



Christies
ACCOUNTANTS & ADVISORS
Established 1946
ABN 93 730 992 913

27 Church St, (P.O. Box 168), Dubbo NSW 2830

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Facsimile 6884 2096 Email admin@christiesaaa.com.au
Website www.christiesaaa.com.au

Partners: David Rich B.Bus, CA, CTA Peter Singh B.Ec, FCA David Chapman B.Bus, CA

26 July 2013

The Members
West Dubbo Bowling Club Limited
82 Whylandra Street
DUBBO NSW 2830

Dear Members,

We advise that we have completed our annual independent audit of your Club for the year ended 31 May 2013.

At the request of your Directors, we have provided the Club with assistance in the preparing the statutory financial report on their behalf. We have also been requested to analyse, and make comments on, the Club's results for the year, which may assist in your interpretation and understanding of the financial report.

Summary of Operating Results

Following last year's reduced net operating profit, the Club has again recorded a lower result, with a net operating profit of \$122,479 this year. The following table sets out a summary of the Club's results over the past seven years.

Year ended 31 May	Total Revenue	Operating Costs	Net Profit
2013	\$4,845,699	\$3,239,725	\$122,479
2012	\$4,927,477	\$3,157,327	\$263,543
2011	\$5,050,895	\$2,998,690	\$442,836
2010	\$4,914,885	\$2,782,888	\$518,480
2009	\$4,802,708	\$2,883,133	\$401,804
2008	\$4,715,366	\$2,975,618	\$233,926
2007	\$4,776,967	\$2,994,357	\$327,195

This table indicates that the Club generally achieved solid revenue growth until 2011. However, since that time, both revenue and net operating profit has fallen away. This outcome emphasises the importance of maintaining a strong rate of growth in revenue as operating costs inevitably rise, so that a healthy bottom line profit can be maintained.

This year's result is the lowest profit for at least ten years. The lower profit outcome can be attributed to a 4% fall off in revenue over the past two years together with an 8% rise in operating costs over the same period. The trading area and operating expenses analyses below expand further on these variations.



Chartered Accountants

Registered Company Auditors
Registered Tax Agents



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Principal Trading Areas

Bar trading turnover has improved by \$28,525 this year following a \$75,824 reduction last year. The gross margin on those sales has been maintained at just below 52%, allowing the flow through of the improved sales turnover. This improvement is attributable to an increased number of bowls tournaments over the past twelve months.

After last year's 4% reduction in poker machine revenue, a further \$86,476 (3%) reduction has been experienced by the Club this year. Fall-offs in poker machine revenue in the Club industry would appear to be commonplace in the current economic climate.

The contribution of poker machine revenue to the Club's overall turnover has now reduced from 56% three years ago to 53% this year. This statistic illustrates two important points relating to current trends. Firstly, there is a real threat to Club revenue posed by likely government legislation relating to mandatory pre-commitment and current economic and social trends. Secondly, it is becoming increasingly important for the Club industry to explore other sources of revenue if individual Clubs are to be able to provide their current level of services to members. As previously mentioned, any threats to this source of income have a clear impact on the Club's overall profitability.

Members should note that the trading statements for each of the main trading areas, as set out in the additional information at the rear of the financial reports, do not include any direct wages costs. These costs are separately categorised under general operating expenses.

Operating Expenses

On top of the reduced total revenue this year, overall operating costs have increased by \$80,386 (2.5%). This is the third successive year of significant increases in operating costs, although this year's increase is lower than that experienced in the previous two years. This year's rise has led to the third successive year of lower profitability.

Whilst the Club's largest cost, employee salaries and wages and related expenses, have been reduced due mainly to the non-replacement of the trainee manager, some other important costs have risen significantly. In particular, Advertising & Promotion, Competition Expenses, Electricity, Entertainment, Insurance, Members Amenities, Consultancy Fees and Rates have all increased.

Balance Sheet Summary

Despite the reduced profitability over recent years, the Club's balance sheet remains strong. Net asset backing is still very sound at more than \$9.5 million and the current ratio has been maintained at 3.3 to 1. This ratio indicates that for every dollar owing in short-term liabilities, \$3.30 is available in cash and other readily realisable assets to meet those short-term liabilities.

The principal component of the Club's assets is, of course, its land, buildings and equipment, which is stated at \$7.82 million. Cash balances and financial assets of nearly \$2 million continues to reflect the investment of surplus trading funds in recent years. This may be a critical factor in future should ongoing challenges to the revenue-earning potential of Clubs continue to affect operating profit.

Cash Flow Statement

Whilst a positive net cash flow of \$258,362 has been achieved this year, it is significantly lower than that achieved in the previous two years. Net operating cash inflows have reduced by \$151,011 and investing cash outflows have increased by \$154,570.

This year the Club has departed from its usual ratio of new capital expenditure to operating cash surplus. Normally, about 35% to 40% of the funds generated from operations are spent on new capital expenditure. However, this year that ratio is 63% simply because of the lower cash flow surplus from operating activities.

Nevertheless, the Club's cash position remains sound with cash reserves now standing at almost \$1.7 million. Four years ago, the Club's cash position stood at approximately \$400,000. This is evidence of a good consolidation policy by management in difficult economic and legislative times for the Club industry.

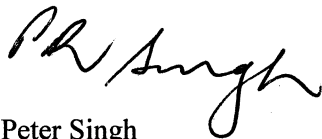
Conclusion

Although still profitable, the Club has only been able to record a relatively modest profit of \$122,479 for the year under review.

As indicated last year, the future will not be easy for the Club industry generally, particularly given the uncertainty surrounding the Government's gambling pre-commitment proposals, as well as current economic uncertainty. This Club's management skills will continue to be an important factor in that regard. The Club has positioned itself well in order to handle these issues, but there will need to be ongoing sharp management action if the Club's previous profitability levels are to be restored.

We wish to thank your Secretary/Manager, Mr Rod Firth, and his staff for their co-operation and assistance throughout the audit period. We look forward to continuing our association with your Club in the future.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Peter Singh', written in a cursive style.

Peter Singh
Partner

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY, 2013

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WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31st May, 2013.

Directors

The names of the directors in office during the year and at the date of this report are listed below together with additional information on directors and details of directors' meetings attended.

Name	Occupation and Qualifications	Experience/ Responsibilities Committees	Number of Meetings Eligible To Attend	Directors Meetings Attended
Gregory Glenn Morrison	Retired	Director 5 years Chairman Finance, Building & Disciplinary Committees	14	11
Bruce Lesley Baker	Plant Manager	Director 15 years Vice Chairman Finance, Building & Disciplinary Committees	14	13
Alan William Biles	Retired	Director 17 years Vice Chairman Finance, Building, Investigation & Disciplinary Committees	14	13
Allan Winston Johnston	Salesman	Director 34 years Treasurer Finance & Building Committees	14	9
Craig Edward Biles	Justice Officer	Director 4 years	14	8
Craig John Gale	Insurance Broker	Director 8 years Disciplinary Committee	14	13
Kevin Grant Gilholme (Appointed 20 August 2012)	Retired	Director 1 year Investigation Committee	14	13
Phillip James Knight (Resigned 20 August 2012)	Retired	Director 4 years Investigation Committee	-	-
Matthew Mark Thompson	Electrician	Director 4 years	14	6
Paul Kevin Hagarty	Property Valuer	Director 10 years Building Committee	14	11

Principal Activities

The principal activities of the company during the year were to provide members and their guests with sporting and other facilities associated with a registered and licensed bowling club. There was no significant change in the nature of the company's activities during the year.

Operating Results

The profit of the company for the financial year after income tax expense was \$122,479 (2012: \$265,555).

Review of Operations

Total revenue was 1.7% lower this year, following last year's reduction of 2.4% from the record prior year. General operating costs increased by 2.5% this year, resulting in a lower net profit.

Significant Changes

No significant changes in the state of affairs of the company occurred during the financial year.

Events Subsequent to Balance 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 company, the results of those operations, or the state of the company in future financial years.

Future Developments

Likely developments in the operations of the company and the expected results of those 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 company.

Environmental Regulations

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

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian Equivalents to International Financial Reporting Standards (AEIFRS), the company's financial report has been prepared in accordance with those standards.

Indemnifying Officers

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 company, apart from premiums paid to insure all 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 officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The total amount of the premium was \$1,890.

Proceedings on Behalf of the Company

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

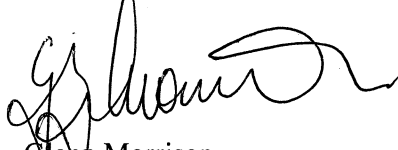
Dividends

In accordance with the Constitution, the company is a public company limited by guarantee and not having share capital, does not pay dividends.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

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



Glenn Morrison
Director

Dated this 26th day of July 2013



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Established 1946
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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WEST DUBBO BOWLING CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31st May 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated this 26th day of July 2013

27 Church Street,
DUBBO N.S.W.


CHRISTIES ACCOUNTANTS & ADVISORS
David J. Rich
Partner



Chartered Accountants

Registered Company Auditors
Registered Tax Agents



Liability limited by a scheme approved
under Professional Standards Legislation

WEST DUBBO BOWLING CLUB LIMITED**ABN 39 001 030 584****INCOME STATEMENT
FOR THE YEAR ENDED 31ST MAY, 2013**

	Note	2013 \$	2012 \$
Sales revenue	2	4,123,343	4,183,160
Cost of sales		<u>(1,292,691)</u>	<u>(1,309,466)</u>
Gross profit		2,830,652	2,873,694
Other revenue	2	722,356	744,317
Employee benefits expense		(1,263,774)	(1,318,639)
Depreciation and amortisation	3	(493,806)	(509,345)
Other expenses		<u>(1,672,949)</u>	<u>(1,524,472)</u>
Profit before income tax		122,479	265,555
Income tax expense	1(f)	<u>-</u>	<u>-</u>
Profit after income tax		<u>122,479</u>	<u>265,555</u>

The accompanying notes form part of these financial statements.

WEST DUBBO BOWLING CLUB LIMITED**ABN 39 001 030 584****BALANCE SHEET
AS AT 31ST MAY, 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,697,120	1,438,758
Trade and other receivables	7	604	331
Financial assets	8	228,902	197,365
Inventories	9	91,509	109,202
Other current assets	10	72,686	54,608
TOTAL CURRENT ASSETS		2,090,821	1,800,264
NON-CURRENT ASSETS			
Property, plant and equipment	11	7,820,682	7,867,532
Intangible assets	12	357,373	357,373
TOTAL NON-CURRENT ASSETS		8,178,055	8,224,905
TOTAL ASSETS		10,268,876	10,025,169
CURRENT LIABILITIES			
Trade and other payables	13	397,121	308,933
Short term provisions	14	237,246	240,564
TOTAL CURRENT LIABILITIES		634,367	549,497
NON-CURRENT LIABILITIES			
Long term provisions	14	106,481	87,682
TOTAL NON-CURRENT LIABILITIES		106,481	87,682
TOTAL LIABILITIES		740,848	637,179
NET ASSETS		9,528,028	9,387,990
EQUITY			
	20		
Retained earnings		9,505,592	9,383,113
Financial assets reserve		22,436	4,877
TOTAL EQUITY		9,528,028	9,387,990

The accompanying notes form part of these financial statements.

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MAY, 2013**

	Retained Earnings	Financial Assets Reserve	TOTAL
	\$	\$	\$
Balance at 31 May 2011	<u>9,117,558</u>	<u>11,801</u>	<u>9,129,359</u>
Profit attributable to members	265,555	-	265,555
Revaluation increment (decrement)	-	(6,924)	(6,924)
Balance at 31 May 2012	<u>9,383,113</u>	<u>4,877</u>	<u>9,387,990</u>
Profit attributable to members	122,479	-	122,479
Revaluation increment (decrement)	-	17,559	17,559
Balance at 31 May 2013	<u>9,505,592</u>	<u>22,436</u>	<u>9,528,028</u>

The accompanying notes form part of these financial statements.

WEST DUBBO BOWLING CLUB LIMITED**ABN 39 001 030 584****CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY, 2013**

	Note	Inflows/(Outflows)	
		2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and guests		5,106,583	5,204,559
Payments to suppliers and employees		(4,602,426)	(4,538,775)
Interest received		41,507	42,803
Rent received		168,350	156,680
Trust distributions received		<u>8,796</u>	<u>8,014</u>
Net cash provided by operating activities	17	<u>722,810</u>	<u>873,821</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for available-for-sale investments		(15,996)	(15,214)
(Payment for) redemption of held-to-maturity investments		2,018	9,210
Payments for property, plant and equipment		(452,220)	(324,601)
Proceeds from disposal of plant and equipment		<u>1,750</u>	<u>20,727</u>
Net cash used in investing activities		<u>(464,448)</u>	<u>(309,878)</u>
Net increase in cash held		258,362	563,403
Cash at the beginning of the year		<u>1,458,758</u>	<u>875,355</u>
Cash at the end of the year	6	<u><u>1,697,120</u></u>	<u><u>1,438,758</u></u>

The accompanying notes form part of these financial statements.

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the individual entity of West Dubbo Bowling Club Limited, which is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

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

Australian Accounting Standards set accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of the financial report are presented below. They have been consistently applied, unless otherwise stated.

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

Management have classified the company as a not-for-profit entity, as defined under Australian Equivalents to International Financial Reporting Standards (AEIFRS). Where applicable the company has adopted the requirements of AEIFRS that relate specifically to not-for-profit entities. As a result the financial report, whilst complying with AEIFRS, will not comply with International Financial Reporting Standards (IFRS) since the not-for-profit policies under AEIFRS are not contained within IFRS.

Accounting Policies

(a) 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 depreciated replacement cost of the asset in accordance with the provisions for not-for-profit entities contained in AEIFRS.

The depreciable amounts of all fixed assets, excluding freehold land, are depreciated on either a straight line or diminishing value basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	10% to 25%

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(a) Property, Plant and Equipment (cont)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost, in accordance with the provisions for not for profit entities contained in AASB 102: Inventories. Miscellaneous consumable stores on hand have been brought to account at directors' reasonable valuation.

(c) Financial Instruments

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

Available-for-sale financial assets

Units in unlisted public trusts are classified in this category. These financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held to maturity investment held by the company is stated at amortised cost using the effective interest rate method.

Fair Value

Fair value is determined based on current withdrawal prices for all quoted investments.

Impairment

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

(d) 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 company, are classified as finance leases.

Finance leases are capitalised by recording 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.

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely the company will obtain ownership of the asset, or over the term of the lease.

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

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are 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.

(f) Income Tax

Under current income tax law, clubs established for the promotion and encouragement of the game of bowls are exempt from income tax, providing this is their predominant purpose. The company's exempt status was confirmed in writing by the Australian Taxation Office in 1989. The directors have reviewed the current status of the company and believe it still satisfies the conditions for income tax exemption. Accordingly, no provision for income tax is made in the financial report. Likewise, no deferred tax assets or liabilities have been recognised in the balance sheet.

(g) Cash and Cash Equivalents

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

(h) Revenue

Revenue from the sale of goods or the rendering of services is recognised upon delivery of goods or services to customers. 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 any goods and services tax (GST).

(i) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Comparative Figures (cont.)

Key estimates – Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

(j) Goods and Services Tax (GST)

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

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

(k) Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchases of goods and services.

(l) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for impairment.

(m) Intangibles

Intangibles consist of poker machine entitlements. Poker machine entitlements are considered to have an indefinite useful life and as a consequence no amortisation has been charged. Poker machine entitlements are tested annually for impairment and are carried at cost less accumulated impairment losses.

(n) Impairment of Assets

At each reporting date, the company 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 depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite useful lives. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

WEST DUBBO BOWLING CLUB LIMITED**ABN 39 001 030 584****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

	Note	2013 \$	2012 \$
<hr/>			
2. REVENUE			
Sales Revenue			
- bar trading		1,505,828	1,477,303
- poker machine		2,571,370	2,657,847
- bowls shop		46,145	48,010
		<hr/>	<hr/>
		4,123,343	4,183,160
Other Revenue			
- competitions		241,196	244,286
- membership subscriptions		25,184	32,568
- commissions		174,349	182,201
- rent received		168,350	156,680
- interest received from other persons		41,669	42,803
- public trust distributions		8,796	8,014
- sundry revenue		62,812	77,765
		<hr/>	<hr/>
		722,356	744,317
Total revenue		<hr/>	<hr/>
		4,845,699	4,927,477
		<hr/>	<hr/>
3. PROFIT BEFORE INCOME TAX			
Expenses			
Cost of sales		1,292,699	1,309,466
		<hr/>	<hr/>
Depreciation of non-current assets			
- buildings		177,951	175,847
- plant and equipment		315,855	33,498
		<hr/>	<hr/>
Total depreciation		493,806	509,345
		<hr/>	<hr/>
Loss/(Gain) on disposal of property, plant and equipment		17,502	17,519
		<hr/>	<hr/>

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

4. KEY MANAGEMENT PERSONNEL COMPENSATION

	Short Term Benefits				Long Term Benefits	Total
	Salary & Fees \$	Superannuation Contribution \$	Bonus \$	Non Cash Benefits \$	Long Service Leave \$	
2013 Total Compensation	86,048	9,395	-	22,092	-	117,535
2012 Total Compensation	79,170	15,631	-	22,092	-	116,893

Note	2013 \$	2012 \$
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5. AUDITOR'S REMUNERATION

Remuneration of the auditor for:

- audit services	13,000	12,500
- other services	8,320	8,418
	<u>21,320</u>	<u>20,918</u>
	=====	=====

6. CASH AND CASH EQUIVALENTS

Cash on hand	100,000	100,000
Cash at bank -		
Current account	199,460	192,947
TAB account	26,444	17,490
Card-It account	44	-
Diggers Bowling Club account	4,908	6,030
Junior Bowlers	2,830	-
Max-I Direct accounts	1,363,434	1,122,291
	<u>1,697,120</u>	<u>1,428,758</u>
	=====	=====

7. TRADE AND OTHER RECEIVABLES

Sundry debtors	1,254	581
Provision for impairment of receivables	(650)	(250)
	<u>4</u>	<u>331</u>
	=====	=====

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

	Note	2013 \$	2012 \$
8. FINANCIAL ASSETS			
Available for sale financial assets	8(a)	218,166	184,611
Held to maturity financial assets	8(b)	10,736	12,754
		228,902	197,365
		228,902	197,365
<i>(a) Available for sale financial assets comprise</i>			
Unlisted investments, at fair value			
- units in managed funds		218,166	184,611
		218,166	184,611
		218,166	184,611
<p>Available for sale financial assets comprise investments in the ordinary issued units of various managed funds. There are no fixed returns or fixed maturity dates attached to these investments.</p>			
<i>(b) Held to maturity financial assets comprise</i>			
Fixed interest term deposits – Diggers Bowling Club		10,736	12,754
		10,736	12,754
		10,736	12,754
9. INVENTORIES			
Trading stocks - at cost		91,509	103,282
Consumable stores - at directors valuation		-	5,920
		91,509	109,202
		91,509	109,202
10. OTHER ASSETS			
<i>Current assets</i>			
Prepayments		21,326	19,226
Accrued income		19,880	11,642
Other current assets		31,480	23,740
		72,686	54,608
		72,686	54,608

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2013

	Note	2013 \$	2012 \$
11. PROPERTY, PLANT AND EQUIPMENT			
Freehold land - at cost		580,000	580,000
Buildings - at cost		7,626,675	7,455,543
Accumulated depreciation		(2,237,769)	(2,509,818)
		<u>5,388,906</u>	<u>5,395,725</u>
Plant & equipment - at cost		5,310,668	5,142,419
Accumulated depreciation		(3,458,892)	(3,250,612)
		<u>1,851,776</u>	<u>1,891,807</u>
		<u>7,820,682</u>	<u>7,867,532</u>

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.

	Land \$	Buildings \$	Plant & Equipment \$	Total \$
Balance at beginning of the year	580,000	5,395,725	1,891,807	7,867,532
Additions	-	171,132	295,076	466,208
Disposals	-	-	(19,252)	(19,252)
Depreciation Expense	-	(177,951)	(315,855)	(493,806)
Carrying amount at the end of the year	<u>580,000</u>	<u>5,388,906</u>	<u>1,851,776</u>	<u>7,820,682</u>

	Note	2013 \$	2012 \$
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12. INTANGIBLE ASSETS

Poker machine entitlements – at cost	357,373	357,373
--------------------------------------	---------	---------

In 2005-6 the entity was granted 10 poker machine entitlements by the Liquor Administration Board. A further 6 entitlements were granted in 2009. The costs associated with acquiring these entitlements have been capitalised, since the directors are of the belief that such entitlements will provide future economic benefits to the company. Poker machine entitlements are considered to have an indefinite useful life. As a consequence no amortisation has been charged. During the year ended 31st May, 2013 the directors determined that there was no impairment of these entitlements. In determining the recoverable amount of such assets the entity used their value in use, based on future cash flows expected to be generated.

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

	Note	2013 \$	2012 \$
<hr/>			
13. TRADE AND OTHER PAYABLES			
<i>Unsecured liabilities</i>			
Accrued expenses		180,022	160,534
Trade creditors		163,586	115,195
Other creditors		30,429	32,495
Unearned income		9,096	709
		<hr/>	<hr/>
		383,133	308,933
<i>Secured liabilities</i>			
Capital creditor		13,988	-
		<hr/>	<hr/>
		397,121	308,933
		<hr/> <hr/>	<hr/> <hr/>

14. PROVISIONS

	Employee Entitlements \$	Total \$
Opening Balance at 31 May 2012	328,246	328,246
Additional provisions raised during year	15,481	15,481
Balance at 31 May 2013	<hr/>	<hr/>
	343,727	343,727
	<hr/>	<hr/>

	Note	2013 \$	2012 \$
<hr/>			
Analysis of Provisions			
Current		237,246	240,564
Non-current		106,481	87,682
		<hr/>	<hr/>
		343,727	328,246
		<hr/> <hr/>	<hr/> <hr/>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. 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 upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

WEST DUBBO BOWLING CLUB LIMITED**ABN 39 001 030 584****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

	Note	2013 \$	2012 \$
<hr/>			
15. CAPITAL COMMITMENTS			
Capital expenditure commitments not shown in the financial report but at year end the estimated remaining cost:			
Gaming system and equipment		144,478	-
		=====	=====
16. CONTINGENT LIABILITIES			
Estimates of the potential financial effect of contingent liabilities that may become payable:			
The company's bankers have provided an unsecured performance guarantee in favour of TAB Limited in relation to the company's gaming activities.		5,000	5,000
		=====	=====
17. CASH FLOW INFORMATION			
(a) Reconciliation of cash flow from operations with profit after income tax -			
Profit after income tax		122,479	265,555
Non-cash flows in profit -			
Depreciation		493,806	509,345
Net loss/(gain) on disposal of plant & equipment		17,502	17,519
Changes in assets and liabilities -			
(Increase) Decrease in trade receivables		(273)	4,699
(Increase) Decrease in inventories		17,693	(3,417)
(Increase) Decrease in other assets		(18,078)	(8,222)
Increase (Decrease) in trade payables and accruals		74,200	35,716
Increase (Decrease) in provisions		15,481	52,086
		=====	=====
Net cash flows from operating activities		722,810	873,281
		=====	=====

(b) Loan Facilities

The company has closed its previous bank loan facility which amounted to \$1,124,000. The bank still holds security documents over the company's property at 78 and 82 Whylandra Street, Dubbo, and a mortgage debenture over all the assets of the company. These documents are retained with the bank for convenience and for possible future use.

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2013

	Note	2013 \$	2012 \$
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18. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The company does not have any derivative instruments at 31st May 2013.

The main risks the group is exposed to through its financial instruments are interest rate risk (Note 18b), credit risk (Note 18c) and liquidity risk. Liquidity risk is managed by monitoring cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(b) Interest Rate Risk

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

2013	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing		Non- interest Bearing	Total
			Within 1 Year	Within 1 to 5 Years		
Financial Assets	%	\$	\$	\$	\$	\$
Cash and cash equivalents	2.3	1,597,120	-	-	100,000	1,697,120
Receivables	-	-	-	-	4	4
Other Financial Assets	4.2	-	10,736	-	-	10,736
Total Financial Assets		1,597,120	10,736	-	100.004	1,707,860
Financial Liabilities						
Trade and other payables	-	-	-	-	397,121	397,121
Total Financial Liabilities		-	-	-	397,121	397,121
2012	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing		Non- interest Bearing	Total
			Within 1 Year	Within 1 to 5 Years		
Financial Assets	%	\$	\$	\$	\$	\$
Cash and cash equivalents	3.6	1,338,759	-	-	100,000	1,438,759
Receivables	-	-	-	-	331	331
Other Financial Assets	5.6	-	12,754	-	-	12,754
Total Financial Assets		1,338,759	12,754	-	100,000	1,451,844
Financial Liabilities						
Trade and other payables	-	-	-	-	308,933	308,933
Total Financial Liabilities		-	-	-	308,933	308,933

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2013**

	Note	2013 \$	2012 \$
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18. FINANCIAL INSTRUMENTS (cont)

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment, as disclosed in the balance sheet and the notes to the financial statements. The company does not have any material credit risk exposure to any single receivable under financial instruments entered into by the company.

(d) Net Fair Values

The net fair values of financial assets and liabilities approximate their 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 liabilities are disclosed in the balance sheet and notes to the financial statements.

19. RELATED PARTY TRANSACTIONS

Any transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

20. MEMBERS' GUARANTEE

The company is limited by guarantee and accordingly does not have a share capital. If the company is wound up, the Memorandum of Association states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the company. If any property remains upon winding up it cannot be distributed to members, but must be transferred to another organisation with similar objects. The distribution of profits to members is prohibited under the Memorandum of Association. At 31st May, 2013, the number of members was 4,227 (2012: 3,502).

21. COMPANY DETAILS

The registered office and principal place of business is:

West Dubbo Bowling Club Limited
82 Whylandra Street
Dubbo, NSW, 2830

WEST DUBBO BOWLING CLUB LIMITED

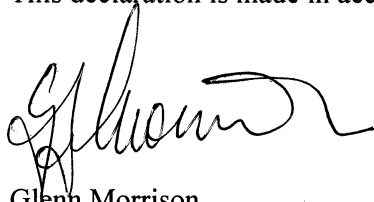
ABN 39 001 030 584

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on the preceding pages, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31st May, 2013 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read 'Glenn Morrison', is written over the printed name and title.

Glenn Morrison
Director

Dated this 26th day of July 2013

(End of the Audited Financial Statements)



Christies
ACCOUNTANTS & ADVISORS
Established 1946
ABN 93 730 992 913

27 Church St, (P.O. Box 168), Dubbo NSW 2830

Dubbo 6882 3633 Narromine 6889 1023 Trangie 6888 8203
Facsimile 6884 2096 Email admin@christiesaaa.com.au
Website www.christiesaaa.com.au

Partners: David Rich B.Bus, CA, CTA Peter Singh B.Ec, FCA David Chapman B.Bus, CA

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

WEST DUBBO BOWLING CLUB LIMITED

Report on the Financial Report

We have audited the accompanying financial report of West Dubbo Bowling Club Limited (the company), which comprises the balance sheet as at 31 May 2013 and the income statement, statement of recognised income and expenditure 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 company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of West Dubbo Bowling Club Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.



Chartered Accountants

Registered Company Auditors
Registered Tax Agents



Liability limited by a scheme approved
under Professional Standards Legislation

Auditor's Opinion

In our opinion, the financial report of West Dubbo Bowling Club Limited is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 31st May, 2013 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

Dated this 26th day of July 2013

27 Church Street
DUBBO NSW



CHRISTIES ACCOUNTANTS & ADVISORS
David J. Rich
Partner



Christies
ACCOUNTANTS & ADVISORS
Established 1946
ABN 93 730 992 913

27 Church St, (P.O. Box 168), Dubbo NSW 2830

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Website www.christiesaaa.com.au

Partners: David Rich B.Bus, CA, CTA Peter Singh B.Ec, FCA David Chapman B.Bus, CA

WEST DUBBO BOWLING CLUB LIMITED

ABN 39 001 030 584

COMPILATION REPORT

We have compiled the accompanying special purpose financial report of West Dubbo Bowling Club Limited comprising a Detailed Profit and Loss Statement and Trading Statements for the year ended 31st May, 2013.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the directors.

On the basis of information provided by the directors we have compiled the accompanying special purpose financial report in accordance with the basis of accounting and APES 315 'Compilation of Financial Information'.

Our procedures use accounting expertise to collect, classify and summarise the financial information provided in the company's financial records. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the report.

Dated this 26th day of July 2013

27 Church Street
Dubbo NSW 2830

CHRISTIES ACCOUNTANTS & ADVISORS
Peter R Singh
Partner



Chartered Accountants

Registered Company Auditors
Registered Tax Agents



Liability limited by a scheme approved
under Professional Standards Legislation

WEST DUBBO BOWLING CLUB LIMITED
ABN 39 001 030 584

DETAILED PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31ST MAY 2013

	2013 \$	2012 \$
INCOME		
Bar Trading - Gross Profit	781,100.98	755,378.00
Poker Machines Trading - Gross Profit	1,856,259.00	1,915,504.80
Bowls Shop Trading - Gross Profit	2,487.23	7,681.50
Bowls Entry Fees	322.04	575.45
Commissions Received	174,349.14	182,201.46
Competitions	241,196.41	244,285.99
Donations & Sponsorship Received	16,036.18	5,697.86
Hire of Equipment	4,818.20	5,667.27
Insurance Claims	-	1,453.90
Interest Received	41,669.24	42,802.79
Members Subscriptions	25,183.64	32,568.21
Nomination Fees	14,596.84	15,927.23
Public Trust Distributions - Westpac Managed Funds	8,796.37	8,014.46
Rental Received - Motel	109,999.89	99,999.96
Rental Received - 69 Stonehaven Avenue	14,400.00	15,300.00
Rental Received - 80 Whylandra Street	12,750.00	12,780.00
Rental Received - Contract Caterers	31,200.00	28,600.00
Sundry Income	26,280.69	47,180.00
Telephone Refunds	758.28	1,263.25
TOTAL INCOME	3,362,204.13	3,422,882.13

EXPENSES

Advertising & Promotion	88,508.87	77,596.67
Affiliation Fees	16,643.20	9,818.25
Bank Charges	4,492.54	3,521.19
Banking Discrepancies	(2,427.51)	(2,195.38)
Competition Expenses	305,861.53	273,234.85
Computer Services	17,002.81	7,915.14
Depreciation -		
Buildings	155,223.04	153,119.90
Motel Buildings	22,727.52	22,727.52
Plant & Equipment	114,792.60	117,277.89
Motel Plant & Equipment	3,577.14	4,208.40
Furniture & Fittings	22,249.25	23,546.04
Directors Expenses	17,671.37	18,831.83
Donations & Presentations	29,955.22	24,487.82
Electricity, Gas & Heating	204,186.83	192,307.24
Entertainment	51,373.40	41,773.47
Floral Tributes	745.42	746.37
Fringe Benefits Tax	5,900.00	5,900.40

WEST DUBBO BOWLING CLUB LIMITED
ABN 39 001 030 584

DETAILED PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31ST MAY 2013

	2013 \$	2012 \$
EXPENSES (continued)		
Honoraria - Women Bowlers	4,796.00	4,360.00
Insurance	67,238.73	60,202.87
Keno Expenses	8,947.93	9,556.23
Land Tax	442.00	431.00
Licences	6,216.49	3,751.14
Loss on Disposal of Plant & Equipment	1,933.94	10,855.44
Members Amenities	196,703.36	186,763.95
Members - Taxi Vouchers	47,773.79	50,927.91
Motor Car Expenses	19,062.62	19,284.57
Nomination Fees	1,495.45	(2,301.83)
Payroll Tax	27,958.27	30,190.45
Postage Printing & Stationery	44,830.60	45,294.69
Professional Fees -		
Accountancy & Audit	21,320.00	20,917.50
Consultancy	20,952.85	-
Legal	2,603.25	-
Valuation	3,000.00	-
Provision for Employee Benefits	15,481.00	52,086.00
Rates	51,899.02	38,697.37
Rental - Austar & Sky Channel	49,413.11	47,677.64
Repairs & Maintenance -		
General	166,514.67	170,133.11
Greens	32,160.43	34,517.34
Kitchenware	3,173.09	4,145.00
Motel	1,377.02	3,159.55
Stonehaven Avenue House	5,335.32	3,580.91
Whylandra Street House	1,032.50	1,867.39
Security Costs	15,174.74	11,516.69
Staff Expenses & Uniforms	58,679.06	53,580.85
Subscriptions	17,321.95	15,382.64
Sundry Expenses	6,381.93	3,683.07
Staff Superannuation	101,792.86	81,102.63
TAB Expenses	9,081.24	8,358.05
Telephone	16,799.50	15,989.87
Travelling & Conference Expenses	12,562.50	16,778.04
Trophies & Prizes	59,865.20	54,050.49
Wages & Salaries	1,081,921.49	1,125,968.78
TOTAL EXPENSES	3,239,725.14	3,159,338.94
NET OPERATING PROFIT	122,478.99	263,543.19

WEST DUBBO BOWLING CLUB LIMITED
ABN 39 001 030 584

TRADING STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2013

	2013 \$	2012 \$
BAR TRADING		
Sales	1,505,828.04	1,477,303.20
Less: Cost of Sales -		
Opening Stock	64,663.18	66,398.69
Purchases	714,580.93	720,189.69
	779,244.11	786,588.38
Less: Closing Stock	54,517.05	64,663.18
	724,727.06	721,925.20
GROSS PROFIT	781,100.98	755,378.00
Gross Profit Margin	51.9%	51.1%
POKER MACHINES TRADING		
Income -		
Takings Less Payouts	2,571,370.38	2,657,846.64
Less: Direct Expenses -		
Depreciation	175,236.95	188,466.41
Promotions	31,063.36	29,678.26
Repairs & Maintenance	82,865.57	84,627.19
State Government Duty	410,377.64	432,906.72
Net Loss on Disposal of Equipment	15,567.86	6,663.26
	715,111.38	742,341.84
GROSS PROFIT	1,856,259.00	1,915,504.80
Gross Profit Margin	72.2%	72.1%
BOWLS SHOP TRADING		
Sales	46,144.76	48,010.15
Less: Cost of Sales -		
Opening Stock	38,618.50	27,546.26
Purchases	42,031.14	51,400.89
	80,649.64	78,947.15
Less: Closing Stock	36,992.11	38,618.50
	43,657.53	40,328.65
GROSS PROFIT	2,487.23	7,681.50
Gross Profit Margin	5.4%	16.0%

WEST DUBBO BOWLING CLUB LIMITED

Core and Non Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 31st May, 2013:

- (a) the following properties are core property of the Club;
 - (i) Clubhouse Building, Greenkeepers Buildings, Bowling Greens and Car Park - 82 Whylandra Street, Dubbo – West Dubbo Bowling Club Limited
 - (ii) House Property - Land & Building - 80 Whylandra Street, Dubbo
 - (iii) All Seasons Motor Lodge – Land & Building - 78 Whylandra Street, Dubbo
 - (iv) House Property – Land & Building – 69 Stonehaven Ave, Dubbo
- (b) the following properties are non-core property of the Club;
 - (i) Nil

Notes to Members

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) the defined premises of the Club; or
 - (b) any facility provided by the Club for use of its members and their guests; or
 - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to;
 - Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
 - Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.
6. The requirement to specify core property and non core property in the Annual Report of the Club came into effect on 21 December, 2007.