

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
DIRECTORS' REPORT

The directors submit herewith the financial statements for the year ended 31 May 2011 and report as follows:-

1. The names of the directors in office during the whole of the financial year and up to the date of this report are:

F.R. Tester	R. Laing	W. Maher (dec'd)
P. Allen	S. Brown	R. Clarke
A.R. Hill	I. McDermid	M. Nichols
J. Gallagher	R. Lyddiard	T. Ward
V. Smolarz	W. Harvey	R. Taylor (dec'd)

The particulars of the qualifications, experience and special responsibilities of each director are set out in schedule "A".

2. The principal activities of the Co-operative in the course of the financial year continued to be the operation of a Licensed Bowling Club. No significant change in the nature of these activities occurred during the year.
3. The net amount of (Loss)/Profit of the Co-operative for the financial year after providing for Income Tax was (\$32051) (2010 Loss (\$64587)).
4. A review of the operations of the Co-operative during the financial year and the results of those operations show a loss of \$32051 for the following reasons:-
- downturn in poker machine revenue of \$32484.
5. No significant change in the state of affairs of the Co-operative occurred during the financial year.
6. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in financial years subsequent to the financial year ended 31 May 2011.
7. The likely developments in the operations of the Co-operative and the expected results of those operations in financial years subsequent to the financial year ended 31 May 2011 are anticipated to show small profits.
-

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
DIRECTORS' REPORT CONT'D

8. During the financial year, the Co-Operative paid a premium for a Directors and Officers liability insurance policy, the insurance cover being for present, past and future Directors and Officers of the Co-Operative. This insurance insures directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Co-Operative other than conduct involving a wilful breach of duty in relation to the Club.
9. Since the end of the previous financial year, no director of the Co-operative has received or become entitled to receive a benefit by (other than a benefit included in the aggregate amount of enrolments received or due to be received by Directors shown in the accounts) reason of a contract made by the Co-operative or by a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.
10. The Auditors' independence declaration for the year ended 31 May 2011 has been received and is included in the financial report.
11. The Co-operative is 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.

Signed in accordance with a resolution of the Board of Directors:

Director.....*F. R. Tester*.....
FRANCIS RAYMOND TESTER

Director.....*J. Gallagher*.....
JAMES GALLAGHER

Dated at Mayfield
This 22 day of June 2011

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED

SCHEDULE "A" TO DIRECTORS' REPORT

DETAILS OF DIRECTORS IN OFFICE DURING THE FINANCIAL YEAR AND UP TO THE
DATE OF THIS REPORT

NAME	OCCUPATION/ QUALIFICATIONS	NUMBER OF YEARS SERVICE AS A DIRECTOR OF THE CO-OPERATIVE	POSITION
TESTER Francis Raymond	Retired	4	President
GALLAGHER James	Retired	20	Secretary
HILL Allan Robert	Retired	18	Treasurer
MAHER Wayne	Deceased	6 (up to January 2011)	Assistant Secretary to January 2011
BROWN Steve	Fitter & Turner	5 (up to July 2011)	
CLARKE Ron	Unemployed	5 (up to October 2010)	
LYDDIARD Robert	Carrier	4	
MCDERMID Ian	Retired	20 (Up to July 2010) 1 From January 2011- July 2011	Assistant Secretary
SMOLARZ Vieslav		3 (up to July 2011)	
ALLEN Peter		2	Vice President
WARD Trevor	Retired	1	Assistant Treasurer Assistant Secretary
NICHOLS Mervyn	Storeman	1	Vice President
LAING Russel	Retired	1	
KILLIAN John		Appointed July 2011	Assistant Treasurer
WILLCOX Trevor		Appointed July 2011	

f j
CATER
Tony

Appointed July 2011

Games Secretary

COLLEY
Steve

Appointed July 2011

WILSON
Clint

Appointed July 2011

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
DIRECTORS' DECLARATION

In the opinion of the directors of the Co-operative:

1. (a) The accompanying financial statements, consisting of the Income Statement, Balance Sheet, Cashflow Statement, Statement of Changes in Equity and the accompanying notes:-
 - i) comply with Accounting Standards and the Co-operatives Act; and
 - ii) give a true and fair view of the financial position as at 31 May 2011 and of the performance for the year ended on that date of the Co-operative.
- (b) At the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.
2. The accompanying financial statements have been drawn up in accordance with the Co-operatives Act 1992 and other mandatory reporting requirements.

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

Director.. *F.R. Tester*.....
FRANCIS RAYMOND TESTER

Director.. *J. Gallagher*.....
JAMES GALLAGHER

Dated at Mayfield
This 22 day of June 2011

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2011

	NOTE	2011 \$	2010 \$
Bar Sales		512356	515217
Cost of goods sold		<u>(264032)</u>	<u>(281147)</u>
Gross Profit		<u>248324</u>	<u>234070</u>
Poker Machine net clearances		176668	209512
Gaming Commission		18938	19223
Interest Received		30668	25505
Bowls Income		21714	19231
Raffles Revenue		24930	19637
Hall Hire		4777	2332
Social members subscription		1321	1392
Social Functions, catering & entertaining		4067	3438
Other revenue from ordinary activities		<u>1819</u>	<u>8066</u>
		<u>533226</u>	<u>542406</u>
Bar trading expenses		(143138)	(146910)
Poker machine trading expenses		(15021)	(10735)
Gaming commission expenses		(4411)	(3920)
Bowls expenses		(107630)	(118261)
Administrative expenses		(146123)	(150766)
Club promotion, catering and entertainment expenses		(30103)	(26959)
Occupancy expenses		(45192)	(46060)
Raffles expenses		(28936)	(20267)
Depreciation expenses	2(b)	(31448)	(38009)
Repairs and maintenance	2(c)	<u>(13275)</u>	<u>(45105)</u>
		<u>565277</u>	<u>606992</u>
(Loss)/Profit before income tax		(32051)	(64586)
Income tax (benefit)	1(b)	<u>0</u>	<u>0</u>
(Loss)/Profit attributable to members		<u>(32051)</u>	<u>(64586)</u>

(To be read in conjunction with the accompanying notes)

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
BALANCE SHEET
AS AT 31 MAY 2011

	NOTE	2011 \$	2010 \$
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	3	276018	260767
Receivables	4	7233	9960
Investments	5	266983	310804
Inventories	6	25438	20164
Other Current Assets	7	29115	13949
<u>TOTAL CURRENT ASSETS</u>		<u>604787</u>	<u>615644</u>
<u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipment	8	200363	205359
<u>TOTAL ASSETS</u>		<u>805150</u>	<u>821003</u>
 <u>CURRENT LIABILITIES</u>			
Trade and other Payables	9	55704	43136
Provisions	10	42901	38520
Other	11	3593	3560
<u>TOTAL CURRENT LIABILITIES</u>		<u>102198</u>	<u>85216</u>
 <u>NON-CURRENT LIABILITIES</u>			
Provisions	10	11715	12485
Other	12	122	136
		<u>11837</u>	<u>12621</u>
<u>TOTAL LIABILITIES</u>		<u>114035</u>	<u>97837</u>
<u>NET ASSETS</u>		<u>691115</u>	<u>723166</u>
<u>SHAREHOLDERS' EQUITY</u>			
Retained Profits		691115	723166
<u>TOTAL SHAREHOLDERS EQUITY</u>		<u>691115</u>	<u>723166</u>

(To be read in conjunction with the accompanying notes)

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2011

	NOTE	2011	2010
		\$	\$
Bar Sales		512356	515217
Cost of goods sold		<u>(264032)</u>	<u>(281147)</u>
Gross Profit		<u>248324</u>	<u>234070</u>
Poker Machine net clearances		176668	209512
Gaming Commission		18938	19223
Interest Received		30668	25505
Bowls Income		21714	19231
Raffles Revenue		24930	19637
Hall Hire		4777	2332
Social members subscription		1321	1392
Social Functions, catering & entertaining		4067	3438
Other revenue from ordinary activities		<u>1819</u>	<u>8066</u>
		<u>533226</u>	<u>542406</u>
Bar trading expenses		(143138)	(146910)
Poker machine trading expenses		(15021)	(10735)
Gaming commission expenses		(4411)	(3920)
Bowls expenses		(107630)	(118261)
Administrative expenses		(146123)	(150766)
Club promotion, catering and entertainment expenses		(30103)	(26959)
Occupancy expenses		(45192)	(46060)
Raffles expenses		(28936)	(20267)
Depreciation expenses	2 (b)	(31448)	(38009)
Repairs and maintenance	2 (c)	<u>(13275)</u>	<u>(45105)</u>
		<u>565277</u>	<u>606992</u>
(Loss)/Profit before income tax		(32051)	(64586)
Income tax (benefit)	1 (b)	<u>0</u>	<u>0</u>
(Loss)/Profit attributable to members		<u>(32051)</u>	<u>(64586)</u>

(To be read in conjunction with the accompanying notes)

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2011

	NOTE	2011 \$	2010 \$
<u>Cash Flow From Operating Activities</u>			
Receipts from Members & Guests		762465	800941
Payments to Supplier & Employees		(798187)	(844113)
Interest Received		<u>33601</u>	<u>4343</u>
Net Cash Provided by Operating Activities	16 (b)	<u>(2121)</u>	<u>(38829)</u>
<u>Cash Flows from Investing Activities</u>			
Transfer (to Investments) from Investments		43822	(29095)
Payment for Property, Plant & Equipment		<u>(26452)</u>	<u>(44717)</u>
Net Cash used in Investing Activities		<u>17370</u>	<u>(73812)</u>
<u>Cash Flows from Financing Activities</u>			
Proceeds from Share Capital		<u>2</u>	<u>31</u>
Net Cash Provided by Financing Activities		<u>2</u>	<u>31</u>
Net Increase(decrease) in Cash Held		<u>15251</u>	<u>(112610)</u>
Cash as at 1 June 2010		<u>260767</u>	<u>373377</u>
Cash as at 31 May 2011		<u>276018</u>	<u>260767</u>

(To be read in conjunction with the accompanying notes)

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2011

	NOTE	2011	2010
Opening Balance 1 June 2010		\$ 723166	\$ 787752
Profit/(Loss) for the year		<u>(32051)</u>	<u>(64586)</u>
Closing Balance 31 May 2011		<u>691115</u>	<u>723166</u>

(To be read in conjunction with the accompanying notes)

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below.

1 Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Co-Operatives Act 1992.

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

(a) Basis of preparation

Reporting Basis and Conventions

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

(b) Income Taxes

No Income Tax is payable by the Club as the Club's dominant purpose is the promotion and encouragement of sport.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the costs basis less depreciation and any impairment losses.

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT

Depreciation

The depreciable amount of all fixed assets is depreciated on both the straight line and diminishing value basis over their useful lives to the Club commencing from the time the asset is held ready to use. Leasehold improvements are depreciated over the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Buildings and Leasehold Improvements	2.5%-5%
Plant and Equipment	5.0%-33.33%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(e) Impairment of Assets

At each reporting date, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT

and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Employee entitlements not expected to be settled within one year have been measured at their nominal amount as it has been determined that they are not materially different from their present value.

The Club does not contribute to a defined benefits scheme and therefore has no liability at balance date.

Contributions are made by the Club to employee superannuation funds and are charged expenses when incurred.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of goods and services tax (GST).

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT

(j) **Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) **Leases**

Building

The Co-Operative has a lease on the land occupied by the Co-Operative with the Department of Lands which is in perpetuity. The Co-Operatives club house and greens are considered leased assets and are depreciated over their estimated useful lives, which is for less than the term of the lease. The lease payment paid to the Department of Lands is classified as rental expenses.

Operating Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(l) **Trade and other receivables**

All trade debtors are recognised at the amount receivable, as they are due for settlement no more than 30 days from the date of recognition.

Recoverability of trade debtors is reviewed on an ongoing basis. Debts which are known to be unrecoverable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(m) **Trade payables**

These amounts represent liabilities for goods and services to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT

Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Club has the positive intention and ability to hold to maturity.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The Co-Operative does not hold any quoted investments.

Impairment

At each reporting date, the Club assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(o) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the Club has not adopted early. A discussion of those future requirements and their impact on the Club is as follows:

AASB 9:Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. No changes are to materially affect the Co-Operative.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT

- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised costs;
- allowing an irrevocable election on recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

(p) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Club.

(i) Key estimates - Impairment

The Club assesses impairment at each reporting date by evaluating conditions specific to the Club that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 2 - OPERATING PROFIT/LOSS

Operating before income tax is arrived at after crediting and charging the following specific items:

	2011	2010
	\$	\$
<u>(a) Revenues</u>		
Operating Activities		
Sale of Goods Revenue	512356	515217
Other operating revenue	<u>196917</u>	<u>271326</u>
Other Income from Ordinary Activities		
Interest - Received	30668	25505
Other Income	<u>1819</u>	<u>8067</u>
	<u>32487</u>	<u>33572</u>
<u>(b) Expenses</u>		
Expenses from Ordinary Activities:		
Depreciation of:		
Buildings	12081	18190
Plant & Equipment	<u>19367</u>	<u>19819</u>
Total Depreciation:	<u>31448</u>	<u>38009</u>
Provisions		
Employee Entitlements	<u>36611</u>	<u>44993</u>

(c) Significant Revenue and Expenses

The following significant revenue and expenses items are relevant to explaining the financial performance:

Expenses		
Greens Maintenance	-	<u>31432</u>
General Repairs and Maintenance	-	<u>45105</u>

(MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

<u>(d) Auditors Remuneration</u>		
Audit Services	3000	4500
Other Services		
Provision of Accounting Services	<u>11500</u>	<u>13000</u>
	<u>14500</u>	<u>17500</u>

NOTE 3 - CASH & CASH EQUIVALENTS

Cash on Hand	16000	16000
Cash at Building Society Trading Account	26194	25039
Cash at Building Society Keno Account	5490	3036
Bank Debit Account	351	-
Interest Bearing Deposits:-		
Repayable within three months	<u>227983</u>	<u>216692</u>
	<u>276018</u>	<u>260767</u>

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

	2011	2010
	\$	\$
<u>NOTE 4 - RECEIVABLES</u>		
Other Debtors	258	52
Accrued Interest	<u>6975</u>	<u>9908</u>
	<u>7233</u>	<u>9960</u>
<u>NOTE 5 - INVESTMENTS</u>		
Term Deposits:- Repayable within maturing between four and twelve months		
Greater Building Society Ltd	<u>266983</u>	<u>310804</u>
<u>NOTE 6 - INVENTORIES</u>		
Trading (at cost)	<u>25438</u>	<u>20164</u>
<u>NOTE 7 - OTHER CURRENT ASSETS</u>		
Income in Advance	3935	-
Prepayments	<u>25180</u>	<u>13949</u>
	<u>29115</u>	<u>13949</u>
<u>NOTE 8 - PROPERTY, PLANT & EQUIPMENT</u>		
Building (at cost)	354930	354235
<u>Less: Accumulated Depreciation</u>	<u>240486</u>	<u>228405</u>
	<u>114444</u>	<u>125830</u>
Greens, Lighting & Surrounds (at cost)	141562	141562
<u>Less: Accumulated Depreciation</u>	<u>139313</u>	<u>139092</u>
	<u>2249</u>	<u>2469</u>
Furniture, Fixtures & Fittings (at cost)	101179	101179
<u>Less: Accumulated Depreciation</u>	<u>91272</u>	<u>89832</u>
	<u>9907</u>	<u>11347</u>
Plant & Equipment (at cost)	145661	135835
<u>Less: Accumulated Depreciation</u>	<u>99449</u>	<u>90875</u>
	<u>46212</u>	<u>44960</u>
Poker Machines (at cost)	178037	162107
<u>Less: Accumulated Depreciation</u>	<u>151072</u>	<u>141940</u>
	<u>26965</u>	<u>20167</u>
Cutlery & Crockery (at cost)	<u>586</u>	<u>586</u>
Property, Plant and Equipment at Book Written Down Value	<u>200363</u>	<u>205359</u>

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 8 - PROPERTY, PLANT & EQUIPMENT Cont'd

<u>MOVEMENTS IN CARRYING AMOUNTS</u>	2011	2010
	\$	\$
Buildings (at cost)		
Carrying Amount at Beginning of Year	125830	116652
Additions	695	27369
Disposals/Write Offs	-	(6891)
Depreciation Expenses	<u>(12081)</u>	<u>(11300)</u>
Carrying Amount at End of Year	<u>114444</u>	<u>125830</u>
Plant & Equipment (at cost)		
Carrying Amount at Beginning of Year	79529	82000
Additions	25757	17348
Disposals/Write Offs	-	(668)
Depreciation Expense	<u>(19367)</u>	<u>(19151)</u>
Carrying Amount at End of Year	<u>85919</u>	<u>79529</u>

(a) Core and Non-Core Property

As required by the Registered Clubs Act 1976 all Clubs are required to specify core and non-core property of the Club. As at 31st May 2011 the entire balance shown above in Building and Greens, Lighting and Surrounds is core property. The Club cannot sell this core property as it is occupying land leased by the Club (Note 1(k))
The Club does not own non-core property.

NOTE 9 - TRADE & OTHER PAYABLES

Trade Creditors	39163	28803
GST Payable	2250	1497
Accrued Charges	<u>14291</u>	<u>12836</u>
	<u>55704</u>	<u>43136</u>

NOTE 10 - PROVISIONS

CURRENT

Employee Entitlements	42901	38520
-----------------------	-------	-------

NON-CURRENT

Employee Entitlements	<u>11715</u>	<u>12485</u>
TOTAL EMPLOYEE ENTITLEMENTS	<u>51616</u>	<u>51005</u>

Number of Employees at 31 May 2011: 9 (2010:9)

NOTE 11 - OTHER LIABILITIES

CURRENT

Subscriptions in advance	<u>3593</u>	<u>3560</u>
--------------------------	-------------	-------------

NON-CURRENT

Members Share Capital	<u>122</u>	<u>136</u>
-----------------------	------------	------------

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 12 - SHARE CAPITAL

(a) The particulars and amount, as at the end of the financial year, of Ordinary Shares include -

	2011	2010
	\$	\$
(i) issued capital	122	136
(ii) paid-up capital	122	136
(iii) calls in arrears	<u>Nil</u>	<u>Nil</u>

(b) Details of ordinary Shares issued during the financial year include - - 2 Shares

(i) the purpose of the issue - New Members

(ii) the classes of shares issued - Ordinary Shares

(iii) the number of shares issued of each class - 2 Fully Paid
\$1.00 Ordinary
Shares

(iv) the terms of the issue of each class of share - \$1.00 Share
Capital to be fully
paid on acceptance
by the Board of
Directors as a
New Member.

NOTE 13 - RELATED PARTIES

Directors

The names of each person holding the position of director of Mayfield Bowling Club Co-operative Limited during the financial year are as follows:

I.F. McDermid	R. Lyddiard	P. Zawerucha
R. Clarke	A.R. Hill	K. Price
W. Maher	J. Gallagher	S. Brown
T. Ward	V. Smolarz	P. Allen
F.R. Tester	M. Nichols	R. Laing

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 14 - DIRECTORS REMUNERATION

The number of directors of the Co-operative whose allowances received from the Co-operative falls within the following:

	2011	2010
\$0-\$9999	16	15

Total allowances received or due and payable by the directors of the Co-operative:

2011	2010
<u>27410</u>	<u>27556</u>

NOTE 15 - FINANCIAL RISK MANAGEMENT

The Club's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2011	2010
Financial Assets			
Cash and Cash Equivalents	3	276018	260767
Receivables	4	7233	9960
Investments	5	266983	310804
Total Financial Assets		<u>550234</u>	<u>581531</u>
Financial Liabilities			
Trade Creditors		39163	28803
GST Payable		2250	1497
Total Financial Liabilities		<u>41413</u>	<u>30300</u>

Strategic Financial Risk Exposures and Measurement

The main risks the club is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk:-

i. Credit Risk

The maximum exposure to credit risk, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Co-Operative has policies in place to ensure that services are made to customers with an appropriate credit history. The Co-Operative engages in normal debt collection procedures to assist in managing the credit risk of its customers.

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

The Co-Operative does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Club.

Receivables that are either past due or impaired are considered to be of high credit quality. The directors policy with regard to balances with bank and other financial institutions require that funds are only invested with counterparties with a Standard and have Poor rating of at least AA:-

	2011	2010
Cash and Cash Equivalents		
- AA Rated	276018	260707
- A Rated	<u> </u>	<u> </u>
	<u>276018</u>	<u>260767</u>
Investments		
- AA Rated	266983	310804
- A Rated	<u> </u>	<u> </u>
	<u>266983</u>	<u>310804</u>

ii. Liquidity risk

The Co-Operative manages liquidity risk by monitoring cash flows and ensuring that sufficient reserves of short term deposits and investments are maintained.

iii. The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect the director's expectations as to the timing of realisations.

Financial Liability and Financial Asset Maturity Analysis

	Within 1 year		1-5 Years		Over	5 Analysis		
	2011	2010	2011	2010	Years	2010	Total	2010
Financial liabilities due for payment								
Trade Creditors	39163	28803	-	-	-	-	39163	28803
GST Payable	2250	1497	-	-	-	-	2250	1497
	<u>41413</u>	<u>30300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41413</u>	<u>30300</u>
Financial Assets								
Cash flows receivable								
Cash and Cash Equivalents	276018	260767	-	-	-	-	27698	260767
Receivables	7233	9960	-	-	-	-	7233	9960
Investments	266983	310804	-	-	-	-	266983	310804
	<u>550234</u>	<u>581531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550234</u>	<u>581531</u>

The above financial assets have not been pledged as security.

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

Market Risk

(i) Interest Rate Risk

The Co-Operative has no interest rate exposure on loans or derivative instruments, as there is no exposure to those liabilities as at 31st May 2011 or 31st May 2010 respectively.

The Board constantly analyses interest rate risk on its financial assets that do earn interest. The directors strategy is to increase or maintain interest rates where possible. This assists the Co-Operative in meeting its financial targets, whilst minimising potential adverse affects on financial performance.

(ii) Price Risk

No price risk relates to the Co-Operative as the fair value of financial assets will not change.

Interest Rate and Security Analysis

At 31st May 2011, the affect on loss and equity as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	2011	2010
Change in (Loss)/Profit		
- Increase of 2%	-10531	-510
- Decrease of 2%	+10531	+510
Change in Equity		
- Increase of 2%	+10531	+510
- Decrease of 2%	-10531	-510

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 16 - NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purpose of this Statement of Cash Flows, Cash includes cash on hand, cash at bank and at call deposits with bank or financial institutions with a maturity date of less than three months from 31st May 2011.

Cash at the end of the year is shown in the Balance Sheet:

Cash on Hand	16000	16000
Cash at Building Society	<u>260018</u>	<u>244767</u>
	<u>276018</u>	<u>260767</u>

(b) Reconciliation of Cash Flows from Operations with Operating Profit after Income Tax

Operating (Loss)/Profit after Income Tax	(32051)	(64586)
<u>Non-Cash Flows in Operating Profit</u>		
Fortified Shares Written Back	(16)	-
Depreciation	31448	38009
<u>Changes in Assets & Liabilities</u>		
(Increase)/Decrease in Receivables	2726	(3651)
(Increase)/Decrease in Inventories	(5274)	(3897)
(Increase)/Decrease in Prepayments	(11231)	(3423)
Increase/(Decrease) in Trade Creditors and Accruals	12568	6801
Increase/(Decrease) in Subscriptions in Advance	33	2812
(Increase)/Decrease in Income Accrued	(3935)	-
Increase/(Decrease) in Employee Provisions	<u>3611</u>	<u>1163</u>
	<u>(2121)</u>	<u>(38829)</u>

NOTE 17 - CAPITAL AND LEASING COMMITMENTS

	2011	2010
Capital Commitments	=	=
Leasing Commitments	=	=

NOTE 18 - CO-OPERATIVE DETAILS

Registered Office

The registered and principal place of business of the Co-Operative is Ingall Street Mayfield West 2304.

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31 MAY 2011

NOTE 19

The Co-operative operates solely in the registered Club industry from premises in Mayfield and NSW.

Note: The following schedules have been prepared from and are in accordance with the accounting records of the club. They are included in the Annual Report for the information of members by way of further explanation of the Income Statement and, although they are not covered by the report of the Auditor, the Directors are of the opinion that the information contained in them gives a true and fair view of the detail making up the Statements.

AUDITOR'S REPORT TO THE MEMBERS OF
MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYFIELD BOWLING CLUB
CO-OPERATIVE LIMITED

Report on the financial report

We have audited the accompanying financial report of Mayfield Bowling Club Co-Operative Limited (the Co-Operative) which comprises the Balance sheet as at 31 May 2011, the income statement, statement changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Co-Operative.

Directors' responsibility for the financial report

The directors of the Co-Operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretation) and the Co-Operative Act 1992. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

As audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the club's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the club's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

AUDITOR'S REPORT TO THE MEMBERS OF
MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED CONT'D

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

Independence

In conducting our audit, we have complied with the independence requirements of the Co-Operative Act 1992 and the Corporations Law 2001.

Auditor's opinion on the financial report

In our opinion


- a) The financial report of Mayfield Bowling Club Co-Operative Limited is in accordance with Co-Operative Act 1992, including:
 - i. Giving a true and fair view of the Club's financial position as at 31 May 2011 and of its performance for the year ended on that date; and
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretation) and Corporations Act 1992.

- b) In accordance with the provision of the Co-Operative Act 1992

We have obtained all the information and explanations, which to the best of our knowledge, were necessary for the purpose of the audit.

In our opinion proper accounting records and other records, including registers, have been kept by the Co-Operative, as required by act and the regulations.

KRG PARTNERS
Chartered Accountants


L.T. RENFREW
(Partner)

Date: 22 Day of June 2011
BELMONT


AUDITOR'S INDEPENDENCE DECLARATION

As lead Auditor for the audit of Mayfield Bowling Club Co-Operative Limited for the year ended 31 May 2011 I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act in relation to the audit
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

KRG PARTNERS
Chartered Accountants

Date: 22 June 2011
BELMONT


L.T. RENFREW
(Partner)

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED

ABN 59 261 637 731

TRADING ACCOUNTS FOR THE YEAR ENDED 31st May 2011

	2011	2010
	\$	\$
<u>BAR TRADING ACCOUNT</u>		
Sales	511777	515217
Brewery Contribution	579	-
	<u>512356</u>	<u>515217</u>
<u>LESS COST OF SALES</u>		
Opening Stock	20164	16267
Purchases	269306	285044
	<u>289470</u>	<u>301311</u>
Closing Stock	25438	20164
	<u>264032</u>	<u>281147</u>
Cost of Sales		
GROSS PROFIT	248324	234070
<u>Direct Expenses</u>		
Repairs & Maintenance	6410	6501
Wages	136570	138728
Wastage	158	1681
	<u>143138</u>	<u>146910</u>
Direct Expenses		
TRADING PROFIT	105186	87160
<u>POKER MACHINE</u>		
<u>TRADING STATEMENT</u>		
Net Poker Machine Revenue	161095	192332
GST Offset	15573	17180
	<u>176668</u>	<u>209512</u>
<u>Direct Expenses</u>		
Data Monitoring Fees	7551	6772
Maintenance & Analysis	6420	3963
Promotions	1050	-
	<u>15021</u>	<u>10735</u>
Direct Expenses		
TRADING PROFIT	161647	198777
<u>KENO OPERATING STATEMENT</u>		
Commissions Received	18219	18117
<u>Direct Expenses</u>		
Maintenance	3071	3021
Promotions	1340	899
	<u>4411</u>	<u>3920</u>
Direct Expenses		
TRADING PROFIT	13808	14197

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED

ABN 59 261 637 731

TRADING ACCOUNTS FOR THE YEAR ENDED 31st May 2011

	2011	2010
	\$	\$
<u>BOWLS TRADING STATEMENT</u>		
Green Fees	13185	11939
Sponsorship	2773	2091
Subscriptions	5756	5201
	<u>21714</u>	<u>19231</u>
<u>Direct Expenses</u>		
Affiliation Fees	7155	5700
Catering	152	1253
Free Drinks	1059	568
Greens - Repairs & Maintenance	20658	31432
- Wages	53402	50644
	<u>74060</u>	<u>82076</u>
Sundry Expenses	1276	400
Travelling & Pennant Expenses	4889	12484
Trophies & Prizes	19039	15780
	<u>107630</u>	<u>118261</u>
TRADING LOSS	<u>85916</u>	<u>99030</u>
TOTAL TRADING PROFIT	<u>194725</u>	<u>201104</u>

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED

ABN 59 261 637 731

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st May 2011

	2011	2010
	\$	\$
<u>INCOME</u>		
Total Trading Profit	194725	201104
Commission - Vending Machines	719	1106
Donation - Ladies Club	1371	7363
Hall Hire	4777	2332
Interest Received	30668	25505
Members Subscriptions	1321	1392
Raffles	24930	19637
Social Functions, Catering & Entertainment	4067	3438
Sundry Income	16	400
Telephone	432	303
TOTAL INCOME	263026	262580
<u>EXPENSES</u>		
Administration Wages	11856	11197
Advertising & Promotions	1903	2397
Annual Leave Paid	6745	10578
Audit & Accountancy Fees	14500	17500
Bank Fees & Charges	969	1488
Cash Unders/(Overs)	60	-
Catering & Entertainment	24799	20091
Cleaning - Materials - Wages	3499 27387	4609 27687
Computer Costs	399	-
Consultants Fees	492	-
Directors - Honorariums	27410	27556
Donations	1121	827
Electricity	23342	22870
Insurance	19002	16102
Lease Rental - Land	13380	12317
Members Promotions	1000	2904
Printing, Stationery & Stamps	3221	4818
Raffles	28936	20267
Rates	7665	9365
Repairs & Maintenance	13275	45105
Security Expenses	805	1508
Sponsorship - Snooker	680	140
Staff Gift and Bonus	600	600
Subscriptions & Affiliations	3609	2414
Sundry Expenses	695	483
Superannuation	18228	18026
Telephone	3886	3768
Travelling	-	47
Uniforms	554	-
TOTAL EXPENSES	260018	284664
NET PROFIT/(LOSS)BEFORE PROVISIONS	3008	(22084)

MAYFIELD BOWLING CLUB CO-OPERATIVE LIMITED

ABN 59 261 637 731

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st May 2011

	2011	2010
	\$	\$
<u>Provisions</u>		
Provision for Depreciation	31448	38009
Provision for Employee Entitlements	<u>3611</u>	<u>4493</u>
	<u>(35059)</u>	<u>(42502)</u>
NET LOSS FOR THE PERIOD	32051	64586
Accumulated Profits at 1st June	<u>723167</u>	<u>787752</u>
	<u>691116</u>	<u>723166</u>
ACCUMULATED PROFITS	<u>691116</u>	<u>723166</u>