

**COONABARABRAN BOWLING CLUB
CO-OPERATIVE LIMITED
ABN 64 383 657 304**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2015**

COONABARABRAN BOWLING CLUB
CO-OPERATIVE LIMITED
ABN 64 383 657 304

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**COONABARABRAN BOWLING CLUB
CO-OPERATIVE LIMITED
ABN 64 383 657 304**

DIRECTORS' REPORT

Your directors present their report on the Co-operative for the financial year ended 31 May 2015.

Directors

The names of the directors in office at any time during and to the date of this report are:

Des White
Olive Berney
Troy Brown (appointed 14 September 2014)
Norm Buchanan (resigned 14 September 2014, reappointed 29 January 2015)
Gordon McAlpine (resigned 29 January 2015)
Mark Mylecharane
Peter Sweeney

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

Review of Operations

The Co-operative recorded a surplus of \$194,527 for the year compared to a surplus of \$24,112 in the prior year.

Revenue has increased by \$155,576 (8.6%) to \$1,959,585 from the prior year. Significant movements include; bar sales increased by \$59,397 (10.9%) to 605,390, bistro sales decreased by \$3,220 (1.0%) to \$325,606 and poker machine income increased by \$82,871 (11.6%) to \$796,393.

Expenditure has decreased by \$2,910 (0.8%) to \$1,765,058. Significant movements include; cost of goods sold increased by \$43,948 (12.4%) to \$399,243, employee expenses decreased by \$10,890 (1.6%) to \$665,640 and other expenses decreased by \$48,747 (7.8%) to \$576,014.

Significant Changes in the State of Affairs

No significant changes in the Co-operative's state of affairs occurred during the financial year.

Principal Activities

The principal activity of the Co-operative during the financial year was to trade as a licensed bowling club. There was no significant change in the nature of that activity during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Co-operative and the expected results of these operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Co-operative.

**COONABARABRAN BOWLING CLUB
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**DIRECTORS' REPORT
(Continued)**

Environmental Regulation

The Co-operative's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or State.

Dividends

No dividend has been paid or recommended by the Co-operative since the end of the previous financial year.

Meetings of Directors

During the financial year, eleven (11) meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Des White	11	11
Olive Berney	11	11
Troy Brown	8	7
Norm Buchanan	6	4
Gordon McAlpine	8	7
Mark Mylecharane	11	10
Peter Sweeney	11	11

Directors' Qualifications

Des White Experience	- President - Board Member since 1991
Norm Buchanan Experience	- Senior Vice President - Board Member since 2009
Olive Berney Experience	- Junior Vice President - Board Member since 2009
Peter Sweeney Experience	- Treasurer - Board Member since 2002
Mark Mylecharane Experience	- Director - Board Member since 2012
Troy Brown Experience	- Director - Board Member since 2014

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Co-operative except for premiums paid to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Co-operative.

**COONABARABRAN BOWLING CLUB
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**DIRECTORS' REPORT
(Continued)**

Proceedings on Behalf of the Co-operative

No person has applied for leave of Court to bring proceedings on behalf or intervene in any proceedings to the Co-operative, is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings. The Co-operative was not a party to any such proceedings during the year.

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

DES WHITE
President

PETER SWEENEY
Treasurer

Dated at Coonabarabran this 30th day of July 2015.

**COONABARABRAN BOWLING CLUB
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DIRECTORS' DECLARATION

The directors of the Co-operative declare that:

1. The financial statements and notes, as set out on pages 5 to 30, are in accordance with the Co-operatives Act 1992:
 - a) comply with Accounting Standards and the Co-operation (Accounts and Audit) Regulation 2005; and
 - b) give a true and fair view of the financial position as at 31 May 2015, and 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 declaration is made in accordance with a resolution of the Board of Directors.

DES WHITE
President

PETER SWEENEY
Treasurer

Dated at Coonabarabran this 30th day of July 2015.

**COONABARABRAN BOWLING CLUB
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ABN 64 383 657 304**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 \$	2014 \$
Revenues	2	1,959,585	1,804,009
Changes in inventories		11,928	(5,809)
Raw materials and consumables used		(411,172)	(349,486)
Employee expenses	3	(665,640)	(676,530)
Depreciation and amortisation expense	3	(106,820)	(101,325)
Finance costs	3	(17,340)	(21,986)
Other expenses		(576,014)	(624,761)
Surplus before income tax		194,527	24,112
Income tax expense	1.1	-	-
Surplus for the year		194,527	24,112
Other comprehensive income		-	-
Total comprehensive income for the year		\$194,527	\$24,112

The accompanying notes form part of these financial statements.

**COONABARABRAN BOWLING CLUB
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**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2015**

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	131,416	115,527
Trade and other receivables	6	5,334	2,464
Inventories	7	44,307	32,379
Financial assets	8	84,314	-
Other current assets	9	6,695	5,849
		272,066	156,219
NON-CURRENT ASSETS			
Financial assets	8	40	40
Property, plant and equipment	10	814,625	753,607
		814,665	753,647
TOTAL NON-CURRENT ASSETS		814,665	753,647
TOTAL ASSETS		1,086,731	909,866
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	105,668	152,748
Financial liabilities	12	33,497	39,889
Short term provisions	13	21,435	15,193
		160,600	207,830
TOTAL CURENT LIABILITIES		160,600	207,830
NON-CURRENT LIABILITIES			
Financial liabilities	12	229,771	204,953
Long term provisions	13	23,352	18,602
		253,123	223,555
TOTAL NON-CURRENT LIABILITIES		253,123	223,555
TOTAL LIABILITIES		413,723	431,385
NET ASSETS		\$673,008	\$478,481
EQUITY			
Retained earnings		673,008	478,481
TOTAL EQUITY		673,008	478,481

The accompanying notes form part of these financial statements.

**COONABARABRAN BOWLING CLUB
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,144,584	1,988,253
Interest received		1,795	468
Payments to suppliers and employees		(1,880,002)	(1,858,297)
Finance costs		(17,340)	(21,986)
Net cash provided by operating activities	14.2	<u>249,037</u>	<u>108,438</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of plant and equipment		20,500	-
Payment for property, plant and equipment		(113,312)	(27,500)
Payment for held to maturity investments		(84,314)	-
Net cash used in investing activities		<u>(177,126)</u>	<u>(27,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		60,000	50,000
Repayment of borrowings		(85,130)	(32,905)
Repayment of finance lease commitments		(30,892)	(18,152)
Net cash provided by / (used in) financing activities		<u>(56,022)</u>	<u>(1,057)</u>
Net increase/(decrease) in cash held		15,889	79,881
Cash at the beginning of the financial year		<u>115,527</u>	<u>35,646</u>
Cash at the end of the financial year	14.1	<u>131,416</u>	<u>115,527</u>

The accompanying notes form part of these financial statements

COONABARABRAN BOWLING CLUB
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2015

	Retained earnings \$	Total \$
Balance at 31 May 2013	454,369	454,369
Surplus for the year	24,112	24,112
Total comprehensive income for the year	-	-
Balance at 31 May 2014	<hr/> 478,481	<hr/> 478,481
Surplus for the year	194,527	194,527
Total comprehensive income for the year	-	-
Balance at 31 May 2015	<hr/> \$673,008	<hr/> \$673,008

The accompanying notes form part of these financial statements.

**COONABARABRAN BOWLING CLUB
CO-OPERATIVE LIMITED
ABN 64 383 657 304**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Co-operatives Act 1992 and the Co-operation (Accounts and Audit) Regulation 2005.

The financial statements cover the financial entity Coonabarabran Bowling Club Co-Operative Limited which is a co-operative incorporated and domiciled in Australia.

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

Basis of Preparation

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. The amounts presented in the financial statements have been rounded to the nearest dollar.

1.1. Income tax

The Co-operative is exempt from Income Tax under Section 50.45 of the Income Tax Assessment Act 1997.

1.2. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

1.3. Inventories

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

1.4. Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amount.

An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off when identified.

1.5. Property, plant and equipment

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

The carrying amount of property, 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**COONABARABRAN BOWLING CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.5. Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the co-operative and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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 the asset's useful life to the co-operative commencing from the time the asset is held ready for use.

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

Class of Asset	Depreciation Rate
Poker machines	10%
Leased poker machines	10%
Green improvements	5%-20%
Plant and equipment	5%-27%
Leased plant and equipment	10%
Buildings	2.5%-7%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 or losses are included in the statement of comprehensive income.

1.6. Impairment of assets

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

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the co-operative would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an assets class, the co-operative estimates the recoverable amount of the cash generating unit to which the class of assets belong.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.7. Fair Value of Assets and Liabilities

The co-operative measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the co-operative would receive to sell an asset or would have to pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (that is, the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the co-operative at reporting date (that is, the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar assets are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective notes to the financial statements.

1.8. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements 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 co-operative.

Key estimates – Impairment

The co-operative assesses impairment at each reporting date by evaluating conditions specific to the co-operative that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**COONABARABRAN BOWLING CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.9. Employee benefits

Provision is made for the co-operative's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

1.10. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the co-operative that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

1.11. Revenue

Revenue from the sale of goods or rendering of services is recognised upon the delivery of the goods or services to members and guests.

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

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

1.12. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

1.12. Comparative amounts

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.13. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the co-operative, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term.

1.14. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the co-operative becomes a party to the contractual provisions of 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 transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction in impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest 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) of 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 income or expense item in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.14. Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

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.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking or when they are designated to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management strategy. Such assets are subsequently measured at fair value with changes in value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) 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 co-operative's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities whether there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with changes in such value recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the co-operative 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 immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**COONABARABRAN BOWLING CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.14. Financial Instruments (Continued)

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the co-operative no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability 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 profit or loss.

	2015	2014
	\$	\$
2. REVENUE FROM OPERATIONS		
Sales Revenue		
Bar sales	605,390	545,993
Bistro sales	325,606	328,826
	930,996	874,819
 Other Revenue		
Poker machines	796,393	713,522
ATM commission	10,721	8,835
Bowls	15,083	16,804
Bingo	22,082	23,409
Coffee machine sales	3,682	3,837
Commission	1,478	2,241
Gain on sale of assets	578	-
Grants received	34,000	-
Green fees	684	2,079
Insurance recoveries	4,272	1,554
Interest received	2,002	468
House renovations income	4,889	-
Keno income	49,522	51,218
Market night	29,652	30,376
Member subscriptions	13,489	15,270
Other	4,406	17,502
Poker machine subsidy	17,180	17,180
Poker tournament income	2,745	-
TAB income	15,731	24,895
	1,028,589	929,190
 Total Revenue	 \$1,959,585	 \$1,804,009

**COONABARABRAN BOWLING CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

	2015 \$	2014 \$
3. EXPENDITURE FROM OPERATIONS		
Expenses		
Cost of sales		
Bar	253,737	221,042
Bistro	145,477	134,253
	\$399,243	\$355,295
Employee expenses		
Salary and wages	587,791	597,138
Superannuation	53,539	53,430
Employee leave entitlements	10,992	(1,131)
Workers' compensation insurance	8,815	22,060
Payroll tax	(316)	1,857
Staff amenities	1,850	778
Training	2,655	309
Uniforms	314	2,089
	\$665,640	\$676,530
Depreciation and amortisation of non-current assets		
Buildings	20,808	20,611
Plant and equipment	36,956	39,006
Poker machines	48,786	41,345
Green improvements	270	363
	\$106,820	\$101,325
Borrowing costs	\$17,340	\$21,986
Property, plant and equipment		
Proceeds on disposal	20,500	-
Disposals at cost	(19,922)	-
	\$578	\$-
4. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Cooperative:		
- Auditing services	19,560	17,770
- Other review services	690	8,250
	\$20,250	\$26,020

**COONABARABRAN BOWLING CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

	2015 \$	2014 \$
5. CASH AND CASH EQUIVALENTS		
Orana Mutual – cheque account	44,637	29,134
Orana Mutual - savings account	13,941	12,578
TAB account	8,754	13,662
Keno account	17,120	16,393
Cash on hand	46,964	43,760
	\$131,416	\$115,527
6. TRADE AND OTHER RECEIVABLES		
Trade receivables	5,127	2,464
Other receivables	207	-
	\$5,334	\$2,464

6.1 Provision for impairment of receivable

Current trade receivables are generally on 30 day terms. These receivables are assessed for their recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. There were \$Nil (2014 - \$Nil) impaired receivables at the end of the reporting period.

6.2 Credit risk

The co-operative does not have any material credit risk exposure to any single receivable or group of receivables.

	Gross amount \$	Past due and Impaired \$	Past due but not impaired (days overdue)			Within initial trade terms \$
	\$	\$	31-60 \$	61-90 \$	>90 \$	
2015						
Trade receivables	5,127	-	-	-	-	5,127
Other receivables	207	-	-	-	-	207
Total	5,334	-	-	-	-	5,334
2014						
Trade receivables	2,464	-	-	-	-	2,464
Other receivables	-	-	-	-	-	-
Total	2,464	-	-	-	-	2,464

The above table details the co-operative's trade and other receivable exposure to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as past due when the debt has not been settled within the terms and conditions agreed between the co-operative and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the co-operative. The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

**COONABARABRAN BOWLING CLUB
CO-OPERATIVE LIMITED
ABN 64 383 657 304**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

	2015 \$	2014 \$
7. INVENTORIES		
Bar stock	28,189	17,246
Bistro stock	15,118	15,133
	\$44,307	\$32,379
8. FINANCIAL ASSETS		
Current		
Held to maturity term deposits	\$84,314	\$-
	\$40	\$40
Non-current		
Shares – at cost	\$40	\$40
	\$40	\$40
9. OTHER CURRENT ASSETS		
Prepayments	1,695	849
TAB security deposit	5,000	5,000
	6,695	\$5,849
10. PROPERTY, PLANT AND EQUIPMENT		
Freehold land		
- at cost	18,850	18,850
	18,850	18,850
Buildings		
- at cost	785,723	747,426
Less: accumulated depreciation	(477,275)	(456,467)
	308,448	290,959
Bowling green improvements		
- at cost	62,419	62,419
Less: accumulated depreciation	(62,391)	(62,121)
	28	298
Plant and equipment		
- at cost	533,289	525,087
Less: accumulated depreciation	(366,947)	(329,990)
	166,342	195,097
Poker machines		
- at cost	518,218	459,439
Less: accumulated depreciation	(197,261)	(211,036)
	320,957	248,403
Total Property, Plant and Equipment	\$814,625	\$753,607

**COONABARABRAN BOWLING CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	Buildings	Bowling Greens	Poker Machines	Plant & Equipment	Land	Total
Balance at 31 May 2013	311,570	661	279,048	217,303	18,850	827,432
Additions	-	-	10,700	16,800	-	27,500
Disposals	-	-	-	-	-	-
Depreciation	(20,611)	(363)	(41,345)	(39,006)	-	(101,325)
Balance at 31 May 2014	290,959	298	248,403	195,097	18,850	753,607
Additions	38,297	-	249,548	8,201	-	296,046
Disposals	-	-	(128,208)	-	-	(128,208)
Depreciation	(20,808)	(270)	(48,786)	(36,956)	-	(106,820)
Balance at 31 May 2015	308,448	28	320,957	166,342	18,850	814,625

COONABARABRAN BOWLING CLUB
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)

	2015 \$	2014 \$
11. TRADE AND OTHER PAYABLES		
Current		
Trade payables	60,109	105,659
Accrued expenses	36,271	39,656
Subscriptions received in advance	9,422	8,658
GST liability	(134)	(1,225)
	\$105,668	\$152,748
All payables are expected to be paid within the terms of trade.		
12. FINANCIAL LIABILITIES		
Current		
Bank loan	6,917	28,795
Lease liabilities	26,580	11,094
	\$33,497	\$39,889
Non-Current		
Bank loan secured	200,819	204,071
Lease liabilities	28,952	882
	\$229,771	\$204,953
a. Total current and non-current secured liabilities		
Loan secured – Community Mutual Ltd	\$207,736	\$232,866
b. Total carrying amount of non-current assets pledged as security are:		
First Mortgage		
Freehold land (including greens) and buildings	\$327,326	\$310,107
13. PROVISIONS		
Current		
Annual leave	\$21,435	\$15,193
Non-current		
Annual leave	2,350	1,623
Long service leave	21,002	16,979
	\$23,352	\$18,602

COONABARABRAN BOWLING CLUB
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)

13. PROVISIONS (Continued)

Provision for Employee Benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to these statements.

	2015	2014
	\$	\$

14. NOTES TO THE CASH FLOW STATEMENT

14.1 Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the statement of cash flows equates to:

Cash and cash equivalents	\$131,416	\$115,527
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14.2 Reconciliation of cash flow from operations with operating result

Surplus from operations	194,527	24,112
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Non-cash flows in profit from ordinary activities:

Depreciation	106,820	101,325
Net (gain)/loss on disposal of assets	(578)	-

Changes in assets and liabilities

Increase/(decrease) in provisions	10,992	(22,904)
(Decrease)/increase in payables	(47,080)	(17,934)
(Increase)/decrease in inventories	(11,928)	5,809
(Increase)/decrease in receivables	(2,870)	10,882
(Increase)/decrease in other current assets	(846)	7,148

Cash flow from operations	\$249,037	\$108,438
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14.3 Credit standby arrangements and loan facilities

Overdraft facilities	100,000	100,000
Amount utilised	-	-

Available	\$100,000	\$100,000
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Interest only loan facility	150,000	200,000
Amount utilised	(150,000)	(200,000)

Available	\$-	\$-
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**COONABARABRAN BOWLING CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

	2015 \$	2014 \$
14. NOTES TO THE CASH FLOW STATEMENT (Continued)		
14.3 Credit standby arrangements and loan facilities (Continued)		
Credit card	10,000	10,000
Amount utilised	(8,420)	-
	\$1,580	\$10,000
Available		

The bank overdraft facility is arranged with Community Mutual Ltd with the general terms and conditions being agreed and set annually. Interest rates are variable and subject to adjustment. The facility is due for renewal on an annual basis.

The interest only loan facility is arranged with Community Mutual Ltd and has a current interest rate of 7.3% pa.

15. KEY MANAGEMENT PERSONNEL

The co-operative reviews the remuneration packages of all key management personnel on an annual basis.

Total remuneration received by or due to key management personnel in exchange for services rendered to the club.

	Salary and fees \$	Superannuation \$	Total \$
2015			
Total compensation	132,858	12,478	145,336
2014			
Total compensation	110,594	10,229	120,823
		2015 \$	2014 \$

16. CAPITAL AND LEASING COMMITMENTS

16.1 Finance lease commitments payable

Payable – minimum lease payments		
Not later than 12 months	26,580	12,348
Later than 12 months but not later than 5 years	28,952	882
	55,532	13,230
Minimum lease payments	55,532	13,230
Less: future finance charges	-	(1,254)
	\$55,532	\$11,976
Total lease liability		

The finance leases on poker machines commenced between 2012 and 2015 and have lease periods of three years.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

	2015 \$	2014 \$
16. CAPITAL AND LEASING COMMITMENTS (Continued)		
16.2 Operating lease commitments		
Operating lease commitments contracted for:		
Payable not later than 1 year	30,662	33,268
Later than 12 months but not later than 5 years	22,450	53,122
	\$53,122	\$86,390

Operating leases on plant and equipment items commenced between 2011 and 2012 and have lease periods of between four and five years. The leases are for the hire and maintenance of equipment. Lease commitments may vary depending upon the volume of goods leased or the level of maintenance required.

16.3 Capital expenditure commitments

The co-operative intends to renovation to the kitchen and bistro areas. In May 2015, the co-operative received a grant for \$34,000 from the Office of Liquor, Gaming and Racing to assist in undertaking these renovations.

17. RELATED PARTY TRANSACTIONS

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

18. FINANCIAL INSTRUMENTS

18.1. Financial Risk Management

The co-operative's financial instruments consist mainly of deposits with banks, short and long term borrowings and accounts receivable and payable. The main risks the co-operative is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Credit risk

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount, net of provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The co-operative does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the co-operative.

Credit risk is managed by the co-operative and reviewed regularly by the directors. It arises from exposure to customers as well as through deposits with financial institutions.

Liquidity risk

The co-operative manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)

18. FINANCIAL INSTRUMENTS (Continued)

18.2. Interest Rate Risk

The co-operative'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 weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating interest rate		Fixed interest rate maturing in:				Non-interest bearing		Total carrying amount as per the statement of comprehensive income		Weighted average effective interest rate	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial Instrument												
(i) Financial assets												
Cash at bank	84,452	71,767	-	-	-	-	-	-	84,452	71,767	0.03	0.03
Cash on hand	-	-	-	-	-	-	46,964	43,760	46,964	43,760	-	-
Trade and other receivables	-	-	-	-	-	-	5,334	2,464	5,334	2,464	-	-
Financial assets	-	-	84,314	-	-	-	-	-	84,314	-	2.8	-
Total financial assets	84,415	71,767	84,314	-	-	-	52,298	46,224	221,064	117,991		
(ii) Financial liabilities												
Trade and other payables	-	-	-	-	-	-	105,668	152,748	105,668	152,748	-	-
Lease liability	-	-	26,580	11,094	28,952	882	-	-	55,532	11,976	-	9.8
Bank loan	207,736	232,866	-	-	-	-	-	-	207,736	232,866	7.3	7.3
Total financial liabilities	207,736	232,866	26,580	11,094	28,952	882	105,668	152,748	368,936	397,590		

COONABARABRAN BOWLING CLUB
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)

18. FINANCIAL INSTRUMENTS (Continued)

18.3 Net fair values

The net fair values of financial assets and liabilities approximate the carrying value. No financial assets or financial liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

18.4 Sensitivity Analysis

The co-operative has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

At 31 May 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2015 \$	2014 \$
Change in profit/loss		
Increase in interest rate by 1%	(1,001)	(1,698)
Decrease in interest rate by 1%	1,001	1,698
Change in equity		
Increase in interest rate by 1%	(1,001)	(1,698)
Decrease in interest rate by 1%	1,001	1,698

The sensitivity analysis has been performed on the assumption that all other variables will remain unchanged.

19. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the co-operative. The co-operative has decided not to early adopt any of the new and amended pronouncements. The co-operative's assessment of the new and amended pronouncements that are relevant to the co-operative but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements relevant to the co-operative include:

- Simplifying the classifications of financial assets into those carried at amortised cost and those at fair value;
- Removing the tainting rules associated with held-to-maturity assets;



These Standards are mandatorily applicable for annual reporting periods commencing on or after 1 January 2015.

The change in Standard is not expected to impact on the co-operative.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)

19. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (Continued)

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

This Standard will be applied retrospectively and includes revised requirements for the classification and measurement of financial instruments and revised recognition and derecognition requirements for financial instruments.

The key changes made to the Standard that may affect the co-operative on initial application include certain simplifications to the classification of financial assets and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The change in Standard is not expected to impact the co-operative.

20. EVENTS SUBSEQUENT TO THE END OF THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the co-operative, the results of those operations, or the state of affairs of the co-operative in future financial years.

21. FAIR VALUE MEASUREMENT

The co-operative measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit and loss;
- Available for sale financial assets; and
- Property, plant and equipment.

The co-operative does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined by using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**COONABARABRAN BOWLING CLUB
CO-OPERATIVE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

21. FAIR VALUE MEASUREMENT (Continued)

Valuation techniques

The co-operative selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the co-operative are consistent with one or more of the following valuation approaches.

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the co-operative gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the co-operative's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

2015	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
<i>Non-financial assets</i>					
Freehold land	10	-	-	18,850	18,850
Buildings	10	-	-	308,448	308,448
Bowling green improvements	10	-	-	28	28
Plant and equipment	10	-	166,342	-	166,342
Poker machines	10	-	320,957	-	320,957
Total non-financial assets recognised at fair value		-	487,299	327,326	814,625

**COONABARABRAN BOWLING CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

21. FAIR VALUE MEASUREMENT (Continued)

2014		Level 1	Level 2	Level 3	Total
	Note	\$	\$	\$	\$
Recurring fair value measurements					
<i>Non-financial assets</i>					
Freehold land	10	-	-	18,850	18,850
Buildings	10	-	-	290,959	290,959
Bowling green improvements	10	-	-	298	298
Plant and equipment	10	-	195,097	-	195,097
Poker machines	10	-	248,403	-	248,403
Total non-financial assets recognised at fair value		-	443,500	310,107	753,607

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers).

b) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair value at 31 May 2015 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>			
Poker machines	320,957	Market approach using recent observable market data for similar poker machines; income approach using discounted cash flow methodology	Price per machine; market borrowing rate
Plant and equipment	166,342	Market approach using recent observable market data for similar plant and equipment; income approach using discounted cash flow methodology	Price per plant or equipment; market borrowing rate
	487,299		

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015
(Continued)**

22. SEGMENT REPORTING

The co-operative operates predominantly in one business and geographical segment being the operation of a licensed club in Australia.

23. CO-OPERATIVE DETAILS

The registered office and principal place of business of the co-operative is;

Coonabarabran Bowling Club Co-Operative Limited
Edwards Street
COONABARABRAN NSW 2357

End of the Audited Financial Statements

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

Report on the Financial Statements

We have audited the accompanying financial statements of Coonabarabran Bowling Club Co-operative Limited, which comprises the statement of financial position as at 31 May 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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 Statements

The directors of the Co-operative are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Co-operatives Act 1992 and Co-operation (Accounts and Audit) Regulation 2005. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements 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.

Audit 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. 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 statements are 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Co-operative's preparation and fair presentation of the financial statements 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 Co-operative'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 statements.

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 Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COONABARABRAN BOWLING CLUB CO-OPERATIVE LIMITED
(Continued)**

Audit Opinion

In our opinion,

1.
 - a) The financial statements of Coonabarabran Bowling Club Co-Operative Limited are properly drawn up so as to give a true and fair view of the state of affairs of the Co-operative as at 31 May 2015, and of the statement of financial position and cash flows for the year then ended.
 - b) The financial statements have been prepared in accordance with the Co-operative's Act 1992, Co-operation (Accounts and Audit) Regulation 2005 and with applicable approved accounting standards and other mandatory professional reporting requirements.
2. We have obtained all the information and explanations as required.
3. The Co-operative has kept proper accounting records and other records as required by the Co-operatives Act 1992 and the Co-operation (Accounts and Audit) Regulation 2005.

LUKA GROUP

2 River Street
Dubbo
Dated: 30 July 2015

**JM SHANKS
PARTNER**