

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED
(ABN 84 570 698 446)

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

DIRECTORS' REPORT

Your Directors presents their report for the financial year ended 30 June 2016.

1. The names of the Directors in office during or since the end of the financial year are:-

Name	Occupation/ Qualifications	Years service as a Director	Special Responsibilities
Kevin Colman	Retired	11	Finance Committee
Carl Rumph	Distribution Coordinator	9	Finance Committee
William Vidal	Retired	9	Finance Committee
Raymond Choice	Retired	3	
Gregory Reed	Retired	6	
Allan Perkins	Retired	6	
Ian Hollings	Retired	4	
Ron Dougherty	Retired	5	
Anne Cheetham	Retired	2	

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

2. Activities

The principal activities of the Co-operative in the course of the financial year ended 30 June 2016 were the running of the Club in accordance with its objectives for the benefit of its members.

3. Objectives of the Co-operative

The Co-operative'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 Co-operative has adopted the following strategies;

Maintain or increase existing revenue levels and control costs to continue profitability which will allow the Co-operative's premises to be continually improved and maintain greens to a high standard.

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 was a profit of \$112,856 (2015 profit \$116,088).

5. Review of Operations

An increase in the net revenue from poker machines in combination with an increase in keno commissions and income from the coffee shop have been offset by an increase in operating expenses and a decrease in bar sales as well as non trading items of income. The result for the year includes insurance recoveries totalling \$33,349, although it is noted that the prior year included \$87,629 in insurance recoveries. Also, the current year includes an increase in the value of the Club's rental property of \$10,500, compared to \$22,000 last year.

6 Events Subsequent to Balance Date

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

7. Likely Developments and Expected Results

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

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

DIRECTORS' REPORT (Cont.)

8. Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Co-operative:

* Indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs expenses in successfully defending legal proceedings: or

* paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception of the following matters:

During the financial year, the Co-Operative has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

9. Directors Benefits

Since the end of the previous financial year no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due to be received by Directors shown in the accounts or received as the fixed salary of a full time employee of the Club) by reason of a contract made by the Club or by a related corporation with the Director or with a firm of which they are a member, or with a Club in which they have a substantial financial interest in.

10. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and is set out on page 5 of the financial report.

The Co-operative may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Co-operative is important. Details of the amounts paid or payable to the auditor (DFK Crosbie) for audit and non-audit services are provided in Note 19 to the full financial report.

11. Dividends

The Co-operative is a non-profit organisation is prevented from paying dividends by its constitution.

12. Environmental Regulations

The Club's operations are subject to various environmental regulations under both Commonwealth and State Legislation. The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.

13. Financial Report Issue Date

The financial report was authorised for issue by the Directors on 29 September 2016. The Club has the power to amend and re-issue the financial report

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

DIRECTORS' MEETING ATTENDANCES

14. Meeting Attendances

The number of Board meetings held during the financial year ended 30 June 2016 was 13, being 12 normal monthly Board meetings and 1 special meeting. The details of each Director's attendances at those meetings is given below:

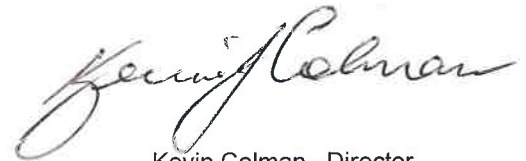
<u>Director</u>	<u>Monthly</u>	<u>Special</u>	<u>Eligible to Attend</u>
Kevin Colman	12	1	13
Ian Hollings	12	1	13
Carl Rumph	11	1	13
William Vidal	12	1	13
Allan Perkins	12	0	13
Gregory Reed	7	0	13
Raymond Choice	12	1	13
Anne Cheatham	11	1	13
Ron Dougherty	11	1	13

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 Acts 1976 :-

Non-Core Property: - The rental property situated at 57 Meredith Avenue, Lemon Tree Passage
 - The land situated at 18 -24 Gould Drive, Lemon Tree Passage
 - The land situated at 25 Kenneth Parade, Lemon Tree Passage
 - The land situated at 53 - 57 Meredith Avenue, Lemon Tree Passage

Core Property: - Licensed Club, Carpark and Bowling Greens encompassing 23 Kenneth Parade and Lot 170 Gould Drive, Lemon Tree Passage



Kevin Colman - Director



William Vidal - Director

Date: 29 September 2016



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

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 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

Date: 29 September 2016

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LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED
INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Lemon Tree Passage Bowling Club Co-operative Limited.

Report on the Financial Report

We have audited the accompanying concise financial report of Lemon Tree Passage Bowling Club Co-operative Limited, comprising the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the year then ended and related notes which was derived from the financial report of Lemon Tree Passage Bowling Club Co-operative Limited for the year ended 30 June 2016. We expressed an unmodified auditor's opinion on that financial report in our audit report dated 29 September 2016.

The Financial Report and Directors Responsibility

The Directors are responsible for preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Co-operatives National Law 2014 (NSW).

Auditor's Responsibility

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Lemon Tree Passage Bowling Club Co-operative Limited on 29 September 2016 has the same date of this auditor's report.


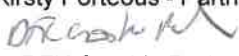
Matters relating to the electronic presentation of the audited concise financial report

This auditor's report relates to the financial report of Lemon Tree Passage Bowling Club Co-operative Limited (the Club) for the year ended 30 June 2016 included on the Club's website. The Club's Directors are responsible for the integrity of the Club's website. We have not been engaged to report on the integrity of 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 concise financial report to confirm the information included in the audited concise financial report presented on this web site

Audit Opinion

In our opinion the information reported in the concise financial report of Lemon Tree Passage Bowling Co-Operative Limited for the year ended 30 June 2016 is consistent, in all material respects, with the financial report from which it was derived and complies with Australian Accounting Standard AASB 1039: Concise Financial Reports. For a better understanding of the scope of our audit, this auditor's report should be read in conjunction with our audit report on the full financial report.

Date: 29 September 2016
Warabrook, NSW


 Kirsty Porteous - Partner

 DFK Crosbie Partners
 Chartered Accountants

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LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

DIRECTORS' DECLARATION

The Directors of the Co-operative declare that the concise financial report of Lemon Tree Passage Bowling Club Co-operative Limited for the financial year ended 30 June 2016 as set out on pages 8 to 13:

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

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


Kevin Colman - Director


William Vidal - Director

Date: 29 September 2016

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

DISCUSSION AND ANALYSIS OF THE FINANCIAL REPORT

Information on Lemon Tree Passage Bowling Club Co-operative Limited Financial Report

The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Co-operatives National Law 2014 (NSW) and is an extract from the full financial report.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and are consistent with the full 2016 financial report of Lemon Tree Passage Bowling Club Co-operative Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Co-operative as the full financial report. The accounting policies have been consistently applied by the Co-operative and are consistent with the previous financial year.

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

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

Statement of Comprehensive Income

The result before depreciation and amortisation is a profit of \$535,944 compared to \$548,434 last year with the result after depreciation and amortisation for the year ended 30 June 2016 being a profit of \$112,856 compared to a profit of \$116,088 last financial year. Revenues derived from poker machines have increased whilst operating expenses have also increased overall.

Bar sales for the year were \$1,247,031 compared to \$1,295,784 in the previous year, with a gross profit margin achieved of 56.8% compared to 58.2% last year. Bar wages increased in dollar terms and as a percentage of sales were 30.6% compared to 26.9% last year. The net profit from bar for the year was \$315,845 compared to \$397,852 last year.

Net revenue from poker machines was \$2,524,231 compared to \$2,316,110 last year. With the higher revenue an increased amount of gaming tax was incurred, with increases also noted in promotions and wages, whilst decreases were noted in depreciation and repairs and maintenance. The net profit from poker machines was \$1,667,760 compared to \$1,507,247 last year.

Commission received from TAB and Keno amounted to \$73,799 compared to \$66,067 for the previous year. Other income totalled \$354,614 compared to \$352,973 for the previous year, with this year including \$33,349 in insurance recoveries compared to \$87,629 last year. Also the increase in the fair value of the club's investment property was \$10,500 compared to \$22,000 in the prior financial year.

Operating expenses not allocated to trading areas totalled \$2,086,177 compared to \$1,995,748 last year. The most significant increases occurred in members promotions as well as clubhouse repairs and maintenance whilst decreases were noted in courtesy bus expenses, interest paid and electricity.

Statement of Financial Position

The statement of financial position set outs the assets and liabilities of the Club as at 30 June 2016, disclosing current assets of \$516,218 compared to current liabilities of \$1,250,554. Current liabilities includes the full amount of the NAB loan of \$802,120 due to a clause in the loan contract allowing the bank to change the terms of the loan at any time. An amount of \$178,260 is expected to be settled in relation to this loan within 12 months.

Statement of Cashflows

The statement of cashflows discloses that the Club achieved \$490,296 in net cash surplus from operating activities compared to \$536,681 last year. These funds generated, together with additional borrowings, have been used to purchase plant and equipment to the value of \$585,408, repay loans to the extent of \$247,297 and repay asset financing obligations to the extent of \$86,244.

Statement of Changes in Equity

The statement of changes in equity for the year ended 30 June 2016 reflects the profit for the year.

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	2016	2015
	\$	\$
CURRENT ASSETS		
Cash and Cash Equivalents	423,475	369,894
Receivables	3,533	12,971
Inventories	36,699	41,267
Investments	-	203,422
Other Assets	52,511	37,498
TOTAL CURRENT ASSETS	516,218	665,052
NON-CURRENT ASSETS		
Property, Plant and Equipment	4,338,535	4,217,475
Investment Properties	340,000	329,500
Intangible Assets	36,000	36,000
TOTAL NON-CURRENT ASSETS	4,714,535	4,582,975
TOTAL ASSETS	5,230,753	5,248,027
CURRENT LIABILITIES		
Trade and Other Payables	255,453	290,636
Borrowings	888,732	1,055,739
Provisions	88,417	89,405
Other Current Liabilities	17,952	23,682
TOTAL CURRENT LIABILITIES	1,250,554	1,459,462
NON-CURRENT LIABILITIES		
Borrowings	164,944	67,716
Provisions	11,818	11,468
Other Current Liabilities	5,932	24,732
TOTAL NON-CURRENT LIABILITIES	182,694	103,916
TOTAL LIABILITIES	1,433,248	1,563,378
NET ASSETS	3,797,505	3,684,649
MEMBERS' FUNDS		
Share Capital & Reserves	9,783	9,783
Accumulated Profits	3,787,722	3,674,866
TOTAL MEMBERS' FUNDS	3,797,505	3,684,649

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Bar Sales	1,247,031	1,295,784
Cost of Goods Sold	538,642	541,624
Bar Gross Profit	708,389	754,160
Poker Machine Net Revenue	2,524,231	2,316,110
Keno & TAB Commission	73,799	66,067
Bowling Operations Income	35,504	38,320
Bowling Merchandise Sales	889	486
Coffee Sales	40,293	25,952
Cost of Goods Sold	13,342	8,160
Coffee Gross Profit	26,951	17,792
Interest Received	5,867	6,184
Rent Received	39,106	33,493
Fair Value Adjustment Investment Property	10,500	22,000
Other Income	299,141	291,296
Total Income	3,724,377	3,545,908
Expenses		
Bar Direct Expenses	392,544	356,308
Poker Machine Direct Expenses	856,471	808,863
Keno & TAB Direct Expenses	118,566	112,619
Bowling Operations Direct Expenses	157,763	156,282
Finance Costs	90,419	106,783
Members Amenities	576,143	559,477
Clubhouse Expenses	670,425	623,796
Administration Expenses	749,190	705,692
Total Expenses	3,611,521	3,429,820
Net Profit/(Loss) Before Income Tax	112,856	116,088
Income Tax	-	-
Net Profit/(Loss) After Income Tax	112,856	116,088
Other Comprehensive Income	-	-
Total Comprehensive Income/(Loss)	112,856	116,088

Extract from Full Financial Report

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Cash Flows from Operating Activities		
Receipts from Members and Guests	4,659,531	4,477,005
Payments to Suppliers and Employees	(4,083,719)	(3,838,692)
Interest Received	6,096	5,600
Interest Paid	(91,612)	(107,232)
<i>Net Cash Flows provided by (used in)</i> <i>Operating Activities</i>	<u>490,296</u>	<u>536,681</u>
Cash Flows from Investing Activities		
Proceeds from Sale of Assets	20,000	-
Payments for Plant and Equipment	(585,408)	(224,569)
Transfer to Investments	203,422	-
Transfer from Investments	-	(203,422)
<i>Net Cash Flows provided by (used in)</i> <i>Investing Activities</i>	<u>(361,986)</u>	<u>(427,991)</u>
Cash Flows from Financing Activities		
Proceeds from Borrowings	258,812	64,828
Repayments of Borrowings	(247,297)	(242,760)
Payment of Hire Purchase Liabilities	(65,957)	(69,087)
Payment of Lease Liabilities	(20,287)	(29,681)
<i>Net Cash Flows provided by (used in)</i>	<u>(74,729)</u>	<u>(276,700)</u>
<i>Net Increase/(Decrease) in Cash Held</i>	53,581	(168,010)
Cash Equivalents at the Beginning of the Financial Year	<u>369,894</u>	<u>537,904</u>
Cash Equivalents at the End of the Financial Year	<u>423,475</u>	<u>369,894</u>

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED**STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Opening Balances 1 July 2015		
Accumulated Profit	3,674,866	3,558,778
Reserves	9,783	9,783
	<u>3,684,649</u>	<u>3,568,561</u>
Comprehensive Income/(Loss) for the year	112,856	116,088
Closing Balances 30 June 2016		
Accumulated Profit	3,787,722	3,674,866
Reserves	9,783	9,783
	<u>3,797,505</u>	<u>3,684,649</u>

LEMON TREE PASSAGE BOWLING CLUB CO-OPERATIVE LIMITED

NOTES TO THE CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

1 Deficiency in Working Capital

As at balance date, current assets totalled \$516,218 compared to current liabilities of \$1,250,554 with the entire balance of the NAB Loan being stated as a current liability due to the agreement with the Bank containing a review clause which limits the Club from having an unconditional right to defer settlement of the loan, despite the Club having fulfilled all its obligations to the Bank to date. The Club has generated a net profit of \$112,856 and a positive operating cashflow of \$490,296 for the year ended 30 June 2016. Cashflows going forward are expected to be more than sufficient to cover the debt obligations and the Directors do not foresee any issues in continuing to meet the loan terms and conditions. It is on this basis that the Directors have determined that the going concern basis is appropriate.