

# 2007-2008



## Annual Report and Balance Sheet



### CHAIRMAN'S REPORT

The non-smoking ban and downturn in the economy coupled with renovations resulted in a challenging year for the Board and Management. Given these circumstances, the club has performed well with EBITDA over \$1.2m and the management is to be congratulated.

Thanks to members for their patience and understanding during the renovations. The

Rockpool Cafe and al-fresco garden have been a great success.

TABCORP is delighted with our new TAB and intend entering for an award. Our patrons enjoy the up-market feel of the new bistro and I am sure will be pleased with the relaxing atmosphere of the Piano Lounge and Terrace. The Auditorium with state-of-the-art facilities for shows will provide members with a new and enjoyable experience. We have yet to makeover the Gaming Room and build the alfresco gaming area.

The Merimbula Health and Fitness Club is proving to be a real winner with many new and younger members. We are investigating suitable tenants for the retail shopping area and development of 95/97 Main Street is still under consideration. The income from this diversification programme will be a significant contribution to our profitability in coming years.

Bob Ward, Operations Manager (Tura Beach), left the club after many years of dedicated service. We wish Bob every success in his future career.

Our new trading name, Club Sapphire, will be gradually introduced in the last quarter of the year. Our venues will be called Club Sapphire - Merimbula and Club Sapphire - Tura. Sporting sections may retain their name and logo should they wish.

Congratulations to those who were successful in individual or team sports. In particular, the Merimbula Men's sides who reached the State Bowls Finals and the Tura Women's Bowls side who were runners-up in the State Finals.

The Annual General Meeting is on Sunday morning, 26th October. I urge all members to attend. This is an opportunity to have your say and show support for your Board.

Thank you to our many volunteers, to management and staff, and to members for their support.

My condolences to those who have lost loved ones during the year.

**W. H. Rogers**

Chairman

27th August, 2008



### TREASURER'S REPORT

The financial performance of your company limited has achieved an excellent result under extreme and disruptive conditions. These conditions included the introduction of total smoking bans as of the 2nd July, 2007, the commencement of club renovations at Merimbula, and the downturn in the national economic climate. Irrespective of these factors

the performance of your clubs has been credible due to the dedication and commitment of management and staff.

Total income totalled \$12.6 million with Merimbula contributing \$9.58 million and Tura \$3.03 million. This revenue level is nominally lower than corresponding values of previous years but still suggest strength in company operations. Previous years, values were \$14 million in 2006/2007, \$13.54m in 2005/2006 and \$13.3m in 2004/2005.

Net operating profit and EBITDA has been positive for Merimbula, being \$210,250 and \$1,126,827 respectively, while Tura showed a net operating loss of \$231,490 and a positive EBITDA of \$93,421.

Company trading and profit should increase on completion of the Merimbula renovations, the commissioning of further facilities associated with the gymnasium, the provision of the alfresco gaming area and the contracting out of the catering at Tura.

Your club has contributed significantly to the economy of the local community in a number of ways. These contributions have taken the form of employment, the purchase of materials and services and financial contributions to sporting and community organisations.

The club employed 125 permanent and casual staff with payments to suppliers and employees in the order of \$10,966,363 million, which includes donations of \$64,892.

The financial performance of the company is outlined in detail within the annual report.

Finally, I would like to congratulate the management and staff for their dedication and commitment and have pleasure in presenting the audited financial reports to all members.

**C. Fella**

Treasurer

27th August, 2008



**CLUB  
Sapphire**

## DIRECTORS' REPORT

1. Your Directors present their report on the Company for the financial year ended 30th June, 2008.
2. The names of the Directors in office at any time during or since the end of the year are:
 

Robin Barry BELL	(appointed 14/10/2007)	John Richard KELEHER	(appointed 14/10/2007)
Graham Phillip BROWN	(appointed 14/10/2007)	Brian John KENNEDY	
Ronald James CHRISTIE		Anthony John MERRILLS	(retired 14/10/2007)
Frederick George CURBISHLEY	(retired 14/10/2007)	Harold Leslie PHILISTIN	(retired 14/10/2007)
Costa FELLA		Kevin Maxwell NOWLAND	(appointed 14/10/2007)
William Henry ROGERS		Roger Barry SKITT	(retired 14/10/2007)
Gerald George HAMMOND			

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.
3. **Company Secretary:** The following person held the position of company secretary at the end of the financial year: Mr Damien Charles Foley – Masters Degree in Business Administration. Mr Foley was appointed Company Secretary on 28th August, 2006.
4. **Principal Activities:** The principal activities of the Company during the financial year consisted of the operation and promotion of two licensed sporting clubs for members of the Company. There were no significant changes to the nature of the activities during the year.
5. **Operating Results:** The net loss for the year amounted to \$21,239. The Company is exempt from Income Tax under S50-45 of the Income Tax Assessment Act 1997 (ITAA97).
6. **Dividend Paid or Recommended:** No dividends were paid during the year and no recommendation is made as to dividends.
7. **Review of Operations:** During the financial year, the Company has experienced a further downturn in gaming revenue. This is a trend being experienced by many Registered Clubs in NSW and appears to reflect changes to smoking laws and general economic conditions. Additionally disruption to trade due to ongoing renovations had a significant impact.
8. **Financial Position:** The net assets of the Company decreased marginally from \$18,153,115 in 30 June 2007 to \$18,131,875 in 2008. During the year, the Club expended significant reserves on:
  - Extensive renovation of the Merimbula venue;
  - Purchase of 97 Main Street; and
  - Creation of Gym and Fitness Centre.

As a result, the Company's current ration decreased from 5:1 to 2.4:1.
9. **Significant Changes in State of Affairs:** No significant changes in the state of affairs of the Company occurred during the year.
10. **After Balance Date Events:** The introduction of the full smoking ban on Club premises on 2 July, 2007, is continuing to impact in a negative manner on the Club's gaming revenues. Additionally, the ongoing renovations of the Merimbula Clubhouse will continue to disrupt trade, and may lead to a reduction in Club revenue. The effect on the future operating results of the Company from the smoking ban and renovations cannot be determined at the date of this report.
11. **Future Developments, Prospects and Business Strategies:** The directors expect that the introduction of a full smoking ban and building construction, will have a detrimental affect on the Company's profitability in future periods. The directors will be endeavouring to introduce measures to improve the Company's profitability and to continue to improve Club facilities and services for its members.
12. **Environmental Issues:** The Company is subject to environmental regulations from various authorities. To the best of the directors' knowledge, all activities have been undertaken in compliance with all relevant regulations.
13. **Information on Directors:** The particulars of the qualifications (i), experience (ii), and special responsibilities (iii) of each Director are as follows:

### Robin Barry BELL

- (i) Formerly Associate of the Chartered Institute of Company Secretaries (ACIS). Formerly Member of the National Institute of Accountants (MNA). Completed Financial Management Program at Stanford University (USA) Graduate School of Business in 1986. Retired July 1999.
- (ii) For 35 years prior to retirement in 1999, was Finance Director/Controller of MSV Advertising Pty Ltd, Barlow Marine Ltd (International Yacht fitting manufacturer) and Mascot Industries Ltd (abattoirs, meat by-products, shopping centre and hotel proprietor). Treasurer/Director of Ryde-Parramatta Golf Club 1993-1995. Treasurer/Director of Tura Beach Country Club June 2000 to November 2002.
- (iii) Joined the Board 14th October 2007. Currently on Course Committee and Tura Beach House Committee.

### Graham Phillip BROWN

- (i) Building Supervisor, Senior Health and Building Surveyor, Property Manager (Local Government) 35 years, Building Consultant (self-employed) 8 years.
- (ii) Committee Tura Beach Men's Golf Club 4 years, including 2 years as Captain. Currently President.
- (iii) Joined the Board 14th October 2007. Member of Rules Committee. Chairperson of Course Management Committee.

### Ronald James CHRISTIE

- (i) Master Butcher for 25 years. Certificate in Horticulture at Burnley College Melbourne. Managed Surfside Holiday Apartments for 13 years. Retired for 7 years.
- (ii) Committee member of Merimbula Tourist Committee for 12 years. President for 3 years. Accredited Bowls coach and umpire 13 years. Bowling Club match committee for 12 years and 3 years as Bowls Secretary.
- (iii) Elected to Board 2007. Currently Senior Deputy Chairman and Chairman of Building Committee.

### Frederick George CURBISHLEY

- (i) Retired. Royal Australian Navy 23 years. Commonwealth Public Service 12 years.
- (ii) President Tura Beach Country Club 1997-2002; Captain Tura Beach Men's Golf Club 1995-1997; General President Yowani Country Club, Canberra 1992-1993; President Golf 1989-1991; Vice-Captain 1987-1989.
- (iii) Retired 14th October, 2007.

### Costa FELLA

- (i) Graduated Melbourne University with Bachelor of Engineering & Master of Engineering Science Degrees. Project Manager Operations, Industrial Waste with Board of Works & Senior Project Engineer, Sewerage Design & Engineering Consultant. Retired.
- (ii) Currently Director and Treasurer Auswide Projects, previous secretary Merimbula Travelling Bowlers, National Bowls Umpire Level 1 and member district umpires panel.
- (iii) Joined the Board 26th September 2004. Currently Treasurer and member of Finance, Executive, Strategic Planning and Executive Remuneration Committees.

**Gerald George HAMMOND**

- (i) Proprietor of family Business for 31 years. Fashion agencies and curtain manufacturing to the retail industry, including Specialist Interior Decorators.
- (ii) Member of MIBC Social Committee 2 years and 50th Anniversary Celebrations Committee. Represented 1st Eleven Melbourne Cricket Club for eleven years. Assistant Coach for 2 years and player for 24 years.
- (iii) Joined the Board 24th September 2006. Currently Deputy Chairman, Greens Director and on Building and Tournament Committees.

**John Richard KELEHER**

- (i) Retired. 30 years Principal of Melbourne Public Accounting/Financial Planning Company. Certified Financial Planner and Fellow of the National Institute of Accountants.
- (ii) Currently Administration Officer for Royal Coastal Patrol Merimbula. Past committee member and member of Eastern Golf Club Melbourne. Foundation member and past president of Bulleen Rotary Club Melbourne.
- (iii) Joined the Board 14th October 2007. Member of Merimbula Sections Liaison, Finance and Merimbula House Committees.

**Brian John KENNEDY**

- (i) Retired. Resident of Merimbula since 1994. Worked with major bank for 21 years holding various positions. Purchased and built up family run business which was successfully sold.
- (ii) Member of Club since 1998 and have served on most Bowling Club committees. President of Men's Bowling Club for 2 years.
- (iii) Joined the Board 24th September 2006. Chairman of Rules Committee and member of Finance Committee.

**Anthony John MERRILLS J.P.**

- (i) Owned and operated Caravan Park in Hay and Holiday Flats in Merimbula. Retired.
- (ii) Deputy Captain Bush Fire Brigade 18 years. Member 20 years.
- (iii) Joined the Board 13th September, 1998. Retired 14th October, 2007.

**Kevin Maxwell NOWLAND**

- (i) Master of Commerce (accounting and finance) UNSW and Bachelor of Commerce (accounting) University of Newcastle.
- (ii) 15 years in senior executive positions in corporate banking with major national and international banks. Successfully commenced and managed own Company in the computer/finance industry. Regular guest commentator for 7 years on national television current affairs programs discussing banking issues. Senior lecturer in Accounting and Financial Management in the hospitality industry.
- (iii) Joined the Board 14 October 2007. Member of Strategic Planning Committee MIBC and Chairman of TBCC Liaison Committee.

**Harold Leslie PHILISTIN**

- (i) Retired. Served 12 years with the Royal Australian Navy as Petty Officer. Worked 23 years with Port of Melbourne Authority.
- (ii) Accredited Level 3 First Aid Certificate holder and accredited Sports Trainer and Sports Masseuse with the AFL.
- (iii) Joined the Board 24th September, 2006. Retired 14th October, 2007.

**Roger Barry SKITT J.P.**

- (i) Currently Owner/Operator of Financial Planning and Stockbroking business through ABN AMRO Morgans. Ltd.
- (ii) Member of Financial Planning Association and approved representative of the Australian Stock Exchange. Director of a commercial property development company, which specialises in the construction, leasing and selling of commercial property.
- (iii) Joined the Board 11th April, 2005. Retired 14th October, 2007.

**William Henry ROGERS**

- (i) Director and General Manager major Australian engineering group company. Retired. Graduate Melbourne University Business Summer School.
- (ii) Foundation member NSW Club Directors Institute.
- (iii) Joined Board September 2000. Currently Chairman.

Each Director is a full member of the Merimbula-Imlay Bowling Club Ltd.

13. **Meetings of Directors:** The number of meetings of Directors (including sub-committees) held during the financial year and the meetings attended by each Director were:

Director	Board Meetings:		Committee Meetings:
	Number eligible	Number attended	Number attended
Bell R.B.*	9	9	13
Brown G.P.*	9	9	12
Christie R.J.	13	12	25
Curbishley F.G.*	4	3	7
Fella C.	13	11	15
Hammond G.G.	13	13	39
Keleher J.R.*	9	8	24
Kennedy B.J.	13	13	13
Merrills A.J.*	4	2	5
Philistin H.L.*	4	3	3
Nowland K.M.*	9	8	13
Rogers W.H.	13	13	53
Skitt R.B.*	4	3	4

(\*Denotes a member of the Board for only part of the financial year)

14. **Indemnifying Officers or Auditors:** During or since the end of the financial year, the Company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure Directors and Officers of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$1,798.50.

15. **Proceedings on behalf of Company:** No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

16. **Directors' Benefits:** No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company controlled entity or a related body corporate with the Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts.
17. **Auditor's Independence Declaration:** The Auditor's independence declaration for the year ended 30th June 2008 has been received.
18. On 30 June 2008, there were 6986 registered Full Members, 10 Life and 86 Provisional Members.

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

**W. H. Rogers**

Chairman

27th August, 2008

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MERIMBULA-IMLAY BOWLING CLUB LTD • ABN 89 001 064 008

## DECLARATION OF DIRECTORS

The Directors of the Company declare that;

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporation Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

**W. H. Rogers**

Chairman

27th August, 2008



## CHIEF EXECUTIVE OFFICER'S REPORT

It is with pleasure I present this report on behalf of the management team.

As foreshadowed in last year's Annual Report, the financial year has been a very difficult one but given the statewide downturn in gaming, the general state of the economy, and the disruption to trade at the Merimbula venue due to our extensive renovation program, the year end result is acceptable. The company produced an operating loss of \$21,239 down from an operating profit of \$630,958 in 2007. However, the company continued to trade very positively on an EBITDA basis producing a surplus of \$1,220,248, down from \$1,933,460 in 2007.

Gaming revenue was down \$873,243 (13.3%) due to the conditions outlined above.

During the year the new Rockpool Cafe and Gardens was opened at Merimbula, offering a unique alfresco experience. This facility was an instant hit with members and visitors alike and is continuing to grow in popularity. Additionally, a new gym and health club, known as the Merimbula Health and Fitness Centre opened at the Merimbula venue in the renovated "Basement Room" and adjoining area in May and is also proving to be a great success attracting many new members and offering an alternative "sporting" facility for existing members.

In line with the Club's strategic plans, the commercially zoned property of 97 Main Street Merimbula was purchased in February to complement the existing club owned property at 95 Main Street. These two blocks of land offer the Club a great opportunity for significant diversification of our revenue base through a commercial development. Additionally the club investigated the option of converting the south eastern corner of the Merimbula venue building into a retail tenancy. This initiative is likely to be progressed in 2008/09.

A significant part of the management team's focus over the year has been on minimising the disruption to trade at Merimbula from the renovation and general cost reduction at Tura.

Throughout the year a number of decisions were taken in an effort to reduce the financial losses incurred at the Tura venue. These included a management restructure and the outsourcing of the catering function. Whilst these initiatives had minimal financial impact on the 07/08 year, they will lead to a significant reduction in overall costs in future years.

The renovation of the Merimbula venue has been a very difficult period for the club and is still causing considerable disruption to patrons. Many thanks to members and to the club's hardworking staff for their continued patience over the past twelve months. The work is nearing completion and I am confident the wait will prove to be worth it.

Finally my thanks to the Board for their continued support and encouragement.

# OPERATING PROFIT/LOSS COMPARATIVE FIGURES

	<b>MERIMBULA</b>	<b>TURA</b>	<b>COMPANY</b>
2005/06 Operating Profit (Loss)	\$761,875	(\$296,775)	\$465,100
Depreciation	\$926,291	\$366,973	\$1,293,264
<b>EBITDA*</b>	<b>\$1,688,166</b>	<b>\$70,198</b>	<b>\$1,758,364</b>
2006/07 Operating Profit (Loss)	\$868,582	(\$237,624)	\$630,958
Depreciation	\$931,320	\$371,182	\$1,302,502
<b>EBITDA*</b>	<b>\$1,799,902</b>	<b>\$133,558</b>	<b>\$1,933,460</b>
2007/08 Operating Profit (Loss)	\$210,250	(\$231,490)	(\$21,240)
Depreciation	\$916,577	\$324,911	\$1,241,488
<b>EBITDA*</b>	<b>\$1,126,827</b>	<b>\$93,421</b>	<b>\$1,220,248</b>

\*(Earnings Before Interest Paid, Tax, Depreciation and Amortisation)

## **D.C. Foley**

Chief Executive Officer

27th August, 2008

MERIMBULA-IMLAY BOWLING CLUB LTD • ABN 89 001 064 008

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Merimbula-Imlay Bowling Club Ltd.

We have audited the Financial Report of Merimbula-Imlay Bowling Club Ltd (the Company) which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expenditure in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company at the year's end or from time to time during the financial year.

### **Directors' Responsibility for the Financial Report**

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls 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. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

### **Audit 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.

An 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 judgement, 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 entity'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 entity'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.

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

### **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 Merimbula-Imlay Bowling Club would be in the same terms if provided to the directors as at the date of this auditor's report.

### **Auditor's Opinion**

In our opinion, the financial report of Merimbula-Imlay Bowling Club is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

Kellow and Parbery  
Certified Practising Accountant

### **R. Parbery F.C.P.A.**

**Partner**

101 Main Street Merimbula NSW 2548

27th August, 2008

# CORE AND NON-CORE PROPERTIES

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 2008:

- (a) the following properties are core property of the Club;
  - (i) The club house, bowling greens and car park currently forming part of Lot 912 Deposited Plan 855433 Parish of Pambula, County of Auckland, Shire of Bega.
  - (ii) The club house, golf course, bowling greens, tennis court and car park currently forming part of Lot 1441 Deposited Plan 615595 Parishes of Bournda and Pambula, County of Auckland, Shire of Bega, and Reserve No. 95834, Parish of Bournda, County of Auckland at Tura.
- (b) the following properties are non-core properties:
  - (i) the vacant land situated adjacent to the entrance to Tura Beach Country Club being Lot 1442 in Deposited Plan 615595, The Fairway, Tura Beach NSW, Shire of Bega.
  - (ii) the residential property situated at 17 Berrambool Drive Merimbula NSW and being the whole of the land in lot 65 Deposited Plan 260900 Parish of Pambula, County of Auckland, Shire of Bega.
  - (iii) the residential property situated at 95 Main Street, Merimbula being Lot 1 on Deposited Plan 521571 Parish of Pambula, County of Auckland Shire of Bega.
  - (iv) the residential property situated at 97 Main Street, Merimbula being Lot 2 on Deposited Plan 521571 Parish of Pambula, County of Auckland Shire of Bega.
  - (v) the vacant land situated between the Merimbula Creek and the Club's car park and extending behind a number of properties in Main Street, Merimbula currently forming part of Lot 912 Deposited Plan 855433 Parish of Pambula, County of Auckland Shire of Bega.

## Notes to Members:

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
  - (a) the defined premises of the Club; or
  - (b) any facility provided by the Club for use of its members and their guests; or
  - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
  - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
  - (b) the disposal has been approved at a general meeting of the Ordinary members of the Club at which the majority of the votes cast support the approval; and
  - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself.

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## AUDITOR'S INDEPENDENCE DECLARATION

**Under Section 307C of the Corporations ACT 2001 to the Directors of Merimbula-Imlay Bowling Club Ltd.**

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2008 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.

Kellow and Parbery  
Certified Practising Accountant

**R. Parbery F.C.P.A.**  
**Partner**

101 Main Street Merimbula NSW 2548  
27th August, 2008

**INCOME STATEMENT**

For the year ended 30th June, 2008

<b>2006/07</b>			<b>2007/08</b>
<b>\$</b>			<b>\$</b>
868,582.11	Operating Profit – Merimbula-Imlay Bowling Club	(Note 2)	210,250.69
(237,624.12)	Operating Loss – Tura Beach Country Club	(Note 2)	(231,490.02)
<b>630,957.99</b>			<b>(21,239.33)</b>

**BALANCE SHEET**

For the year ended 30th June, 2008

<b>2006/07</b>			<b>2007/08</b>
<b>\$</b>			<b>\$</b>
<b>CURRENT ASSETS:</b>			
9,623,910.40	Cash Assets	(Note 3)	5,247,581.54
132,410.91	Receivables	(Note 3A)	172,886.16
160,436.88	Inventories	(Note 4)	153,633.57
65,187.30	Other	(Note 5)	52,628.36
<b>9,981,945.49</b>	<b>Total Current Assets</b>		<b>5,626,729.63</b>
<b>NON-CURRENT ASSETS:</b>			
10,139,068.11	Property and Plant and Equipment	(Note 6)	14,903,497.18
<b>10,139,068.11</b>	<b>Total Non-Current Assets</b>		<b>14,903,497.18</b>
<b>20,121,013.60</b>	<b>Total Assets</b>		<b>20,530,226.81</b>
<b>CURRENT LIABILITIES:</b>			
891,051.77	Payables	(Note 7)	1,328,733.79
572,841.33	Provisions	(Note 8)	423,804.60
156,741.81	Other	(Note 9)	188,842.52
<b>1,620,634.91</b>	<b>Total Current Liabilities</b>		<b>1,941,380.91</b>
<b>NON-CURRENT LIABILITIES:</b>			
0.00	Security Deposits		14,314.80
347,263.59	Provisions	(Note 8)	442,655.33
<b>347,263.59</b>	<b>Total Non Current Liabilities</b>		<b>456,970.13</b>
<b>1,967,898.50</b>	<b>Total Liabilities</b>		<b>2,398,351.04</b>
<b>18,153,115.10</b>	<b>Net Assets</b>		<b>18,131,875.77</b>
<b>MEMBERS' EQUITY:</b>			
18,153,115.10	Retained Profits		18,131,875.77
<b>18,153,115.10</b>	<b>Total Members' Equity</b>		<b>18,131,875.77</b>

**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE**

For the year ended 30th June, 2008

630,957.99	Operating Profit (Loss)	(21,239.33)
17,522,157.11	Retained Profits at the beginning of the Financial Year	18,153,115.10
<b>18,153,115.10</b>	<b>Retained Profits at the end of the Financial Year</b>	<b>18,131,875.77</b>

**STATEMENT OF CASH FLOWS**

For the year ended 30th June, 2008

<b>2006/07</b>		<b>2007/08</b>
<b>\$</b>		<b>\$</b>
12,801,177	Receipts from Customers	11,746,165
(11,762,332)	Payments to Suppliers and Employees	(10,966,363)
485,597	Interest Received	581,645
263,016	Members' Subscriptions Received	273,250
<b>1,787,458</b>	<b>Net Cash Provided by Operating Activities</b>	<b>1,634,697</b>
	(Note 15b)	
	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
48,035	Proceeds from Sale of Plant and Equipment	0.00
(1,018,013)	Payment for Plant, Equipment and Property	(6,025,341)
<b>(969,978)</b>	<b>Net cash used in Investing Activities</b>	<b>(6,025,341)</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>	
0.00	Proceeds from Security Deposit	14,315
0.00	Net cash provided by financing activities	14,315
817,480	Net Increase (decrease) in Cash Held	(4,376,329)
8,806,430	Cash at beginning of Financial Year	9,623,910
<b>9,623,910</b>	<b>Cash at End of Financial Year</b>	<b>5,247,581</b>
	(Note 15a)	

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

For the year ended 30th June, 2008

**NOTE 1 – Statement of Significant Accounting Policies:**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out Accounting Policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the Financial Statements and Notes also comply with International Financial Reporting Standards where applicable.

Merimbula-Imlay Bowling Club is a Company Limited by guarantee and domiciled in Australia.

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

**Basis Of Preparation:**

The Accounting Policies set out below have been consistently applied to all year's presented.

*Adoption of New and Revised Accounting Standards*

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods. The adoption of these new Standards and Interpretations has not resulted in any changes to the Company's accounting policies that have affected the amounts reported for the current or prior years.

As Merimbula-Imlay Bowling Club Ltd. is a Not-for-Profit entity, it is not required to comply with all International Financial Reporting Standards (IFRS's). The financial report of Merimbula-Imlay Bowling Club is prepared in accordance with Australian Equivalents to International Financial Reporting Standards applicable to Not-for-Profit entities.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified where applicable, by the measurement at fair value of selected Non-current assets, Financial assets and Financial liabilities.

**Accounting Policies**

(a) **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.

**Property:** Freehold land and buildings are shown at cost. It is the policy of the entity to have an independent valuation every three years by an external independent valuer.

**Plant and Equipment:** Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation:** The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	4%
Plant and Equipment	10-35%

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 disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

- (b) **Inventories:** Inventories are measured at the lower of cost and net realisable value.
- (c) **Income Tax:** The Company is exempt from Income Tax under Section S50-45 of the Federal Income Tax Act.
- (d) **Comparative Figures:** Where required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.
- (e) **Employee Benefits:** Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is to be settled plus related on costs.

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

- (f) **Cash:** Cash and Cash Equivalents include:

- (i) cash on hand and in at-call deposits with banks or financial institutions, net of bank overdrafts; and  
(ii) investments in money market instruments with less than 80 days to maturity.

- (g) **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 the amount of goods and services tax (GST).

<b>Revenue:</b>	<b>2007</b>	<b>2008</b>
<b>Operating Activities</b>		
Bar Sales	2,313,009	2,293,762
Poker Machines	6,564,250	5,691,007
Catering	3,105,099	3,019,498
KENO	138,740	136,579
Bowls Sections	161,861	171,919
Tura Bowls/Golf	701,803	646,649
	<b>12,984,762</b>	<b>11,959,414</b>
<b>Non-Operating</b>		
Interest Revenue	528,036	552,357
Rent Received	21,180	20,537
Other Revenue	38,447	49,821
Subscriptions Social	27,780	27,305
	<b>615,443</b>	<b>650,020</b>
	<b>13,600,205</b>	<b>12,609,434</b>

- (h) **Goods and Services Tax:** 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 Tax 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.
- (i) **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 are based on current trends and economic data obtained both externally and within the company.

*Key Estimates – Impairment*

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company 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.

**NOTE 2 – Classification of Income and Expenses by function for year ended 30th June, 2008:**

**BAR TRADING**

*For the year ended 30th June, 2008*

<b>2006/07</b>			<b>2007/08</b>
<b>\$</b>			<b>\$</b>
1,555,529.66	Bar Sales		1,556,377.04
99,735.00	Opening Stock	86,239.21	
633,230.22	Purchases	616,368.74	
732,965.22		702,607.95	
86,239.21	Less: Stock on Hand	74,014.54	
646,726.01	Cost of Goods Sold		628,593.41
<b>908,803.65</b>	<b>Gross Profit</b>		<b>927,783.63</b>
	<b>LESS EXPENSES:</b>		
20,762.20	Bar Requisites	19,853.22	
29,417.08	Payroll Tax	29,040.51	
23,179.85	Repairs and Maintenance	18,858.74	
874.32	Staff Training Bar GST	7,519.53	
64,966.30	Superannuation	46,022.61	
544,762.05	Wages	534,155.72	
14,600.12	Waste Disposal	10,566.30	
698,561.92	Total Expenses		666,016.63
<b>210,241.73</b>	<b>Net Profit</b>		<b>261,767.00</b>

## CATERING TRADING

For the year ended 30th June, 2008

<b>2006/07</b>			<b>2007/08</b>
<b>\$</b>			<b>\$</b>
2,396,339.97	Sales – Catering	2,372,655.78	
391,718.00	Sales – Subsidy	231,768.35	
<b>2,788,057.97</b>	<b>Total Sales</b>	<hr/>	<b>2,604,424.13</b>
39,836.53	Opening Stock	33,057.82	
1,183,374.51	Purchases	1,137,588.41	
<hr/>		<hr/>	
1,223,211.04		1,170,646.23	
33,057.82	Less: Stock on Hand	38,096.30	
<hr/>		<hr/>	
1,190,153.22	Cost of Goods Sold		<hr/>
<b>1,597,904.75</b>	<b>Gross Profit</b>		<b>1,471,874.20</b>
	<b>LESS EXPENSES:</b>		
13,052.78	Cleaning	12,957.21	
0.00	Depreciation – Plant and Equipment	9,089.03	
0.00	Depreciation – Furniture and Fittings	5,412.72	
32,690.71	Gas	28,495.18	
61,954.94	Insurance	58,197.99	
14,981.78	Laundry	12,148.36	
15,344.50	Materials not for Resale	17,346.44	
57,058.90	Payroll Tax	59,415.73	
3,440.67	Printing and Stationery	1,593.54	
20,681.29	Repairs and Maintenance	35,221.31	
1,152.00	Staff Training GST Free	8,486.80	
74,872.89	Superannuation	84,828.79	
85,801.19	Wages – Group Training	78,468.29	
990,094.45	Wages – Catering	1,105,463.32	
15,192.80	Waste Disposal	10,801.33	
<hr/>		<hr/>	
1,386,318.90	Total Expenses		<hr/>
<b>211,585.85</b>	<b>Net Profit/Loss</b>		<b>1,527,926.04</b>
			<hr/>
			<b>(56,051.84)</b>

## POKER MACHINE TRADING

For the year ended 30th June, 2008

<b>2006/07</b>			<b>2007/08</b>
<b>\$</b>			<b>\$</b>
5,438,521.11	Revenue after Payouts		4,721,147.83
	<b>LESS EXPENSES:</b>		
351,729.73	Depreciation	314,088.80	
129,058.75	Promotions	117,948.22	
17,251.59	Payroll Tax	14,154.07	
1,634.62	Poker Machine Requisites	7,637.48	
205,314.84	Repairs and Maintenance	221,654.47	
0.00	Staff Training	1,149.83	
0.00	Superannuation	22,750.45	
1,066,533.23	Supplementary Tax	892,753.60	
268,315.64	Wages	271,516.53	
<hr/>		<hr/>	
2,039,838.40	Total Expenses		<hr/>
<b>3,398,682.71</b>	<b>Net Profit</b>		<b>1,863,653.45</b>
			<hr/>
			<b>2,857,494.38</b>

## KENO/TAB TRADING

For the year ended 30th June, 2008

<b>2006/07</b>	<b>\$</b>			<b>2007/08</b>
				<b>\$</b>
115,552.30		Revenue		117,720.11
		<b>LESS EXPENSES:</b>		
2,482.11		Repairs and Maintenance	2,420.86	
1,126.86		Requisites	4,802.49	
8,829.18		Depreciation	14,953.30	
19,224.27		Sky Channel Subscriptions	22,780.11	
0.00		TAB – Staff Training	92.41	
0.00		Superannuation	4,889.71	
67,212.35		Wages	84,141.15	
3,769.69		Payroll Tax	5,784.92	
102,644.46		Total Expenses		139,864.95
<b>12,907.84</b>		<b>Net Profit/Loss</b>		<b>(22,144.84)</b>

## GYMNASIUM

For the year ended 30th June, 2008

<b>2006/07</b>	<b>\$</b>			<b>2007/08</b>
				<b>\$</b>
0.00		Gymnasium Fees		0.00
		<b>LESS EXPENSES:</b>		
0.00		Establishment Costs	8,325.25	
0.00		Repairs and Maintenance	454.85	
0.00		Total Expenses		8,780.10
<b>0.00</b>		<b>Net Loss</b>		<b>(8,780.10)</b>

## BOWLING SECTIONS

For the year ended 30th June, 2008

<b>2006/07</b>	<b>\$</b>			<b>2007/08</b>
				<b>\$</b>
137,095.35		Competition and Green Fees	144,502.45	
24,765.46		Subscriptions – Bowls	27,416.62	
<b>161,860.81</b>		<b>Total Revenue</b>		<b>171,919.07</b>
		<b>LESS EXPENSES:</b>		
126,786.17		Sections	182,945.34	
15,496.86		Association Fees	14,242.80	
44,098.67		Bowlers Amenities – GST Free	1,060.80	
89,890.73		Depreciation – Plant and Greens	66,256.25	
52,327.99		Greens and Surrounds Maintenance	39,324.49	
1,803.59		Motor Vehicle and Equipment	2,599.42	
7,159.13		Payroll Tax	6,687.93	
0.00		Staff Training	206.98	
6,561.22		Superannuation	11,258.06	
37,168.00		Tournament Expenses	44,597.85	
29,816.63		Trophies	648.18	
132,734.69		Wages – Greens	126,932.20	
543,843.68		Total Expenses		496,760.30
<b>(381,982.87)</b>		<b>Net Loss</b>		<b>(324,841.23)</b>

**PROFIT AND LOSS STATEMENT***For the year ended 30th June, 2008*

<b>2006/07</b>		<b>2007/08</b>
\$		\$
210,241.73	Bar Net Profit	261,767.00
211,585.85	Catering Net Profit/Loss	(56,051.84)
3,398,682.71	Poker Machine Net Profit	2,857,494.38
12,907.84	Keno Net Profit/Loss	(22,144.84)
(381,982.87)	Bowling Net Loss	(324,841.23)
528,035.94	Interest Received	552,356.89
21,180.40	Rent Received	20,536.60
0.00	Gymnasium Loss	(8,780.10)
27,780.00	Subscriptions – Social Members	27,305.11
27,732.67	Other Income	40,622.04
11,980.18	Profit/Loss on Disposal of Asset	(15,161.06)
<b>4,068,144.45</b>	<b>Total Gross Income</b>	<b>3,333,102.95</b>
	<b>LESS EXPENSES:</b>	
78,637.23	Advertising	99,825.28
36,000.00	Audit Fees	36,000.00
13,980.99	Bank Fees	15,125.18
184,437.19	Cleaning Contract	183,483.30
2,251.10	Courtesy Bus Expenses GST	13,341.89
3,610.00	Data – Industry Research	0.00
375,392.24	Depreciation – Building	378,102.77
0.00	Depreciation – Courtesy Bus	6,027.18
12,446.88	Depreciation – Furniture and Fittings	13,464.73
93,031.58	Depreciation – Clubhouse	109,182.22
7,835.44	Directors Expenses	10,961.41
330.00	Dishonoured Cheques	360.00
70,550.98	Donations	67,232.51
174,110.09	Electricity	203,118.68
31,360.37	Bingo	31,857.26
459,579.26	Entertainment	314,030.69
12,494.56	Fringe Benefits	17,486.84
30,000.00	Honoraria	30,000.00
106,807.90	House Repairs and Maintenance	100,487.55
251,258.28	Insurance	207,521.33
2,811.24	Land Tax	2,223.37
7,098.95	Legal Fees	7,607.07
7,872.20	Licence Fees – Other	9,949.44
29,272.48	Long Service	34,284.02
9,257.74	Management Meals	18,122.11
86,199.95	Members Direct Expenses	83,650.86
4,751.36	Renovation Launch	0.00
10,580.59	Motor Vehicle Expenses	7,971.59
42,953.96	Payroll Tax	37,341.53
1,707.52	Postage	4,935.44
23,110.82	Printing and Stationery	18,922.76
16,398.54	Professional Services	30,968.16
2,214.92	Residential	1,479.39
50,913.27	Rates – Council	57,397.04
40,422.29	Security Services	39,710.75

<b>2006/07</b> \$		<b>2007/08</b> \$
	<b>LESS EXPENSES: (continued)</b>	
722.87	Shortages – Cash	(562.17)
28,809.03	Staff and Directors' Training	56,102.91
20,746.03	Subscriptions	18,691.71
81,054.10	Superannuation	54,332.81
21,735.81	Telephone	24,896.11
47,247.25	Uniform and Staff Amenities	38,336.49
5,693.51	Recruitment Costs	275.18
444,003.61	Wages – Management, Clerical, Training	418,370.13
135,429.68	Wages – Creche, Bus, Miscellaneous	170,124.69
134,440.53	Wages – Door	150,112.05
3,199,562.34	Total Expenses	3,122,852.26
<b>868,582.11</b>	<b>Net Profit</b>	<b>210,250.69</b>

## **TURA BEACH BAR TRADING**

*For the year ended 30th June, 2008*

<b>2006/07</b> \$		<b>2007/08</b> \$
757,478.57	Bar Sales	737,385.39
34,907.48	Opening Stock	34,454.09
305,664.45	Purchases	303,142.01
340,571.93		337,596.10
34,454.09	Stock on Hand	41,522.73
306,117.84	Cost of Goods Sold	296,073.37
<b>451,360.73</b>	<b>Gross Profit</b>	<b>441,312.02</b>
	<b>LESS EXPENSES:</b>	
4,057.79	Requisites	4,940.73
13,393.08	Payroll Tax	13,685.02
2,917.31	Freight	3,528.68
9,301.16	Repairs and Maintenance	11,446.77
0.00	Staff Training	4,380.74
26,030.02	Superannuation	24,275.92
232,406.00	Wages	263,196.54
5,488.98	Waste Disposal	7,901.98
293,594.34	Total Expenses	333,356.38
<b>157,766.39</b>	<b>Net Profit</b>	<b>107,955.64</b>

## TURA BEACH CATERING TRADING

*For the year ended 30th June, 2008*

<b>2006/07</b>				<b>2007/08</b>
<b>\$</b>				<b>\$</b>
708,758.66	Sales – Catering	646,842.16		
16,005.76	Sales – Subsidy	6,008.45		
<b>724,764.42</b>	<b>Total Sales</b>	<hr/>		<b>652,850.61</b>
6,644.33	Opening Stock	6,685.76		
294,430.99	Purchases	275,780.26		
<hr/>		<hr/>		
301,075.32		282,466.02		
6,685.76	Less Stock on Hand	0.00		
<hr/>		<hr/>		
294,389.56	Cost of Goods Sold			<hr/>
<b>430,374.86</b>	<b>Gross Profit</b>			<b>282,466.02</b>
				<hr/>
	<b>LESS EXPENSES:</b>			
2,412.13	Cleaning	2,702.29		
23.50	Freight	225.25		
9,277.30	Gas	9,240.36		
6,297.71	Insurance	4,153.82		
3,900.02	Laundry	3,645.64		
5,437.79	Materials not for Resale	5,137.42		
21,504.33	Payroll Tax	16,637.34		
143.18	Printing and Stationery	229.55		
17,677.21	Catering Repairs and Maintenance	8,558.07		
(1,732.00)	Staff Training	1,315.86		
26,072.82	Superannuation	23,696.73		
356,437.56	Wages	312,840.84		
5,489.01	Waste Disposal	5,611.21		
<hr/>		<hr/>		
452,940.56	Total Expenses			<hr/>
<b>(22,565.70)</b>	<b>Net Loss</b>			<b>393,994.38</b>
				<hr/>
				<b>(23,609.79)</b>

## TURA BEACH KENO TRADING

*For the year ended 30th June, 2008*

<b>2006/07</b>				<b>2007/08</b>
<b>\$</b>				<b>\$</b>
23,187.88	Revenue			18,858.74
	<b>LESS EXPENSES:</b>			
1,699.00	Keno Repairs and Maintenance	1,349.52		
609.63	Requisites	622.90		
<hr/>		<hr/>		
2,308.63	Total Expenses			<hr/>
<b>20,879.25</b>	<b>Net Profit</b>			<b>1,972.42</b>
				<hr/>
				<b>16,886.32</b>

## TURA BEACH POKER MACHINE TRADING

*For the year ended 30th June, 2008*

<b>2006/07</b>		<b>2007/08</b>
<b>\$</b>		<b>\$</b>
1,125,729.18	Revenue after Payouts	969,859.45
	<b>LESS EXPENSES:</b>	
105,905.87	Depreciation	86,750.18
13,637.97	Promotions	30,789.61
5,050.66	Payroll Tax	4,114.37
379.35	Requisites	736.16
42,203.10	Repairs and Maintenance	42,262.60
0.00	Staff Training	200.00
0.00	Superannuation	2,096.38
110,803.86	Supplementary Tax	13,558.60
90,058.33	Wages	78,185.05
368,039.14	Total Expenses	258,692.95
<b>757,690.04</b>	<b>Net Profit</b>	<b>711,166.50</b>

## TURA BEACH COURSE/GREENS TRADING

*For the year ended 30th June, 2008*

<b>2006/07</b>		<b>2007/08</b>
<b>\$</b>		<b>\$</b>
515,676.72	Course/Greens Revenue	446,146.05
186,126.70	Members Subscriptions	200,503.41
<b>701,803.42</b>	<b>Total Revenue</b>	<b>646,649.46</b>
	<b>LESS EXPENSES:</b>	
5,092.41	Amortisation – Golf Course	4,389.75
0.00	Association Fees – Golf	3,782.73
24,518.06	Association Fees – Bowls	18,830.32
73,685.19	Section Bowls Expenses	80,111.28
151,125.24	Section Golf Expenses	103,195.32
110,358.41	Depreciation – Plant and Equipment	81,576.70
1,816.26	Depreciation – Tennis Court	1,817.10
138,120.62	Golf Course Expenses	118,369.79
37,250.81	Golf Professional Fees	36,470.50
21,727.75	Greens and Surrounds	31,193.49
10,907.97	Motor Vehicle and Equipment	30,938.31
14,764.49	Payroll Tax	14,137.93
0.00	Staff Training	648.38
21,629.33	Superannuation	19,076.10
572.95	Tennis Court Expenses	14.55
15,205.99	Trophies	279.00
78,758.47	Tournament Expenses	77,212.36
256,640.40	Wages	220,912.24
962,174.35	Total Expenses	842,955.85
<b>(260,370.93)</b>	<b>Net Loss</b>	<b>(196,306.39)</b>

# TURA BEACH PROFIT AND LOSS STATEMENT

For the year ended 30th June, 2008

<b>2006/07</b>		<b>2007/08</b>
<b>\$</b>		<b>\$</b>
157,766.39	Bar Net Profit	107,955.64
(22,565.70)	Catering Net Loss	(23,609.79)
757,690.04	Poker Machine Net Profit	711,166.50
20,879.25	Keno Net Profit	16,886.32
(260,370.93)	Course/Greens Net Loss	(196,306.39)
1,355.43	Room Hire/Functions	1,080.40
9,359.47	Other Income	8,118.99
<b>664,113.95</b>	<b>Total Gross Income</b>	<b>625,291.67</b>
	<b>LESS EXPENSES:</b>	
18,349.97	Advertising	23,268.00
10,200.00	Audit Fees	10,200.00
14,547.03	Bingo	12,609.59
63,066.43	Cleaning Contract	60,813.12
36,457.26	Courtesy Bus	8,922.99
790.00	Data – Industry Research	0.00
87,487.34	Depreciation – Building	88,547.71
19,615.62	Depreciation – Furniture and Fittings	19,706.28
27,020.90	Depreciation – Plant and Equipment	26,275.63
13,885.34	Depreciation – Plant and Equipment Kitchen	15,847.71
3,197.00	Donations GST Free	2,479.60
59,594.80	Electricity	62,770.29
93,855.48	Entertainment and Promotions	87,480.67
38,048.30	House Repairs and Maintenance	30,296.01
89,386.54	Insurance	68,558.79
(980.78)	Legal Fees	5,144.71
970.30	Licence Fees	2,709.64
13,664.03	Long Service	10,971.71
882.50	Management Meals	767.21
18,705.08	Members Direct Expenses	20,633.32
4,784.44	Motor Vehicle Expenses	2,136.39
8,882.64	Payroll Tax	11,977.52
226.56	Postage	903.56
7,060.07	Printing and Stationery	5,345.88
3,856.00	Professional Services	8,078.33
22,747.60	Rates	21,290.51
13,014.24	Security Services	14,795.58
(25.78)	Shortages	173.29
7,123.64	Staff Training	2,029.69
4,112.47	Subscriptions	6,388.89
17,370.43	Superannuation	15,785.49
0.00	Superannuation – Miscellaneous	613.49
15,088.98	Telephone	13,584.29
18,290.31	Uniforms and Staff Amenities	14,762.54
0.00	Recruitment Costs	7,525.17
17,429.16	Wages – Courtesy Bus and Miscellaneous	36,744.06
153,034.17	Wages – Management and Clerical	136,644.03
901,738.07	Total Expenses	856,781.69
<b>(237,624.12)</b>	<b>Net Loss</b>	<b>(231,490.02)</b>

<b>2006/07</b>		<b>2007/08</b>
\$		\$
<b>NOTE 3 – CASH:</b>		
36,912.00	Cash on Hand	40,321.00
190,000.00	Change – Cash Float	190,000.00
463,421.67	Westpac Banking Corporation – Secured	264,967.79
19,022.86	Westpac Banking Corporation – Keno	30,318.04
18,439.46	Westpac Banking Corporation – TAB	14,873.73
50,809.67	Westpac Banking Corp – Sections Account	61,810.12
8,845,304.74	Short Term Investments	4,645,290.86
<b>9,623,910.40</b>		<b>5,247,581.54</b>
<b>NOTE 3A – RECEIVABLES:</b>		
37,003.05	Trade Debtors	47,559.84
95,407.86	Debtors – Other	125,326.32
<b>132,410.91</b>		<b>172,886.16</b>
<b>NOTE 4 – INVENTORIES:</b>		
86,239.21	Stock on Hand at Cost – Bar	74,014.54
33,057.82	– Catering	38,096.30
34,454.09	– Tura Beach Bar	41,522.73
6,685.76	– Tura Beach Catering	0.00
<b>160,436.88</b>		<b>153,633.57</b>
<b>NOTE 5 – OTHER:</b>		
65,187.30	Prepayments	52,628.36
<b>65,187.30</b>		<b>52,628.36</b>
<b>NOTE 6 – PROPERTY, PLANT AND EQUIPMENT – FIXED ASSETS:</b>		
130,852.46	Greens – Plant and Equipment	126,368.40
(98,274.19)	<b>Less:</b> Provision for Depreciation	(105,402.95)
<b>32,578.27</b>		<b>20,965.45</b>
306,309.84	Kitchen – Plant and Equipment	314,497.82
0.00	Rockpool Cafe – Plant and Equipment	37,318.19
(295,669.84)	<b>Less:</b> Provision for Depreciation	(304,631.84)
<b>10,640.00</b>		<b>47,184.17</b>
2,727.27	Kitchen – Furniture and Fittings	2,727.27
0.00	Rockpool Cafe – Furniture and Fittings	62,025.57
0.00	<b>Less:</b> Provision for Depreciation	(5,412.72)
<b>2,727.27</b>		<b>59,340.12</b>
0.00	New Bisto – Plant and Equipment	7,746.00
0.00	<b>Less:</b> Provision for Depreciation	(127.03)
<b>0.00</b>		<b>7,618.97</b>
2,373,872.22	Poker Machines	2,459,171.36
(1,665,761.87)	<b>Less:</b> Provision for Depreciation	(1,930,525.80)
<b>708,110.35</b>		<b>528,645.56</b>
492,713.54	Computa Game	493,062.62
(419,706.09)	<b>Less:</b> Provision for Depreciation	(418,753.25)
<b>73,007.45</b>		<b>74,309.37</b>
23,021.85	Keno – Plant and Equipment	23,021.85
(23,021.85)	<b>Less:</b> Provision for Depreciation	(23,021.85)
<b>0.00</b>		<b>0.00</b>

2006/07 \$		2007/08 \$
<b>PLANT AND EQUIPMENT – FIXED ASSETS:</b> (continued)		
44,155.00	TAB/Sky – Plant and Equipment	125,593.07
(32,172.93)	<b>Less:</b> Provision for Depreciation	(47,126.23)
<b>11,982.07</b>		<b>78,466.84</b>
233,415.72	Car Park Extension – at cost	233,415.72
<b>233,415.72</b>		<b>233,415.72</b>
497,668.87	95 Main Street – at cost	497,668.87
(99,573.22)	<b>Less:</b> Provision for Depreciation	(108,104.76)
<b>398,095.65</b>		<b>389,564.11</b>
9,005,772.29	Club House – at cost	9,005,772.29
5,053,133.85	<b>Less:</b> Provision for Depreciation	(5,407,372.72)
<b>3,952,638.44</b>		<b>3,598,399.57</b>
128,302.50	Pokie Licences Shortland	128,302.50
<b>128,302.50</b>		<b>128,302.50</b>
365,274.34	Proposed Club Extension	453,762.39
0.00	Club Extension No. 2	4,324,565.13
0.00	<b>Less:</b> Provision for Depreciation	(5,380.54)
<b>365,274.34</b>		<b>4,772,946.98</b>
1,837,145.22	Club – Plant and Equipment	2,030,870.21
(1,466,090.09)	<b>Less:</b> Provision for Depreciation	(1,571,261.68)
<b>371,055.13</b>		<b>459,608.53</b>
757,778.43	Furniture and Fittings	793,738.43
(717,834.59)	<b>Less:</b> Provision for Depreciation	(731,299.32)
<b>39,943.84</b>		<b>62,439.11</b>
1,941,720.16	Bowling Greens – at cost	1,941,720.16
(1,314,883.54)	<b>Less:</b> Provision for Depreciation	(1,367,573.03)
<b>626,836.62</b>		<b>574,147.13</b>
360,024.87	House – 17 Berrambool Drive, Merimbula	360,887.60
160,000.00	Land – 17 Berrambool Drive, Merimbula	160,000.00
(38,779.63)	<b>Less:</b> Provision for Depreciation	(52,308.38)
<b>481,245.24</b>		<b>468,579.22</b>
0.00	97 Main Street, Merimbula	906,172.54
<b>0.00</b>		<b>906,172.54</b>
600,324.08	Tura Beach CC – Club House	600,324.08
230,000.00	Tura Beach CC – Club Land	230,000.00
(98,163.42)	<b>Less:</b> Provision for Depreciation	(121,350.87)
<b>732,160.66</b>		<b>708,973.21</b>
632,136.39	Tura Beach CC – Greens – Plant and Equipment	685,026.58
(429,361.55)	<b>Less:</b> Provision for Depreciation	(510,938.25)
<b>202,774.84</b>		<b>174,088.33</b>
81,889.85	Tura Beach CC – Kitchen – Plant and Equipment	81,889.85
(29,228.37)	<b>Less:</b> Provision for Depreciation	(45,076.08)
<b>52,661.48</b>		<b>36,813.77</b>

<b>2006/07</b>		<b>2007/08</b>
\$		\$
<b>NOTE 6 – PROPERTY, PLANT AND EQUIPMENT – FIXED ASSETS: (continued)</b>		
537,966.28	Tura Beach CC – Poker Machines	570,526.28
(349,159.18)	<b>Less:</b> Provision for Depreciation	(430,117.64)
<b>188,807.10</b>		<b>140,408.64</b>
1,459,231.36	Tura Beach CC – Club Extensions	1,473,310.45
(249,332.19)	<b>Less:</b> Provision for Depreciation	(314,692.45)
<b>1,209,899.17</b>		<b>1,158,618.00</b>
185,064.87	Tura Beach CC – Club – Plant and Equipment	206,493.60
(62,968.36)	<b>Less:</b> Provision for Depreciation	(95,704.87)
<b>122,096.51</b>		<b>110,788.73</b>
130,796.71	Tura Beach CC – Furniture and Fittings	131,386.71
(76,783.60)	<b>Less:</b> Provision for Depreciation	(96,489.88)
<b>54,013.11</b>		<b>34,896.83</b>
12,560.00	Tura Beach CC – Bowling Greens – at cost	12,560.00
26,284.00	Tura Beach CC – Tennis Court	26,284.00
(4,421.62)	<b>Less:</b> Provision for Depreciation	(6,238.72)
<b>34,422.38</b>		<b>32,605.28</b>
87,805.18	Tura Beach CC – Course – at cost	87,805.18
(10,874.12)	<b>Less:</b> Provision for Depreciation	(15,263.87)
<b>76,931.06</b>		<b>72,541.31</b>
38,600.00	Tura Beach CC – Computa Game	38,600.00
(9,151.09)	<b>Less:</b> Provision for Depreciation	(14,942.81)
<b>29,448.91</b>		<b>23,657.19</b>
<b>10,139,068.11</b>	<b>Total Fixed Assets</b>	<b>14,903,497.18</b>

**NOTE 6a:**

An independent revaluation of land and buildings was undertaken on 30 June 2006 by Mr C.A. Ferguson AAPI Registered Valuer 319. The revaluation was undertaken as part of a policy to revalue land and buildings every three years and was based on fair value as part of an ongoing concern basis. The valuation revealed a current market value of \$20,555,000. The Club is currently undertaking extensive extensions.

**NOTE 6b – MOVEMENT IN CARRYING AMOUNTS:**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

<b>Economic entity:</b>	<b>Balance at the Beginning of the Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Carrying Amount at the End of Year</b>
Freehold land	806,268	906,173			1,712,441
Greens and Car Park	971,606	–	–	58,897	912,709
Buildings	5,967,770	463,325	–	464,847	5,966,248
Capital Works in Progress	365,274	3,964,671	–	5,380	4,324,565
Licenses	128,303	–	–	–	128,303
Plant and Equipment	1,899,847	682,898	11,150	712,364	1,859,231
<b>Total</b>	<b>10,139,068</b>	<b>6,017,067</b>	<b>11,150</b>	<b>1,241,488</b>	<b>14,903,497</b>

2006/07		2007/08
\$		\$
<b>NOTE 7 – PAYABLES:</b>		
669,766.79	Trade Creditors	1,129,584.54
221,284.98	Accrued Charges	199,149.25
<u>891,051.77</u>		<u>1,328,733.79</u>
<b>NOTE 8 – PROVISIONS:</b>		
243,564.90	Provisions for Long Service Leave	248,121.27
676,540.02	Provisions for Sick and Holiday Pay	618,338.66
<u>920,104.92</u>	(a) Aggregate Employee Entitlements Liability	<u>866,459.93</u>
121	(b) Number of Employees at Year end	125
<b>NOTE 9 – OTHER:</b>		
153,755.48	Subscriptions in Advance	171,780.63
2,986.33	Income in Advance	17,061.89
<u>156,741.81</u>		<u>188,842.52</u>

**NOTE 10 – SERVICE AGREEMENT COMMITMENTS:**

Non Cancellable Service Agreements contracted for but not capitalised in the financial statements:

– not later than 12 months	3,000
– between 12 months and 5 years	0.00
	<u>3,000</u>

**NOTE 11 – AUDITOR’S REMUNERATION:**

Amounts due and receivable for audit services total \$46,200.

**NOTE 12 – MEMBERS’ GUARANTEE:**

The Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the Company.

At 30th June, 2008, the number of members were 7082. (30th June 2007 – 7159).

**NOTE 13 – RELATED PARTY TRANSACTIONS:**

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

**(a) Directors**

The names of persons who were Directors of the Company at any time during the year are as follows:

Robin Barry BELL (appointed 14/10/2007)	Brian John KENNEDY
Graham Phillip BROWN (appointed 14/10/2007)	Anthony John MERRILLS (retired 14/10/2007)
Ronald James CHRISTIE	Harold Leslie PHILISTIN (retired 14/10/2007)
Frederick George CURBISHLEY (retired 14/10/2007)	Kevin Maxwell NOWLAND (appointed 14/10/2007)
Costa FELLA	William Henry ROGERS
Gerald George HAMMOND	Roger Barry SKITT (retired 14/10/2007)
John Richard KELEHER (appointed 14/10/2007)	

**(b) Directors Remuneration**

The Directors did not receive any remuneration from the Company during the year other than Honorariums and reasonable costs which have been approved at the Annual Meeting.

**(c) Transactions with Directors and Director related Entities**

There were no transactions with Directors, other than those at normal commercial terms and conditions.

# NOTES TO STATEMENT OF CASH FLOWS

## NOTE 14 – FINANCIAL INSTRUMENTS:

### (a) Credit Risk

The Company's financial Instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable.

(b) The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

### (c) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial liabilities, is as follows.

2008	Weighted Average Interest	Variable Interest Rate \$	Fixed Interest Rate Maturity		Non-Interest Bearing \$	TOTAL \$
			Less than 1 Year	1 to 5 Years		
<b>Financial Assets:</b>						
Cash	6.5	371,970	4,645,291	–	230,321	5,247,582
Receivables					172,886	172,886
<b>Financial Liabilities:</b>						
Trade Creditors					1,129,585	1,129,585
Employee Entitlements					866,460	866,460
<b>Net Financial Assets:</b>		<b>371,970</b>	<b>4,645,291</b>	<b>–</b>	<b>(1,592,838)</b>	<b>3,424,423</b>

2007	Weighted Average Interest	Variable Interest Rate \$	Fixed Interest Rate Maturity		Non-Interest Bearing \$	TOTAL \$
			Less than 1 Year	1 to 5 Years		
<b>Financial Assets:</b>						
Cash	5.8	551,694	8,845,304	–	226,912	9,623,910
Receivables					132,411	132,411
<b>Financial Liabilities:</b>						
Trade Creditors					669,767	669,767
Employee Entitlements					920,105	920,105
<b>Net Financial Assets:</b>		<b>551,694</b>	<b>8,845,304</b>	<b>–</b>	<b>(1,230,549)</b>	<b>8,166,449</b>

2006/07 \$		2007/08 \$
	<b>(d) Reconciliation of Net Financial Assets to Net Assets:</b>	
8,166,449	Net financial assets as above	3,424,423
	<b>Non-financial assets and liabilities:</b>	
160,437	Inventories	153,634
65,187	Other Assets	52,628
10,139,068	Property, plant and equipment	14,903,497
(378,026)	Other Liabilities	(402,306)
<b>18,153,115</b>	<b>Net Assets per Balance Sheet</b>	<b>18,131,876</b>

**NOTE 15:**

**(a) Reconciliation of Cash:** For the purpose of this statement of cashflows, cash includes:

- (i) cash on hand and at-call deposits with banks or financial institutions, net of bank overdrafts; and
- (ii) investments in money market instruments with less than 52 days to maturity.

Cash at the end of the year is shown in the balance sheet as:

<b>2006/07</b>		<b>2007/08</b>
<b>\$</b>		<b>\$</b>
226,912	Cash on Hand	230,321
551,694	At-call Deposits with Financial Institutions	371,970
8,845,304	Short term Investments	4,645,290
<b>9,623,910</b>		<b>5,247,581</b>

**(b) Reconciliation of Cash Flow from Operations with Profit from ordinary activities:**

630,958	Profit (Loss) from Ordinary Activities	(21,239)
	<b>Non-cash Flows in Profit from Ordinary Activities:</b>	
1,302,506	Depreciation	1,237,098
(91,097)	Changes to Provisions	(53,645)
(11,980)	Profit/Loss on Sale Non-Current Assets	15,161
	<b>Changes in Assets and Liabilities:</b>	
(73,316)	Decrease (Increase) in Receivables	(40,475)
(8,774)	Decrease (Increase ) in Prepayments	12,559
20,686	Decrease (Increase) in Inventories	6,803
(40,596)	Increase (Decrease) in Trade Creditors	468,470
34,949	Increase (Decrease) in Accrued Charges	(22,136)
24,122	Increase (Decrease) in Subscriptions in Advance	32,101
<b>1,787,458</b>	<b>Cash Flows from Operations</b>	<b>1,634,697</b>

**NOTE 16 – STATEMENT OF OPERATIONS BY SEGMENTS:**

The Company operates in the Licensed Registered Clubs Sector within New South Wales.

**NOTE 17– COMMITMENTS FOR EXPENDITURE:**

(a) Capital Commitments:

Capital expenditure (New Club House Extensions) not recognised as a liability at reporting date is approximately \$2.6 million

**Note 18 – COMPANY DETAILS:**

The registered office of the Company is:

Merimbula-Imlay Bowling Club Limited, 119 Main Street, Merimbula NSW 2548

The principle places of business are:

Merimbula-Imlay Bowling Club Limited, 119 Main Street, Merimbula NSW 2548

Tura Beach Country Club, The Fairway, Tura Beach NSW 2548

Limited by guaranteed unlisted.

## DONATIONS FOR 2007/2008

Organisations supported throughout the year included:

Aboriginal Evangelical Church Eden	Merimbula Community Centre
Ageing & Disability Services	Merimbula Country Music Festival by the Sea
Alliance Francaise	Merimbula Grasshoppers Soccer Club Football Club Inc.
Alzheimers Australia NSW	Merimbula Holiday Association
Australian Blind Bowlers Assoc.	Merimbula Jazz Festival
Australian Red Cross	Merimbula Knights Cricket Club
Auswide Projects	Merimbula Marlins Football Club
Bandana Day	Merimbula Netball Assoc.
Bandara Childrens Services	Merimbula Primary School
Bega Can Assist	Merimbula Rock 'n' Roll Club
Bega District Volunteer Rescue Group	Merimbula Tennis Club
Bega Eco Neighbourhood	Mitchell Tasker
Bega High School	Multiple Sclerosis Society NSW
Bega Local Aboriginal Land Council	Nethercote Resident's Assoc.
Bega Senior Citizens	NSW RSL Bowls Ass. Zone 21
Bega Valley Breast Cancer	Nullica Lodge
Bega Valley Community Drug Action	Pambula A.H. & P. Society
Bega Valley Community Transport	Pambula Community Swimming Club
Bega Valley Meals on Wheels	Pambula Hospital Auxiliary
Bega Valley Relay for Life	Pambula Public School
Bega Valley Youth Council	Pambula Surf Life Saving Club
Bemboka Public School	Pambula Wetlands & Heritage
Bermagui Pre-School	Probus Club
Bermagui Senior Citizens	Quaama Anglican Women
Bimbimbie Retirement Village	Quaama Rural Fire Service
Blake Seymour	Respite Care Bega
Camp Quality	Robin Hood Club
Candelo Arts Society	Rocky Hall Pre-School Assoc.
Care Flight	Rotary Club of Merimbula
Country Women's Assoc. of Eden	Rotary Club of Pambula
Country Women's Assoc. of Pambula	Royal Volunteer Coastal Patrol
Daisy Chain Productions Inc.	Sapphire Coast Kennel & Obedience Club
East Victoria Media	Sapphire Coast Music Society
Eden Lioness Club	Sapphire Coast Turf Club
Eden Marine High School	Sapphire Community Centre
Far South Coast Soccer Referees	Sapphire Water Dragons
Far South Coast U/13's Soccer Team	SERAS
Foundation for National Parks & Wildlife	Sertec
Gippsland Fishing Club Inc.	Skills Training Employment Program
Imlay House	South Coast Workplace Learning
Imlay Special Needs Group Inc.	St Joseph's Primary School
Jeans for Genes Day	St Vincent de Paul Society
Junior Easter Football Tournament	Tathra Amateur Fishing Club
Lakes & Foreshores Committee	Tathra Children's Services
Leigh Evans	Technical Aids to the Disabled
Lions Club of Bega	Telstra Child Flight
Lions Club of Pambula-Merimbula	The Spastic Centre of NSW
Lumen Christi Catholic College	View Club
MACCAT	Walk for Kids with Cancer
Marlins Football Club	WIRES Far South Coast Region
Merimbula Basketball Assoc.	Workability Personnel Inc.
Merimbula Big Game & Lakes Angling Club Inc.	Zen Dragon Boats

## CURRENT LIFE MEMBERS

L.N. Witton – 1973	G. Wells – 1998
L.A. Young – 1989	J. Lockyer – 1999
R. A. Lockyer – 1992	I. Stroud – 2003
T.A. Crutchfield – 1998	J. Anderson – 2006
P. Thompson – 1998 (Tura Beach Country Club)	