

ANNUAL REPORT TO MEMBERS
FOR THE YEAR ENDED 30th JUNE, 2011

**To be presented at the Annual General Meeting of the Members
to be held at the Club's Rooms located at,**

**1a McLACHLAN STREET, MACLEAN ON
MONDAY, 7th November, 2011 at 7.00 P.M.**

PRESIDENT: A. G. MORRISON

VICE PRESIDENT: D. J. STARR

TREASURER: J. P. NILON

Board of Directors;

E. A. ANTISS

G.W. CAMPBELL

B. A. ELLEM

D.C.J. ENSBEY

A. E. FORD

P.J. TOBIN

SECRETARY MANAGER: I. H. WILLS JP ACCM

BOWLS SECRETARY: R.W. WISEMAN

PATRONS;

J.P. JOHNSON, M.W. O'REILLY and A.F. ESSEX

LIFE MEMBERS;

D.C.J. ENSBEY, A.F. ESSEX, G. ECKERSLEY, J.P. NILON,
M.W. O'REILLY, F.R. BAILEY & N.L. KEATS.

**BOARD OF DIRECTORS
ANNUAL ELECTION OF OFFICERS, 2011 / 2012**

Nominations must be received at the Club's Office by 6.00 pm on Sunday 23rd October, 2011. In accordance with the Rules, Only financial Ordinary Senior Members or Life Members are eligible to nominate, be nominated or stand for positions on the Board of Directors.

Voting will take place at the Club commencing Monday 31st October, 2011 and ceasing at 12.00 pm on Sunday 6th November, 2011. Voting times will be advertised within the Club or Members may contact the Club on (02) 6645 3711 Monday to Friday during office hours for details.

**ANNUAL GENERAL MEETING
MONDAY 7th November, 2011 commencing at 7.00 p.m.**

AGENDA

The order of business will be as follows:

1. To confirm the minutes of the last Annual General Meeting dated 25th October, 2010.
2. To receive, consider and adopt the Financial Report of the co-operative for the year ended 30 June 2011.
3. To receive, consider and adopt reports by the Board of Directors and Auditor.
4. To receive and consider Ordinary Resolution One, for which due notice has been given in accordance with the Rules.
5. To receive and consider the Board's recommendation to award Life Membership to Alfred George Morrison.
6. To Receive and consider Special Resolutions One and Two, for which due notice has been given as specified by the Rules.
7. To declare the results of the Ballot for the election of the President, Vice Presidents, Treasurer and the Board of Directors for the ensuing year.
8. To determine and fix any honorariums. Currently, honorariums are as follows;

President	\$145 for every meeting attended of the Board of Directors.
Vice-President	\$200 plus \$30 for every meeting attended of the Board of Directors.
Treasurer	\$200 plus \$30 for every meeting attended of the Board of Directors.
Directors	\$30 for every meeting attended of the Board of Directors.
9. To receive and deal with any business for which notice in writing has been given to the Secretary Manager in accordance with the Rules of Maclean & District Bowling Club Co-op Limited.
10. To deal with any other business of which the meeting may approve and in respect of which due notice has not been given.
11. The appointment of the Club's Auditor for 2011 / 2012.
12. The appointment of a Returning Officer for 2011 / 2012.
13. The appointment of Club Patron/s.
14. Members' recommendations to the Board of Directors.

Members please note that any Member who may have any question relating to any matter contained in the accounts or any question which may require investigation, please put your question in writing to the Secretary Manager at least seven (7) days prior to the meeting to avoid any unnecessary delay at the Annual General Meeting.

Notice of Ordinary Resolution.

Ordinary Resolution One.

That pursuant to the Registered Clubs Act, the Members hereby approve that each of the Directors are to be entitled to the following benefits over the next twelve (12) months and the Members acknowledge that these benefits are not available to Members generally, but only those who are Directors (or where mentioned, spouses of Directors) of the Club:

- (i) Directors to be reimbursed for any reasonable out of pocket expenses incurred during the course of acting for and on behalf of the Club.
- (ii) The reasonable cost of Directors for meals and or drinks covering Board Meeting attendance and associated activities.
- (iii) The reasonable costs of travel, accommodation and meals for Directors attending seminars, lectures, trade displays, organised study tours, fact finding tours, Registered Clubs Association of New South Wales events, Club Managers Association events and other similar events as may be determined by the Board from time to time.
- (iv) Attendance at functions with spouses where appropriate and required, to represent the Club.
- (v) Reasonable expenses incurred by Directors in relation to other such duties including the entertainment of special guests to the Club and other promotional activities performed by Directors subject to prior Board approval.
- (vi) That should the Board resolve that a uniform is required for Directors, the uniform will be provided at the Club's expense.
- (vii) Provision by the Board of grants and donations to support charitable, community and sporting organisations.

Notice of Recommendation to Members.

The Board of Directors has resolved to recommend to the Members that Member **Alfred George Morrison** be granted Life Membership of Maclean & District Bowling Club Co-op Limited for outstanding services to the Club over many years.

Alf has been an active Member of the Club for 22 years. Serving on the Board of Directors for 10 years, Alf has held the position of President for six of these years. To say that Alf is a devoted member of the Club is perhaps an understatement with Alf contributing to virtually every activity that the Club has conducted over the past ten years. While most members are well acquainted with Alf on a day to day basis, much of Alf's contribution is behind the scenes as an active member of every sub-committee. It is fair to suggest that without Alf's contributions over the past ten years, the club would not be in the position it is today.

The current Board of Directors views Life Membership as a great honour only to be bestowed upon the most worthwhile of Members and with this in mind, heartily recommends that the Members approve of the Board's recommendation. Please note that a majority of two-thirds must be achieved for the recommendation to be passed.

Notice of Special Resolutions.

Notice is hereby given in accordance with the Rules of Maclean & District Bowling Club Co-op Limited that, at the Annual General Meeting to be held on 7 November 2011, Members will be asked to consider and if thought fit, pass the following Special Resolutions.

Please Note:

1. To be passed, a Special Resolution must receive votes by at least two-thirds of Members present and eligible to vote.
2. Special Resolutions are to be read in conjunction with ‘Notes to Members’.
3. Employees of Maclean & District Bowling Club Co-op Limited are not allowed to vote.
4. Proxy voting is not allowed.
5. Only Life Members and Financial Ordinary Seniors Members are allowed to vote.
6. Amendments to the Special Resolutions (other than the correction of minor typographical errors, if any) are not allowed.
7. The Board of Directors has resolved to recommend that all Special Resolutions be adopted by Members.

Special Resolution One.

“That the Rules of the Co-operative be amended to allow Directors to serve three (3) year terms in accordance with Schedule 4 (Rules for Election to Governing Body for a Term of Three (3) Years) of the Registered Clubs Act. That Rule 35 (Election of Directors) be amended to comply with the Go-operatives Act”.

Delete Existing Rule 34. (e)

BOARD OF DIRECTORS

All Directors shall retire annually at the Annual General Meeting.

Delete Existing Rule 34. (f)

BOARD OF DIRECTORS

A retiring Director shall be eligible for re-election.

Existing Rule 34.(g) becomes Rule 34.(e).

Insert New Rule 34A.

TRIENNIAL RULE.

- (a) The members elected to the Board at the first Annual General Meeting at which the triennial rule applies will be divided into three (3) groups.

- (b) The groups:
 - (i) will be determined by drawing lots, and
 - (ii) will be designated as group 1, group 2 and group 3, and
 - (iii) will be in equal numbers, and
 - (iv) each group must contain one (1) member of the Executive (i.e. President, Vice-President and Treasurer).
- (c) Unless otherwise disqualified, the members of the Board of Directors:
 - (i) in Group 1 will hold office for one (1) year, and
 - (ii) in Group 2 will hold office for two (2) years, and
 - (iii) in Group 3 will hold office for three (3) years.
- (d) At each subsequent Annual General Meeting while the triennial rule is in force (other than the first such meeting) the number of the members required to fill vacancies on the Board shall be elected and will, unless otherwise disqualified, hold office for three (3) years.
- (e) A person whose term of office as a member of the Board of Directors under the triennial rule expires is not for that reason ineligible for election for a further term.
- (f) The triennial rule can only be revoked by a Special Resolution of members and decided on at a general meeting with this Special Resolution to include the new arrangements for the election of the Board. If the triennial rule is revoked, all members of the Board will cease to hold office at the next succeeding Annual General Meeting when new elections will take place in the manner determined at the general meeting when the triennial rule was revoked.

Delete existing Rule 35.(b) ELECTION OF DIRECTORS

Nominations for the election of a President, a Vice-President, a Treasurer and six (6) other Directors shall be made in writing and signed by two (2) members entitled to do so in accordance with these Rules and by the nominee who shall consent in writing to such nomination. The nomination shall be lodged with the Secretary who shall upon receipt post the name of the candidate and his proposers on the notice board.

Insert new Rule 35.(b) ELECTION OF DIRECTORS

Nominations for the election of vacant positions as specified in Rule 34A must be made in writing and signed by two (2) members entitled to do so. The nomination must provide details of the qualifications and experience of the person nominated and must be accompanied by a notice in writing signed by the nominee consenting to their nomination. The nomination must be lodged with the Secretary who on receipt, will post the names of the candidate and proposers on the Notice Board.

Insert new Rule 35.(k) ELECTION OF DIRECTORS

Any vacancies remaining at the end of the Annual General Meeting will be considered to be casual vacancies and will be filled as specified by Rule 37 (Filling of Casual Vacancies).

Insert new Rule 35.(l) ELECTION OF DIRECTORS

If there is a tied vote, the outcome will be determined by lot.

Information to Members:

By allowing for a 3 year term, the Board believes that greater continuity of medium to longer term planning can be achieved. In particular, the introduction of 3 year terms for Directors would ensure that Board decisions can be followed through more effectively from year to year. Members will no doubt agree that the management of registered clubs has changed dramatically over time and it is important that the Club retains as much experience as possible from year to year. The current system does not guarantee that the Board will always contain at least some Directors with the required skills to effectively set policies and ensure the Club's compliance with increasingly complex legislation. It has been suggested that in the future, Directors may be required to undergo formal training in corporate governance. The Triennial Rule will allow the Club to provide training to new Directors affordably and when required. It is proposed that should the Special Resolution be adopted, the new Rule 34A. Triennial Rule will apply effective from the date of registration by the Registry of Co-operatives and would take effect for the 2012 Annual General Meeting.

If the Meeting approves the introduction of the Triennial Rule, it is also necessary to amend parts of Rule 35 (Election of Directors). The Registry of Co-operatives have also advised the Club that new Rules 35(k) and (l) be included to comply with the Co-operatives Act.

Special Resolution Two.

“That the existing Clauses (c), (d), and (e) of Rule 12. APPLICATION FOR MEMBERSHIP be deleted and replaced with new Clauses (c), (d) and (e)”.

Existing Rule 12. APPLICATION FOR MEMBERSHIP.

- (c) Applications for membership shall be lodged at the registered office, in or to the effect of the form approved by the Board. Such application shall be signed by two Ordinary Senior Members or Life Members as proposer and seconder. Upon receipt of an application for membership, it shall be exhibited on a notice board placed in a prominent position in the Co-operative's premises for a period of (14) days prior to the monthly meeting of the Board of Directors. During such time, any objections to the application may be lodged with the Board.

- (d) Every application shall be considered by the Board. The applicant's name, date and any other information required by r under trhe Act shall be entered in the register of members. The applicant shall be notified in writing of the entry in the register and shall then be entitled to the privileges attaching to membership.
- (e) The Board may at its discretion, refuse any application for membership and need assign no reasons for such refusal, though the Board may choose to give reasons, if the Board considers it appropriate to do so. Upon refusal, the applicant's monies shall be refunded without interest.

Proposed New Rule 12. APPLICATION FOR MEMBERSHIP.

12. (c) Applications for membership must be lodged at the registered office using the form approved by the Board and together with:
- (i) the joining fee (if any) and the annual subscription; and
 - (ii) proof of identity as decided by the Board.
- On receipt of an application for membership, the identity of the applicant will be confirmed and the applicant's name and address will be exhibited on a notice board in a prominent position in the Co-operative's premises for a period of seven (7) days prior to the monthly meeting of the Board of Directors. During this time, any objections to the application may be lodged with the Board.
- (d) Every application for membership must be considered by the Board. As soon as practical after the Board meeting at which an application for membership has been accepted, the applicant's personal details and any other information required under the Act will be entered in the register of members. The applicant will then be entitled to the privileges attaching to membership of the Co-operative. The Co-operative is not required to notify a person in writing if he or she has been accepted for membership.
 - (e) The Board may refuse any application for membership and the Board is not required to provide any reason for the refusal. The Board may choose to give reasons if the Board considers it appropriate to do so. On refusal, the applicant's money will be refunded without interest.

Information to Members:

This Special Resolution seeks to improve the manner in which prospective members can join the Club. The requirement for a proposer and seconder known to the applicant is not legally necessary and is difficult to administer, especially when applicant's are new to the area. Under the new Rule 12., applications will be received by authorised staff who are required to establish the identity of the applicant before the application proceeds to the Board for review. Members retain the opportunity to challenge any application for membership.

President's Report

It is pleasing to report that the Club has had a financially successful year despite difficult times being experienced by the club industry in general. In fact, the Club has increased the level of financial support given to various local sporting and community groups at a time when many clubs are reducing external commitments due to the uncertain future of our industry. It is important for Members to understand that the future of our great little Club is very much in the hands of politicians who have no interest in protecting our Club or the community which we serve. Other reports will provide greater detail, needless to say that our Club needs your support to ensure our long term future.

The Club's successes would not be possible without the efforts of our high quality staff. Secretary Manager Ian Wills' knowledge of the club industry and sound advice has enabled your Board to successfully avoid and cope with many problems that face the industry. Ian is ably supported by a great team and I must thank Jo and Donna for their dedication to their administrative tasks. Of course our bar staff are equally dedicated and their caring and happy attitude towards our Members and guests keep our Club ahead of the rest.

During the year, we said goodbye to John Courte, who decided to retire after around 35 years of service. We wish him well in his retirement. While Peter Forbes also resigned from his cleaning job due to ill health, it's great to see Peter back playing bowls and actively assisting with our social games. We now have contract cleaners and it's great to see that they have fitted in well and have maintained the happy and friendly relationships we have become used to over the years.

Our other contractors, Eric and Christy Tse continue to provide our Members with delicious meals and we must not underestimate the number of visitors that our caterers attract to the Club.

Bad weather hampered our green keepers efforts this year and I would like to thank Paul and Ryan for their efforts throughout a difficult year. Despite these difficulties, they have been able to keep lost playing time to a minimum. The Lady Bowlers continue to run their Club in its usual efficient manner. During the year, President Sue Stock retired after three years and I welcome President Eileen who I know will do an excellent job.

I would like to thank our Bowls Secretary Rex Wiseman for another wonderful job. The numbers of bowlers playing at our Club has increased greatly and this can be attributed to the efficient way that Rex performs his duties. Rex is fortunate to have the support of a great 'team' who have assisted Rex throughout the year. This help is not only on normal Men's days, but also extends to Sunday bowls. I must mention the dedicated bowlers who have assisted in coaching school children from local public schools and I am sure Rex will provide more information in his report. We intend to start some new

initiatives in the near future, including ‘barefoot bowls’ on Thursday evenings so keep a look out for more details.

I would like to thank the Board of Directors for their contributions to Club policies during the year and I would like to especially thank those Directors who have assisted with administrative and social tasks on a regular basis. The Club cannot function without a working Board of Directors. A very special thanks must go to Jim Shannon who, while not a Director, continues to assist in any way he can and in many facets of the Club’s activities. To all other members who willingly give their time to assist in the running of the Club, I thank you.

My deepest sympathies are extended to the families and friends of our departed Members. All our thoughts are with you.

In conclusion, thank you to all our Members who continue to support the Club and help make this Club the great Club it is.

Alf Morrison
President

Treasurer’s Report

It is with pleasure that I report to Members that the Club achieved a net surplus of \$142,170 for the 2010/11 year. This result is especially pleasing given the difficulties faced by the industry at present. The importance of our sporting clubs to the Club became evident during the year as poor weather and mixed fortunes on the field resulted in lower than expected bar sales (down 5.7%). The decrease in sales was in part offset by a reduction in costs (down 8.7%) and the resulting net surplus from the bar as a percent of sales was comparable to last year at 24.3%.

Increased gaming revenue again proved to be the major contribution to the Club’s excellent results. Net gaming revenue including TAB and Keno increased by 8.6% compared to the previous year. The Board has invested in additional gaming machine entitlements during the year and results confirm that our players are enjoying the increased number and variety of games on offer.

The Club’s bowling activities contribute a significant portion of the Club’s expenses and it is good to see that expenses have been maintained at levels comparable to previous years (up 1.6% to \$145,757). I have been informed by many Bowling Members that the standard of our greens compare favourably to any around given especially that our greens costs are not excessive when compared to other clubs in the region. I must congratulate Head Green keeper Paul and assistant Ryan for their efforts in minimising costs without sacrificing results.

The Club was able to achieve savings in key areas of expenditure during the year. In particular, there was a 26.7% reduction in advertising expenditure mainly due to the Club ceasing to advertise with the Daily Examiner/Coastal Views. Savings were also made in raffle costs with changes to the raffles (e.g. Lower Clarence Rugby League now runs the Friday Raffle for their own benefit) resulting in savings of over \$25,000 (including Market Night). The Club benefited from adjustments to provisions including holiday and long service leave that resulted from the retirement of long serving employees and depreciation remained consistent with previous years (up slightly by 3.5% to \$332,951). It was particularly pleasing to note that wages costs have been maintained to 2010 levels (up by 0.2%). Wages have only risen overall by 5.9% since 2008, this is an excellent result.

The Club has not been immune to rising costs however, and areas such as electricity, freight and property maintenance costs are all rising. Electricity costs are particularly concerning and it is worth noting that expenses in this area have risen by 99.3% since 2006. The Board has entered into a supply agreement with TRUenergy, and while costs are expected to continue to rise, capital expenditure during the year on items such as the new 'power factor correction unit' will minimise increases. Insurance costs have also risen dramatically. In particular, the Club's workers compensation insurance premium rose by an incredible 211% largely due to a significant workers compensation claim made against the Club. The Club's general insurance has also seen significant increases and during the year, the Board changed insurers in an effort to control costs. The Board is continually investigating ways to reduce costs in all areas and while many costs are largely out of the Club's control, areas such as improved energy efficiency are being investigated.

The Board continues to hold funds in an 'interest offset account' with Banana Coast Credit Union and Members will note that an additional \$50,000 was added to this account during the year. This account works in the Club's favour as the interest rate at all times matches the Club's loan interest rate (currently 5.95%) while allowing access to funds when required for capital expenditure. The Club's loan will remain 'interest only' until December 2012 at which time the Board intends to make a substantial principal reduction.

It would be remiss of me not to thank our Secretary Manager Ian and his excellent team of staff for their contribution towards the Club's excellent results this year. From Jo and Donna in the office to our bar and greens staff, we are indeed fortunate to have a fantastic group of committed professionals.

John Nilon
Treasurer

Secretary Manager's Report

Where did the year go! We have had a very busy year this year and it is great to report that the Club continues to trade strongly even though there is much uncertainty in the industry. There were many highlights during the year from both sporting and social perspectives. While our live Friday night entertainment was sometimes 'hit and miss' in terms of patronage, those members that chose to support the club were treated to some fantastic nights. On the sporting front, our bowlers performed well at District and Zone levels and our bowling activities were well guided by Rex Wiseman and his 'team'. A special thanks to Green keepers Paul and Ryan for maintaining our usual high standards in sometimes trying circumstances.

While our sponsored clubs had mixed success this year, the Woodford Island 'Warriors' Cricket Club excelled to win both 1st and 3rd Grade LCCA Championships. As a foundation sponsor of the 'Warriors', the Club is proud of your achievements.

During the year, the Club increased its support of the local community and provided over \$59,000 in direct funds to a variety of worthwhile organisations. A full list is provided elsewhere in the report and it must be mentioned that the Club's 'in-kind' support by allowing use of the Club's facilities and services at no cost extends this support even further. Given the size of our Club, no other licensed venue on the Lower Clarence can claim this level of support to the broader community.

Many Members would be aware that the Club's ability to provide any external support is currently threatened by the political needs of the government to appease independents. Unfortunately, these independents have no knowledge or interest in the benefits that NSW clubs provide their communities and are seeking to ruin the club industry by forcing the introduction of 'mandatory pre-commitment' to all gaming machines.

It must be mentioned that the Club supports any method that will reduce the level of problem gambling in our community and the Club already offers proven options for any person who admits to having a problem. These options include self-exclusion whereby problem gamblers enter into a binding agreement to abstain from gambling. The Club also has formal links to counselling services that are very successful in assisting problem gamblers and their families. Of course, any help can only be successful if the individual admits to a problem and actively seeks to help themselves.

The problem with the current proposal for mandatory pre-commitment (MPC) is that the overwhelming majority of people will be forced to comply with draconian rules because of the minority. These rules include a 'players card' that links every gaming machine in Australia with a central computer. The player must set a limit (as high as they like!) on how much they will spend on the particular day and once this limit is reached, no further play will be allowed anywhere in Australia.

Unfortunately, the government is expecting Club's to pay for this system that has not been tested, has no guarantee that it will reduce problem gambling and ignores the more dangerous problem of allowing people to gamble away their life savings (or credit limits!) on-line. Technology to link machines does not currently exist and even if it did, clubs of our size have been informed to expect a cost of up to half a million dollars to implement. Combined with an estimated instant loss of around 40% of gaming revenue, it's easy to see the huge impact on our club's ability to survive. One point that is continually overlooked by our politicians when they lump clubs in with hotels and casinos is that clubs like ours are owned by their communities. Whatever profits are made are returned one way or another to the local community.

Make no mistake that once clubs are no longer able to provide locally owned and operated gambling, the corporate 'big boys' will soon have a myriad of other gambling opportunities. Our Club has already been informed first hand of local players that now sit at home in front of a computer. When asked why, the common answer is that at home, there are no rules restricting how much a person can drink or smoke. There's also no restriction on the use of credit cards to obtain money to gamble with. Do you think for one minute that problem gambling will reduce if clubs are replaced with other forms of gambling, of course not! Worse still, I think it highly unlikely that the government or corporate operator would step in and fill the void left by clubs in terms of providing low cost facilities and services not to mention financial support to the broader community.

The current uncertainty in the industry has forced the Board to take a hard look at the Club and its dependence on gaming machines for the majority of our revenue. Ideally, if the Club could reduce this reliance on gaming, the Club would be less at the mercy of political expediencies and in a much better position to determine the Club's own future with certainty. To this end, earlier this year, the Board secured the services of a consultant to assist the Board to determine various opportunities that could provide alternative revenue sources. One of the opportunities that was identified, was the possibility of constructing a 25 to 30 room motel on part of the Club's property at McLachlan Street. Our consultant has identified a need for more accommodation in Maclean and has reported to the Board that provided certain criteria are met, a motel would be more than viable.

That said, the Board does not take any decision lightly that may impact on the current level of services that Members enjoy and it must be stated that if a motel was to be built, the Club would be reduced to two bowling greens. If this was the case, it is envisaged that the remaining greens would be converted to two, under cover, synthetic greens. This would maximise the amount of available playing time given that currently, at least one of the greens is usually out of action for an extended period due to normal renovations. In addition, running costs would be significantly reduced as a result of a reduction in labour

and maintenance requirements.

In any case, please be assured that the Board intends to keep all Members fully informed as investigations proceed and the long term viability of the Club is the overriding concern in any decision relating to possible changes to the Club's facilities. Questions and input are welcome by Members, and the Board and I are most happy to receive suggestions and comments on any matter concerning the Club's future.

There is plenty to look forward to in the upcoming year. In the shorter term, the Club has now begun its biggest ever promotion. At the time of writing, we already have five spaces filled with another twenty to go in our 'Win a Car for Christmas' Promotion. All you need to do is swipe your card at the kiosk, spend at the bar or bistro for your chance to enter the draw. You must be at the Club each Friday for your chance in the weekly draws, so don't miss out. There's a Holden Barina and a share of \$5,000 cash to be won! We're also shouting five lucky punters and their mates to this year's Maclean Bowling Club Jacaranda Cup at Grafton Racecourse on Wednesday 2nd November. This is a great prize so check out the full details at the Club.

Our Club is fortunate to have the services of a great team of staff and I extend my sincere thanks to one and all for your great contributions during the year. Our contractors Eric and Christy Tse and their happy staff have been with us for many years now and their meals are still highly regarded by visitors and locals alike. During the year, we welcomed Duncan's Contract Cleaning after the retirement of John Courte and Peter Forbes. Duncan's have maintained high standards to date and while we miss John's smiling face and Peter's great work ethic, we look forward to a long association with our new cleaners.

In conclusion, I must pay special tribute to the hard work put in by the Board of Directors. The Board is made up of volunteers who receive no payment apart from a small honorarium and do not have to put the effort in that they do. Nevertheless, Directors can be seen helping run raffles, renovating bowling greens, picking up glasses and all manner of other tasks that make the Club run all the smoother. Please accept my sincere thanks for your efforts.

We have a great Club and I'm certain that with the support of our Members, we will overcome all of the challenges that are confronting us and I look forward to another successful year.

**Ian Wills JP BBus (Club & Gaming Management) ACCM
Secretary Manager**

Bowls Secretary Report

During the past year, bowling numbers on Wednesday and Friday have increased. This proves that members and visitors who join us enjoy their game of bowls as well as the hospitality of our members. I can also report the number of entries for our Championships has increased which means winning an event is a little harder. The relationship between the Lady and Men bowlers of our Club has been excellent and assistance when called for is always forthcoming with the usual enthusiasm. I thank you ladies.

I am always on the lookout for ideas to promote bowls that will fill greens on all bowling days. We have had successful visits from Clubs both within and outside our area and tournaments to date have been successful. I regret however, that two popular events (Christmas in August and Kings of the Clarence Challenge) were not able to be run due to extra Club Championship nominations as well as an involvement by our bowlers in District competitions. Once again the last Friday of the month 'Single Entry' competition is proving popular with fierce competition amongst various players. I would like to thank Riverland Travel for their continued sponsorship of this event.

The men's Travelling Bowlers group led by Ben Lee and his committee have made visits to Bowling Clubs both north and south and these visits are always enjoyed by those who travel. An appreciation day for members has already been held and on these days bowlers are looked after in many ways as a gesture of appreciation for those who support their weekly competitions.

This year, Maclean entered four Pennant sides in the District competition and we were successful in winning the District No. 7 grade. Our bowling strength was proven in District and Zone Championships this year. Don Plummer is the District and Zone Singles Champion, Steve Jackson won the District Club Champion of Champion Singles, John Collins sub for John Parkes and Graham Campbell was successful in winning the District Club Pairs Champion of Champion event. Jim Shannon was the winner of the District and Zone Senior Singles title as well as pairing with Leo Wood to be runner up in the Zone Senior Pairs Championship. Our Fours combination of Steve Jackson, Keith Garner, Frank Vogel and Rod Madden were winners of the District and Zone Fours Championship. I must also mention that Doug Starr and Ray Miller were runner-up in the District Senior Pairs Championship. All Zone winners will represent this club in the State Championships and we wish them well in their endeavours

This year an introduction to bowls lessons to Primary Schools was trialled and what a success it proved. The schools taking advantage of these lessons were St Joseph's Convent Maclean, Chatsworth Island Public and Harwood Island Public School. Each student attending was presented with a certificate at their school assembly on completion of their training and it is hoped that in a few years time this club will benefit from their

participation. These training sessions would not be possible if it were not for the dedicated coaches both men and ladies we have at our club. Giving their time to the Club is certainly appreciated.

Again this year I have received wonderful assistance from my Wednesday and Friday support team as well as the team of volunteers who have taken on the role of Sunday Mixed Bowls organisers on a rostered basis. Thanks to President Eileen and the lady bowlers especially those who assisted on big days. To President Alf and Board, Secretary Manager Ian, Jo, and Donna in the office, Bar staff, Green keepers and others I may have missed, I thank each and everyone for your contribution in making this year once again successful.

I have enjoyed my two years as Bowls Secretary but any praise should go the bowlers of this wonderful club of ours who have accepted all changes I have made and supported me at all times when requested. The presentation of Club Person of the Year to me last December was indeed an honour and I accepted it with pride. However it would not of been possible without the support of my wife Mary and the members of Maclean Bowling Club.

Rex Wiseman
Bowls Secretary

Maclean Women's Bowling Club Report

This past year has been a very full and busy year on the bowling scene. We entered three grades in the Pennants and they all acquitted themselves admirably with our '2's' winning at District level and proceeding to the group playoffs at South West Rocks. After an exciting finish, our Ladies came in second overall. Well done ladies! Our Club was also very well represented at the District Championships this year with Maclean having the winners and runners-up in the District Pairs and Runners-up in the District Triples. Our Ladies are certainly putting themselves out there in these competitions.

Four of our Ladies represented our Club in the A & B District games held at South West Rocks and eight of our Ladies represented our Club in the recent Inter-District Shield which was held at Brunswick Heads. The Clarence River District was victorious in bringing home the Shield. Once again, congratulations to all of our Ladies who have represented our Club at these high levels.

I would like to thank the Club Limited for all their financial support that they give to our Members who are chosen to represent our Club in the above competitions. Without their support, the financial cost to our Members would be far greater. My thanks go to Secretary Manager Ian, who is always able to find time to listen to any queries I have and help me reach an agreeable solution. Also to his office staff Jo and Donna, their help and

advice is invaluable. Thank you ladies. To John and bar staff, thank you for all your support, help and cheerfulness throughout the year. To Chrissy and the staff in the restaurant for their lovely meals throughout the year and a big thank you to Deb for the lovely sandwiches she makes us.

Our 'Springtime Triples' once again were a resounding success this year with 38 teams entering. A big thank you to the Club Limited for their continued sponsorship of this event. Next year, our Club will be hosting the Grades 1 and 2 Pennants Group Play offs for the season 2012. We are feeling very privileged to be chosen to host this most prestigious event.

This report would not be complete without thanking President Alf and Bowls Secretary Rex for all their support. Rex is doing a great job of running some mixed bowls days, just in case we have nothing else to do! Also a big thank you to our Green keepers Paul and Ryan for keeping our greens in good order.

Last but not least, a big thank you to all of our hard working Committee members and to all our general members who always step forward when volunteers are needed. Without you, this Club could not function.

Lee McKay
Secretary
Maclean Women's Bowling Club



Opening Day of the Maclean Women's Bowling Club (1947)

2010/11 Men's Championship Achievements.

	Winners:	Runner's-up
"A" Singles:	Steve Jackson	Frank Vogel
"B" Singles:	Joe Plater	Mark Hope
"C" Singles:	Richard Archer	Doug Howat
Major Pairs:	John Parkes Graham Campbell (skip)	Ray Miller Don Plummer (skip)
Major Triples:	Alan Ford Jon Keats Ian Wills (skip)	Keith Garner Graham Campbell Rod Madden (skip)
Major Fours:	Jim Cummins Alan Reed Peter Plater Mick Prowse (skip)	Leo Wood Jim Shannon Des Johnson Steve Jackson (skip)
Minor Pairs:	Ron Byrum Ray Schafer (skip)	Stan McKenzie Bob Campbell (skip)



*Maclean & District Bowling Club
2011 A Grade Singles Finalists
(L to R) President Alf Morrision with Steve Jackson & Frank Vogel
Steve won and went on to win the 2011 CRDBA Club Champion of Champions*

***DID YOU KNOW?
YOUR CLUB PROVIDED SUPPORT TO THE FOLLOWING ORGANISATIONS
DURING 2010 / 2011***

Maclean “Bobcats” Soccer Club (Major Sponsor)
Lower Clarence “Magpies” Rugby League Club (Major Sponsor)
Woodford Island “Warriors” Cricket Club (Major Sponsor)
Maclean Netball Club (Major Sponsor)
Clarence Coast Junior Rugby League Club (Major Sponsor)
Lower Clarence Cricket Association (Major Sponsor)
Western Districts Community & Sporting Club – Brisbane (2011 Queensland Floods)
United Hospitals Auxiliary (Maclean Hospital)
Maclean Sports Centre
Clarence River District Bowling Association
Clarence River District Women’s Bowling Association
Maclean Women’s Bowling Club
Lower Clarence Cricket Association – Umpires Association
Lower Clarence Darts Sporting Association
Maclean Seniors Club
NAIDOC Week
Terry Randall Memorial Golf Day
Maclean Bowling Club Social Darts Club
Legacy Club of Grafton Inc.
United Returned Soldiers Fund
Clarence River Jockey Club
TAFE – Maclean Campus
Maclean High School (MHS)
Maclean Public School
Iluka Public School
St Joseph’s Primary School
Harwood Island Public School
Rotary Club of Maclean
Maclean Lions Club
Maclean View Club
Clarence Valley Council (CVC) Community Support Services
CVC Regional Sports Day for People with a Disability
Lower Clarence Scottish Association (Highland Gathering)
Maclean Show Society
Maclean Orchid Society
Carly Leeson – State Cricket Representative
Northern Rivers Helicopter Rescue Service
Lawrence Rodeo
Woombah Rural Fire Service
U3A Book Group
U3A Chess Group

DIRECTORS' REPORT

Your Directors present their report on the Co-operative for the financial year ended 30th June 2011.

Directors

The Directors in office at any time during or since the end of the year are:

Alfred Morrison	Doug Starr
Alan Ford	John Nilon
Phil Tobin	Bruce Ellem
Graham Campbell	Don Ensbey
Edwin Anstiss (Appointed last AGM)	Patricia Forbes (Retired last AGM)

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

Principal Activities

The principal activity of the Co-operative during the year has been that of a Bowling and Recreation Club and activities associated with a Registered Sporting Club.

There were no significant changes in the nature of the Club's activities during the year.

The Co-operative's short-term objectives are to:

- Promote the sport of lawn bowls in the community
- Provide a safe and attractive club house environment for Members and their guests to enjoy
- Provide social activities, entertainment and games for Members and their guests that cater to a wide range of Members' tastes
- Provide a safe, productive and enjoyable working environment for employees
- Maintain the Co-operative's assets and facilities to a high standard including replacement where necessary to a standard expected by Members
- Support worthwhile local and regional community and sporting organisations using both direct financial support and 'in-kind' means
- Ensure the financial stability and viability of the Co-operative
- Continue to invest in the Co-operative's Banana Coast Community Credit Union 'Interest Offset' account in preparation for a transfer of a lump sum repayment off the Club's borrowings at the expiration of the Co-operative's 'interest only' period during December 2012
- Adhere to all legislative requirements that relate to the Co-operative's operations
- Explore other potential sources of income and opportunities that may enable a future reduction in the Co-operative's reliance on gaming machines as the Co-operative's predominant source of revenue.

The Co-operative's long-term objectives are to:

- Promote the sport of lawn bowls in the community

- Expand and develop the Co-operative's operations in line with the growth of the region and Members' interests
- Expand and improve the Co-operative's services in line with changing community needs and expectations
- Secure and maintain the Co-operative's financial security
- Investigate and implement other potential sources of income that will reduce the Co-operative's reliance on gaming machines as the Co-operative's predominant source of revenue
- Discharge the Co-operative's loan with Banana Coast Community Credit Union.

To achieve these objectives, the Co-operative has adopted the following strategies:

- The Co-operative prepares an annual budget and utilises other financial reporting tools. The Executive, Manager and Board of Directors regularly review the financial performance of the Co-operative. The Board of Directors and Management strive to meet consistent standards of best practice in all aspects relating to the Co-operative's financial performance.
- Forming part of the Co-operative's strategy to explore other sources of revenue, the Board of Directors has engaged a consultant, Jenny Rand & Associates, to investigate the feasibility of building a motel on the Co-operative's property at McLachlan Street, Maclean.
- The Co-operative provides lawn bowling greens of a consistently high standard. The Board of Directors implement organised social and competitive events. Running costs are deliberately subsidised by the Co-operative's other activities to promote the sport and maximise participation by the widest possible range of people.
- The Co-operative has formed relationships with many of the areas community and sporting organisations. The Board of Directors will continue to support these organisations with the aim of raising and maintaining the Co-operative's profile as being an integral part of the local community.

Results for the Year

The net profit for the financial year after providing for Income Tax was **\$142,169**.

Review of Operations

(i) Trading

The increased net profit was obtained mainly due to the fact that:

- Bar sales increased by \$52,110 and bar expenses decreased by \$37,084 for a net bar profit of \$207,997 down on 2010 by \$15,026.
- Poker machines receipts increased by \$196,919 to \$1,660,079. Total gaming profits (including TAB and Keno commissions) were \$1,116,060, up on last year by \$87,085.
- Other income and expenses for 2011 remain comparable to 2010 figures although donations were up \$13,068 and holiday/long service leave decreased by \$50,087.

(ii) Capital Expenditure

During the year the Club expended **\$230,134** on buildings and improvements and a new courtesy bus.

Club Property

Section 41J(2) of the Registered Clubs Act 1976 requires that core and non-core property of the Club is specified in the Annual Report:

- The defined premises of the Club including three bowling greens and surrounds, the southern and western car park constitutes the core property of the Club.
- There is no non-core property that is owned or occupied by the Club.

Information on Directors:

ALFRED MORRISON

Qualifications and Experience:

Retired Warehouse and Transport Manager. Member of the Club for 22 years. Current President and Director and has served on the Board for 10 consecutive years.

Special Responsibilities: and House Committee.

President, Match, Finance, Gaming, Greens, Building

Voluntary work includes gaming machine clearances, Wednesday and Friday raffles and assisting greens renovations, club maintenance and major activities.

Directors Meetings Attended:

15

DOUGLAS STARR

Qualifications and Experience:

Retired. Current Vice-President. Member of the Club for 10 years, has served on the Board at various times for a total period of 6 years

Special Responsibilities:

Vice-President, Finance, Gaming, Match Committees. Pennant Selector. Voluntary work includes gaming machine clearances, Monday raffles, bowls umpiring and assisting with major activities.

Directors Meetings Attended:

14

JOHN NILON

Qualifications and Experience:

Painter and Decorator. Member of the Club for 34 years. Current Treasurer. Past Vice-President of the Club and has served on the Board for 14 consecutive years

Special Responsibilities:

Treasurer, Finance and Building Committees. Voluntary work includes Wednesday and Friday raffles and weekend reconciliations. Assists with club maintenance.

Directors Meetings Attended:

15

GRAHAM CAMPBELL

Qualifications and

Retired.

Experience:

Member of the Club for 39 years. Has served on the Board for the last 8 consecutive years and has served at various times for a total period of 16 years.

Special Responsibilities:

Building and Match Committees.

Directors Meetings Attended:

15

DON ENSBEY

Qualifications and

Retired Sugar Cane Grower.

Experience:

Member of the Club for 34 years. Former President, Vice-President and Director of the Club for 18 consecutive years and has served on the Board at various times for a total period of 24 years.

Special Responsibilities:

Gaming, House, and Greens Committees. Voluntary work includes gaming machine clearances and bowls activities.

Directors Meetings Attended:

15

EDDIE ANSTISS

Qualifications and

Retired Manager.

Experience:

Member of the Club for 7 years. Eddie has served on the Board for 1 year.

Special Responsibilities:

Gaming, House, and Greens Committees. Voluntary work includes gaming machine clearances, bowls and assisting the conduct of social activities.

Directors Meetings Attended:

8 (8)

ALAN FORD

Qualifications and

Commercial Fisher.

Experience:

Member of the Club for 49 years. Alan has served on the Board for a period of 12 consecutive years and at various times for a total period of 13 years.

Special Responsibilities:

Greens and Match Committees. Liaison with sponsored clubs and charity groups. Voluntary work includes assisting the conduct of charity and fundraising bowls events, welding and repair of greens equipment and general assistance with club house maintenance and improvements.

Directors Meetings Attended:

14

PHIL TOBIN

Qualifications and Experience:

Retired.

Member of the Club for 15 years. Has served on the Board at various times for a total period of 5 years.

Special Responsibilities:

Gaming and House Committees. Co-ordinates Social Darts. Voluntary work includes gaming machine clearances, Monday raffles, Courtesy Bus driver and assistance with major events.

Directors Meetings Attended:

15

BRUCE (HANK) ELLEM

Qualifications and Experience:

Commercial Fisher.

Member of the Club for 32 years. Has served on the Board for a total period of 3 years.

Special Responsibilities:

House, Greens and Building Committees. Voluntary work includes regular raffles. Assists with greens renovations, club maintenance, major events, regular raffles, gaming machine clearances, club maintenance and technical advice.

Directors Meetings Attended:

14

During the financial year 15 meetings of Directors were held. The number of meetings attended by each Director during the year is stated. Where the person was a Director for part of the year, the maximum number of meetings possible to attend is stated in brackets. Please note that in addition to Monthly and Special meetings of the Board of Directors, Directors also attended regular sub-committee meetings.

Proceedings on behalf of the Co-operative

No person has applied for leave of Court to bring proceeding on behalf of the Co-operative or intervene in any proceeding to which the co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of these proceedings.

The Co-operative was not a party to any such proceedings.

Auditor's Independence Declaration

The Auditor's independence declaration for the year ended 30 June 2011 has been received and can be found following the Directors' report.

Signed in accordance with a resolution of the Board of Directors

Alfred Morrison

Dated this 4th October, 2011



Paull B Kennedy B Ec DIP FinMgt FCA DIP.FP.CFP

Peter M Saunders BFA CA



INDEPENDENT AUDITOR'S REPORT

To the Members of Maclean & District Bowling Club Co-op Limited.

We have audited the accompanying financial statements of Maclean & District Bowling Club Co-op Limited which comprises the financial position as at 30 June 2011, and the income statement, statement of comprehensive income, statement of changes 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.

Directors Responsibility for the Financial Report

The directors of the co-operative are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Co-operatives Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 statements. 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 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 Co-operatives Act. We confirm that the independence declaration required by the Co-operatives Act, provided to the directors of Maclean & District Bowling Club Co-op Limited on 4th October 2011 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 Maclean & District Bowling Club Co-op Limited is in accordance with the Co-operatives Act 1992, including

- a) giving a true and fair view of the club's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations), the Co-operative Act 1992, the Co-operative Legislation Amendment Bill 2001 and relevant NSW Regulations.

KENNEDY SAUNDERS

Peter Saunders

Registered Company Auditor 4530

Maclean, NSW

Dated 4th October 2011

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2010	2011
Revenue	2	2,657,883	2,793,905
- cost of goods sold		394,408	360,234
- employee benefits expenses (including superannuation)		811,922	753,890
- depreciation expense		321,778	332,951
- finance costs		69,491	72,891
- other expenses		1,059,839	1,131,770
Profit before income tax		445	142,169
- income tax expense		--	--
Profit for the year		445	142,169
Net Profit – attributable to Members of the club		445	142,169

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	2010	2011
Profit for the year	445	142,169
Other comprehensive income – land revaluation	---	41,000
Total Comprehensive Income attributable to		
Members of the entity	445	183,169

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	2010	2011
Current Assets:			
Cash & Cash Equivalents	4	585,354	631,667
Trade & Other Receivables	5	5,802	12,873
Inventories	6	41,498	36,413
Total Current Assets:		<u>632,654</u>	<u>680,953</u>
Non-Current Assets:			
Financial Assets	7	1,325	1,325
Property, Plant & Equipment	9,10	3,420,652	3,358,162
Intangible Assets	8	<u>167,763</u>	<u>312,884</u>
Total Non-Current Assets:		<u>3,589,740</u>	<u>3,672,371</u>
TOTAL ASSETS		4,222,394	4,353,324
Current Liabilities:			
Short-Term Provisions	12	147,255	133,969
Trade & Other Payables	11	150,485	110,002
Financial Liabilities	16	<u>132,288</u>	<u>133,581</u>
Total Current Liabilities		430,028	377,552
Non Current Liabilities			
Long Term Provisions	12	13,432	14,890
Financial Liabilities	16	<u>1,203,446</u>	<u>1,202,225</u>
Total Non Current Liabilities		<u>1,216,878</u>	<u>1,217,115</u>
TOTAL LIABILITIES		<u>1,646,906</u>	<u>1,594,667</u>
NET ASSETS		<u>2,575,488</u>	<u>2,758,657</u>
Equity:			
Asset Revaluation Reserve		506,950	547,950
Retained Earnings	17	<u>2,068,538</u>	<u>2,210,707</u>
TOTAL EQUITY		<u>2,575,488</u>	<u>2,758,657</u>

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2010	2011
		\$	\$
Cashflow from Operating Activities			
Receipts from Patrons		2,817,396	3,086,944
Payments to Suppliers and Employers		(2,255,895)	(2,374,147)
Interest Received		2,195	1,993
Goods & Services Tax Paid		(112,012)	(188,581)
Finance Costs		<u>(69,491)</u>	<u>(72,891)</u>
Net Cash Provided by operating Activities		382,193	453,318
Cashflow from Investing Activities			
Proceeds from Sale of Property, Plant & Equipment		1,115	--
Purchase of Property, Plant and Equipment		(187,159)	(402,683)
		<hr/>	<hr/>
Net Cash Provided by Investing Activities		(186,044)	(402,683)
Cashflow from Financing Activities			
Proceeds from Borrowings		<u>12,855</u>	<u>78</u>
Net Cash provided by Financing Activities		12,855	78
Net Increase/(Decrease) in Cash Held		209,004	50,713
Cash at 1 July		<u>376,530</u>	<u>585,354</u>
Cash at 30 June	4	<u>585,354</u>	<u>631,667</u>

Statement of Changes in Equity of the year ended 30 June 2011

	Retained Earnings	Asset Revaluation Reserve
Balance at 30 June 2009	2,068,093	506,950
Profit attributable to the entity	445	
Balance at 30 June 2010	2,068,538	506,950
Profit attributable to the entity	142,169	
Net gain on Revaluation of Assets	-	41,000
Balance at 30 June 2011	2,210,707	547,950

The accompanying notes form part of this financial statement

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

Maclean & District Bowling Club Co-operative Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Co-operatives Act 1992, the Co-operative Legislation Amendment Bill 2001 and the relevant regulations (NSW).

The financial report covers the economic entity of Maclean & District Bowling Club Co-operative Limited as an individual entity. It is a co-operative incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparations of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are 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) Investments

Investments are bought to account at cost. The carrying amount of the investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the investments. The expected net cash flows from investments have not been discounted to their present values in determining the recoverable amounts, except where stated.

Interest and dividends are brought to account in the Profit & Loss statement when receivable.

- (b)** Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011 (Cont.)**

Land: Freehold land is measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in one arms-length transaction. It is the policy of the club to implement valuations when received.

The revaluation of freehold land does not require capital gains tax to be taken into account, as the club is exempt from taxation.

Buildings, Plant & Equipment: Freehold buildings and Plant & Equipment are measured at cost.

The club is treated as a ‘not-for-profit’ entity where the value of certain assets in the club has future benefits that are not directly related to cash flows in the future. The club has determined to use depreciated replacement cost as an appropriate measure for impairment.

The cost of fixed assets constructed includes the cost of materials and direct labour.

Depreciation: The depreciable amount of all fixed assets including building but excluding freehold land, is depreciated on a straight basis, over their useful lives commencing from the time the asset is held ready for use.

The gain or loss on the disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before tax of the co-operative in the year of disposal.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Equipment, Furniture & Fittings	13-20%
Bar Plant	10-20%
Poker Machines	20%
Office Equipment	20%
Kitchen Equipment	9-20%
Floor coverings & Curtains	13-20%
Air Conditioning	10-20%
Greens Equipment	9-20%
Courtesy Bus	20%

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a “first in, first out” basis.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011 (Cont.)**

(d) Employee Benefits

Provision is made for the club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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 co-operative to an employee Superannuation Fund and are charged as expenses when incurred.

(e) Income Tax

The Co-operative has obtained exemption from Income Tax under Section 50-45 of the Income Tax Assessment Act 1997.

(f) Cash & Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with maturities of 90 days or less and bank overdrafts.

(g) Revenue & Other Income

Revenue from bar trading and gaming is recognised upon receipt. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset. Revenue from other sources is recognised on a proportional basis when the service has been delivered to the customers.

All revenue is stated net of the amount of goods and services tax (GST) except on the Statement of Cash flows.

(h) Comparative Figures

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is 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 statement of financial position are shown exclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis except for the GST components of investing and financing activities which are disclosed as operating cash flows.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE, 2011 (Cont.)**

(j) Provisions

Provisions are recognised when the Co-operative has a legal and constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Critical Accounting

The directors evaluate estimates and judgments 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 group.

(l) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the co-operative commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011 (Cont.)**

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

(m) Intangible Assets

Loan Establishment Fees

The fees are incurred in applying for finance related to improvements to buildings and plant. The fees capitalised will be written off over 5 years.

Poker Machine Entitlements

Poker machine entitlements are bought to account at cost. The carrying amount of the entitlements is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the poker machine entitlements. The expected net cash flows from entitlements have not been discounted to their present values in determining the recoverable amounts, except where stated.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011 (Cont.)**

	2010	2011
	\$	\$
NOTE 2: REVENUE & OTHER INCOME		
Revenue		
- sale of goods	909,311	857,364
- gaming revenues	1,536,680	1,736,933
- interest received (other persons)	2,195	1,993
- other revenue	<u>210,952</u>	<u>197,615</u>
	2,657,883	2,793,905
Other Income		
- Profit/(Loss) on disposal of Property, Plant & Equipment	1,014	(579)
Expenses		
Depreciation		
- Buildings	70,000	67,019
- Poker Machines	127,583	136,838
- Bar	22,393	18,257
- Greens	6,835	4,782
- Other	<u>94,968</u>	<u>106,055</u>
	321,778	332,951
Finance Costs		
- Interest Expense	69,491	72,891

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011 (Cont.)**

NOTE 3: AUDITOR'S REMUNERATION	2010	2011
Amounts received or due and receivable by Co-operative auditors for: \$	\$	\$
- auditing the accounts	7,000	7,000
- accounting & taxation services,	<u>6,699</u>	<u>6,495</u>
	13,699	13,495

NOTE 4: CASH & CASH EQUIVALENTS

Current

Cash at bank and in-hand	580,354	626,667
Short term deposits	<u>5,000</u>	<u>5,000</u>
	585,354	631,667

Reconciliation of Cash & Cash Equivalents at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows

Cash & Cash Equivalents	585,354	631,667
Trading Account	57,220	49,570
TAB	7,171	3,748
TAB Term Deposits 9/7/11	5,000	5,000
Loan Off Set A/C	450,000	500,000
Keno	5,898	1,788
WBC Cheque A/C	10,797	10,561
S12 Cash Call	22,210	21,000
Mixed Travel Fund	428	-
Cash in Hand	<u>26,630</u>	<u>40,000</u>
	585,354	631,667

NOTE 5: TRADE & OTHER RECEIVABLES

Prepayments	5,802	8,473
Sundry Debtors	<u>-</u>	<u>4,400</u>
	5,802	12,873

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2011 (Cont.)**

	2010	2011
	\$	\$
NOTE 6: INVENTORIES		
Trading Stock on Hand	<u>41,498</u>	<u>36,413</u>
NOTE 7: FINANCIAL ASSETS		
Available for sale:		
- Shares in Companies	<u>1,325</u>	<u>1,325</u>
NOTE 8: INTANGIBLE ASSETS		
Borrowing Costs	2,879	655
Poker Machine Entitlements	<u>164,884</u>	<u>312,229</u>
	<u>167,763</u>	<u>312,884</u>
NOTE 9: PROPERTY, PLANT & EQUIPMENT		
Land at Independent Valuation 2010	614,000	655,000
Buildings at Cost	2,551,110	2,562,425
Less Provision for Depreciation	<u>(483,710)</u>	<u>(550,331)</u>
	2,067,400	2,012,094
Bar Plant at Cost	214,371	210,925
Less Provision for Depreciation	<u>(167,004)</u>	<u>(181,816)</u>
	47,367	29,109
Office Equipment at Cost	29,253	41,123
Less Provision for Depreciation	<u>(16,916)</u>	<u>(21,550)</u>
	12,337	19,573

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)**

	2010	2011
	\$	\$
Carpet, Floor coverings and Curtains at Cost	197,368	198,931
Less Provision for Depreciation	<u>(146,034)</u>	<u>(168,219)</u>
	51,334	30,712
Equipment, Fixtures and Furnishings at Cost	390,239	411,695
Less Provision for Depreciation	<u>(254,070)</u>	<u>(294,688)</u>
	136,164	117,007
Greens Equipment at Cost	129,481	130,571
Less Provision for Depreciation	<u>(119,061)</u>	<u>(123,843)</u>
	10,420	6,728
Poker Machines at Cost	860,722	1,030,360
Less Provision for Depreciation	<u>(517,424)</u>	<u>(650,762)</u>
	343,298	379,598
Kitchen Equipment at Cost	119,256	119,256
Less Provision for Depreciation	<u>(103,380)</u>	<u>(107,493)</u>
	15,876	11,763
Air Conditioning at Cost	218,789	218,789
Less Provision for Depreciation	<u>(119,565)</u>	<u>(139,752)</u>
	99,224	79,037
Courtesy Bus at Cost	42,318	42,318
Less Provision for Depreciation	<u>(19,087)</u>	<u>(24,778)</u>
	23,231	17,540
	3,420,652	3,358,162

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)**

Asset Revaluations

The freehold land was independently valued at 1st July 2010 by Lands NSW. The valuation is based upon fair value and does not take into account costs to sell.

The directors are satisfied that the carrying value does not exceed the recoverable amount of the land at 30 June 2011.

**NOTE 10: PROPERTY, PLANT & EQUIPMENT
MOVEMENTS IN CARRYING AMOUNTS**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year (appears next page).

**Maclean & District Bowling Club has established links
with the following counselling service;**

***Northern Rivers Gambling Counselling Service
Free & Confidential 02 6687 2520***

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)**

	Buildings	Furniture & Fittings	Bar Plant	Poker Machines	Office Equipment	Kitchen Equipment
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	2,067,400	136,166	47,366	343,298	12,335	15,879
Additions	12,365	29,468		173,097	12,550	
Disposals	(649)	(68)				
Depreciation Expense	(67,019)	(48,564)	(18,257)	(136,845)	(5,315)	(4,113)
Carry amount at the end of the year	2,012,097	117,002	29,109	379,550	19,570	11,766
	Land	Floor Cover & Curtains	Air Condition	Greens Equipment	Courtesy Bus	TOTAL
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	614,000	51,334	99,223	10,420	23,232	3,420,653
Additions	41,000	1,564		1,090		271,134
Disposals				(2)		(719)
Depreciation Expense		(22,185)	(20,187)	(4,782)	(5,691)	(332,958)
Carry amount at the end of the year	655,000	30,713	79,036	6,726	17,541	3,358,080

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)**

NOTE 11: TRADE & OTHER PAYABLES

	2010	2011
	\$	\$
Trade Payables	68,471	55,771
Accrued Expenses	15,150	16,737
Subscriptions Paid in Advance	16,816	19,047
Poker Machine Rebate	1,718	1,718
Goods & Services Tax	<u>48,330</u>	<u>16,730</u>
	150,485	110,002
NOTE 12: PROVISIONS		
Opening Balance at 1 July	102,409	160,689
Additional Provisions	<u>58,278</u>	<u>(11,830)</u>
Closing Balance at 30 June	160,687	148,859
Current	147,255	133,969
Non- Current	<u>13,432</u>	<u>14,890</u>
	160,687	148,859

NOTE 13: SEGMENT INFORMATION

The Co-operative operates in the registered and sporting club industry from its operation in McLachlan Street, Maclean.

NOTE 14: CONTINGENT LIABILITY

There is a contingent liability at the end of the year, being a security deposit with the BCU, of \$5,000.00 in favour of the Totalisator Agency Board of New South Wales.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)**

NOTE 15: Financial Risk Management

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

	Note	2010 \$	2011 \$
Financial Assets			
Cash and cash equivalents	4	585,354	631,667
Trade and receivables	5	5,802	12,873
		_____	_____
Total Financial Assets		<u>591,156</u>	<u>644,540</u>
Financial Liabilities			
Trade and other payables	11	150,485	110,002
Borrowings	16	1,335,734	1,335,806
		_____	_____
Total Financial Liabilities		<u>1,486,219</u>	<u>1,445,808</u>

NOTE 16: FINANCIAL LIABILITIES

BCU Commercial Loan

- Current	132,288	133,581
- Non-Current	1,203,440	1,202,225

The commercial business loan is secured by a registered first mortgage over the Co-operative property at McLachlan Street, Maclean 2463, a goods mortgage over the remainder of the whole of assets and undertakings of the Co-operative. There is also a charge over the liquor license of Maclean & District Bowling Club Co-op Limited.

The maximum period of borrowing is 20 years, although Directors are of the opinion the loan will be substantially paid over 10 years. The current interest rate is 5.95% (2010 - 6.2%).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)**

NOTE 17: RESERVES

- a) Revaluation Surplus
The revaluation surplus records revaluations of non-current assets.

NOTE 18: RELATED PARTY TRANSACTIONS

During the financial year ended 30 June 2011 the wife of Director Graham Campbell, Jo Campbell, was employed in administration and the husband of Director Patricia Forbes, Peter Forbes, was employed in cleaning. Remuneration is based on the Registered and Licensed Clubs Award.

NOTE 19: KEY MANAGEMENT PERSONNEL COMPENSATION

The total of remuneration paid to key management personnel (KMP) and the co-operative during the year are as follows.

	2010	2011
Key Management Personnel Compensation (3 Persons)	198,806	201,538

DIRECTORS' DECLARATION

The Directors of the Co-operative declare that:

1. The Financial Statements and Notes, as set out on the attached pages;
 - (a) comply with Accounting Standards
 - (b) give a true and fair view of the financial position as at 30th June, 2011 and of the performance for the year ended on that date of the co-operative.
2. In the Directors opinion 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.

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

Alfred George Morrison
Maclean, 4th October 2011

MACLEAN & DISTRICT BOWLING CLUB CO-OP LIMITED

ABN: 86 678 526 412

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF

MACLEAN & DISTRICT BOWLING CLUB CO-OP LIMITED

I declare that to the best of my knowledge and belief that during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as required by applicable Acts in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KENNEDY SAUNDERS

Peter Mark Saunders

4th October 2011

McLachlan Street

MACLEAN NSW 2463

Vale

The Board of Directors, Manager and Staff wish to pass on their deepest sympathies to the relatives and friends of the following Members who passed away during the 2010 / 2011 year;

Alan Stewart Balfour

Barry Edgar Holloway

Peggy McLaren

Lynette Daley

Elva McKrae

John Miller

Donald Cameron

Toni Maton

Maxwell Gough

Patricia Mills

Daphne Gray

Doris Moore

Brian Morrison

Anthony Perez

Victor Stewart McFarlane

Jocelyn Edith Gates

Jermaine King