Employment benefits	19,180	17,553
		247,818	226,477